



Board of Trustees Meeting Schedule
Tuesday and Wednesday, April 18-19, 2017

Unless noticed otherwise, all meetings are in the McCormick Room on the fourth floor. Committee and board meeting times are tentative. Meetings may begin up to 45 minutes earlier than the times listed if a committee meeting concludes its business before the end of its allotted time slot. In addition to the board or committee members attending in person, some members may participate by telephone.

Tuesday, April 18, 2017

- 3:30 PM Audit Committee, Bob Hoffman, Chair
1. **Minutes of March 22, 2017**
 2. Fiscal Year 2017 Audit Plan Update
 3. Federal Single Audit
- 4:00 PM Human Resources Committee, Dawn Erlandson, Chair
Closed session pursuant to Minnesota Statutes § 13D.03, (2016)
(Minnesota Open Meeting Law) on Labor Negotiations Strategy
1. Inter Faculty Organization
 2. Minnesota State College Faculty
 3. Administrative and Service Faculty
- 5:30 PM Dinner (social event, not a meeting)

Wednesday, April 19, 2017

- 9:00 AM Finance and Facilities Committee, Jay Cowles, Chair
1. **Minutes of March 23, 2017**
 2. **Proposed Amendment to Policy 6.7 Real Estate Transactions (Second Reading)**
 3. **Surplus and Sale of Real Estate and Improvements, Minneapolis Community and Technical College Surplus**
 4. **Approval of Contract Exceeding \$1 Million**
 - a. **Facilities Use Agreement, Anoka Technical College**
 - b. **Construction Contract, St. Cloud Technical and Community College**
 - c. **St. Cloud State University, Athletics Multi-media Rights Program**
- 10:00 AM Board of Trustees, Michael Vekich, Chair
- 11:00 AM Meeting Ends

11:30 AM Board of Trustees Awards for Excellence in Teaching
Luncheon
Saint Paul Hotel
275 Market St.
St. Paul

Bolded items indicate action is required



Policy Committees
March 8, 2017

Executive Committee

Michael Vekich, Chair
Jay Cowles, Treasurer
Elise Bourdeau
Alexander Cirillo
Dawn Erlandson
Robert Hoffman

Diversity, Equity and Inclusion Committee

Ann Anaya, Chair
Rudy Rodriguez, Vice Chair
Basil Ajuo
George Soule
Louise Sundin
Cheryl Tefer

Academic and Student Affairs Committee

Alexander Cirillo, Chair
Louise Sundin, Vice Chair
Dawn Erlandson
Amanda Fredlund
Jerry Janezich
Roger Moe
Cheryl Tefer

Finance and Facilities Committee

Jay Cowles, Chair
Elise Bourdeau, Vice Chair
Basil Ajuo
Ann Anaya
Robert Hoffman
Jerry Janezich
Roger Moe

Audit Committee

Robert Hoffman, Chair
Ann Anaya, Vice Chair
Jay Cowles
Amanda Fredlund
George Soule

Human Resources Committee

Dawn Erlandson, Chair
Elise Bourdeau, Vice Chair
Alexander Cirillo
Robert Hoffman
Rudy Rodriguez
George Soule



**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

INFORMATION

Approved FY2017 AND 2018 Meeting Calendar

BACKGROUND

The Board of Trustees approved the FY2017 and 2018 Meeting Calendar on June 22, 2016. Dates for the Executive Committee meetings in FY18 will be added later. The calendar is subject to change with the approval of the board chair.

Approved FY2017 Meeting Dates

Meeting	Date	If agendas require less time, these dates will be cancelled.
Added: Special Audit Committee and Board Meeting	July 8, 2016	
Added: Executive Committee	July 14, 2016	
Added: Executive Committee	August 11, 2016	
Cancelled: Executive Committee	September 7, 2016	
Board Retreat and Meeting	September 20-21, 2016	
Cancelled: Executive Committee	October 5, 2016	
Committee / Board Meetings	October 18-19, 2016	October 18, 2016
Cancelled: Executive Committee	November 2, 2016	
Committee / Board Meetings	November 15-16, 2016	November 15, 2016
Added: Executive Committee	December 2, 2016	
Cancelled: Executive Committee	January 11, 2017	
Committee / Board Meetings	January 24-25, 2017	January 24, 2017
Added: Board Meetings	February 7, 8, and 9, 2017	
Executive Committee	March 8, 2017	
Committee / Board Meetings	March 21-22, 2017	March 21, 2017
Executive Committee	April 5, 2017	
Committee / Board Meetings Awards for Excellence in Teaching	April 18-19, 2017	
Executive Committee	May 3, 2017	
Committee / Board Meetings	May 16-17, 2017	May 16, 2017
Executive Committee	June 7, 2017	
Committee / Annual Board Meetings	June 20-21, 2017	June 20, 2017

Approved FY2018 Meeting Dates

Meeting	Date	If agendas require less time, these dates will be cancelled.
Orientation and Board Retreat	September 19-20, 2017	
Executive Committee	October 4, 2017	
Committee / Board Meetings	October 17-18, 2017	October 17, 2017
Executive Committee	November 1, 2017	
Committee / Board Meetings	November 14-15, 2017	November 14, 2017
Executive Committee	January 10, 2018	
Committee / Board Meetings	January 23-24, 2018	January 23, 2018
Executive Committee	March 7, 2018	
Committee / Board Meetings	March 20-21, 2018	March 20, 2018

Executive Committee	April 4, 2018	
Committee / Board Meetings Awards for Excellence in Teaching	April 17-18, 2018	
Executive Committee	May 2, 2018	
Committee / Board Meetings	May 15-16, 2018	May 15, 2018
Executive Committee	June 6, 2018	
Committee / Annual Board Meetings	June 19-20, 2018	June 19, 2018

National Higher Education Conferences for Trustees

Association of Community College Trustees

Leadership Congress:

- Sept. 25-28, 2017, Leadership Congress, Las Vegas, NV
- Oct. 24-27, 2018, Leadership Congress, New York, NY
- Oct. 16-19, 2019, Leadership Congress, San Francisco, CA

National Legislative Summit:

- Feb. 6-9, 2017, Washington, D.C.
- Feb. 11-14, 2018, Washington, D.C.
- Feb. 10-13, 2019, Washington, D.C.

Association of Governing Boards of Universities and Colleges

- National Conference on Trusteeship
- April 2-4, 2017, Dallas, TX
- April 22-24, 2018, San Francisco, CA
- April 14-16, 2019, Orlando, FL



MINNESOTA STATE

Audit Committee
April 18, 2017
3:30 p.m.
McCormick Room

Note: Committee/board meeting times are tentative. Committee/board meetings may begin up to 45 minutes earlier than the times listed below if the previous committee meeting concludes its business before the end of its allotted time slot.

1. **Minutes of March 22, 2016 (pages 1-2)**
2. Fiscal Year 2017 Audit Plan Update
3. Federal Single Audit (pages 3-8)

Committee Members:

Robert Hoffman, Chair
Ann Anaya, Vice Chair
Jay Cowles
Amanda Fredlund
George Soule

Bolded items indicate action is required.



**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
AUDIT COMMITTEE MEETING MINUTES
March 22, 2017**

Audit Committee Members Present: Trustees Robert Hoffman, Jay Cowles, and Amanda Fredlund.

Audit Committee Members Absent: Trustees Ann Anaya and George Soule.

Others Present: Trustees Elise Bourdeau, Alex Cirillo, Jerry Janezich, Cheryl Tefer, and Michael Vekich.

The Minnesota State Colleges and Universities Audit Committee held its meeting on March 22, 2017, in the 4th Floor McCormick Room, 30 East 7th Street in St. Paul. Chair Hoffman called the meeting to order at 8:02 a.m.

1. Minutes of January 25, 2017

The minutes of the January 25, 2017 audit committee were approved as published.

2. Select External Audit Firm for Systemwide External Auditing Services

Mr. Dave Pyland, Executive Director for Internal Auditing, stated that a competitive bidding process began in January to acquire external auditing services for fiscal years 2017 to 2019 with a one-time option to extend it up to an additional 3 fiscal years. Two firms submitted proposals. The Office of Internal Audit and the Finance Division reviewed the proposals jointly. Ms. King pointed out that St. Cloud State University was the only state university interested in contracting for a standalone audit.

Mr. Pyland stated that after careful review they were recommending CliftonLarsonAllen to the audit committee. He added that CliftonLarsonAllen, who is the most recent systemwide external auditor for Minnesota State, has strong national higher education experience as well as current knowledge of the Minnesota State system.

Trustee Hoffman called for a motion to approve the selection of the external audit firm for systemwide external auditing services. Trustee Cowles made the motion, Trustee Fredlund seconded. There was no dissent and the motion carried.

RECOMMENDED COMMITTEE ACTION

The Audit Committee recommends that the Board of Trustees approve the following motion:

RECOMMENDED BOARD OF TRUSTEES MOTION

The Board of Trustees approves the appointment of CliftonLarsonAllen serve as the systemwide external auditor for Minnesota State.

The Board of Trustees authorizes the chancellor or his designee to execute a contract with CliftonLarsonAllen for external auditing services for fiscal years 2017, 2018, and 2019 with an option to extend the contract an additional three fiscal years for a total amount not to exceed \$1.9. The Board delegates to chancellor or his designee authority to execute all necessary documents.

The meeting adjourned at 8:07 a.m.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Audit Committee

Date: April 18, 2017

Title: Federal Single Audit

Purpose (check one):

- | | | |
|---|---|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input checked="" type="checkbox"/> Information | |

Brief Description:

Federal law requires an annual audit of major federal financial assistance programs, including the student financial aid programs. The firm of CliftonLarsonAllen, LLP conducted the audit as part of its responsibilities as the system auditor for Minnesota State. The auditor's report on compliance for the major federal award programs expressed an unqualified opinion. The audit report contains two findings that were significant deficiencies related to certain federal financial aid regulations.

Scheduled Presenter(s):

David Pyland, Executive Director of Internal Auditing
Eric Wion, Deputy Director of Internal Auditing
Don Loberg, Principal with CliftonLarsonAllen, LLP
Brenda Scherer, Manager with CliftonLarsonAllen, LLP

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

INFORMATION ITEM
Federal Single Audit

BACKGROUND

Copies of Minnesota State Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2016 were provided to members of the Board of Trustees in the board materials for the April 19, 2017 meeting. Copies of the report are also available on the Finance Division website (<http://www.minnstate.edu/system/finance/accounting/financialstatements>). The report was prepared by the firm of CliftonLarsonAllen LLP as part of its responsibilities as the system auditor for Minnesota State. The results of this report were incorporated into the State of Minnesota's Single Audit report that was released in late March. Copies of that report are available on the Minnesota Management and Budget web site at (<http://mn.gov/mmb/accounting/reports/single-audit.jsp>).

The attached PowerPoint presentation provides a summary of audit work completed on federal student financial aid programs.

Date Presented to the Board of Trustees: April 19, 2017



**Minnesota State Colleges and
Universities
(Minnesota State)
Presentation of the Student Financial
Assistance Program
Audit Committee**
Year Ending June 30, 2016

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,
an SEC-registered investment advisor. | ©2016 CliftonLarsonAllen LLP

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



Overview

Overview of the Audit Process

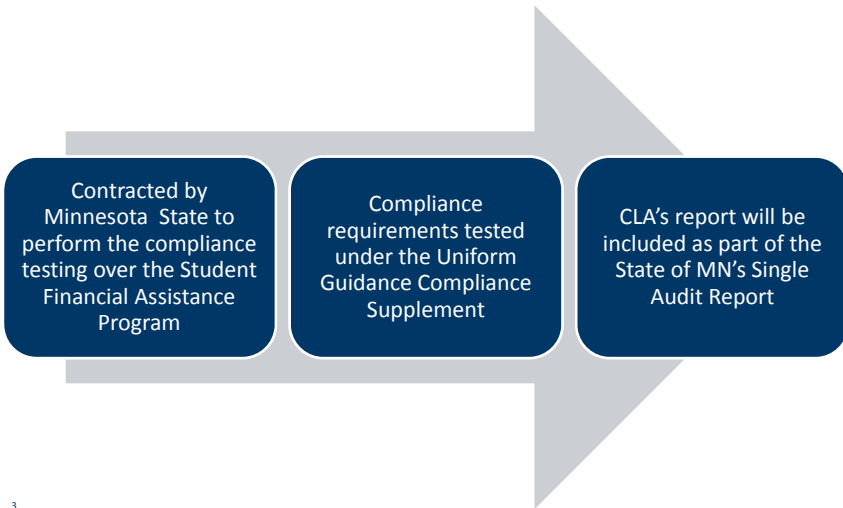
Audit Results

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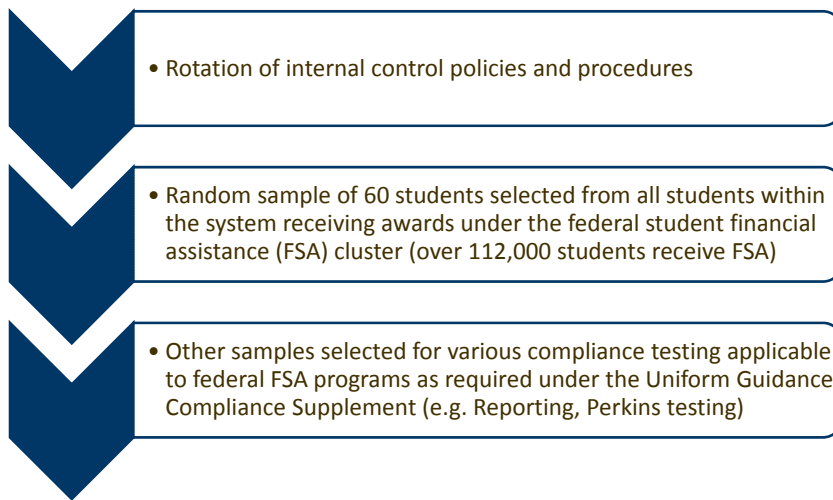
Audit Process



3



Audit Approach



4



Audit Results

Opinion

- Unmodified opinion on compliance

Results

- No material weakness
- Two findings that were significant deficiencies

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Findings

Uncashed Checks

One campus had uncashed checks relating to Title IV funds that were greater than 240 days

National Student Loan Database System (Enrollment Reporting)

National Student Clearinghouse issue

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Questions and Feedback

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- We welcome any questions pertaining to the audit, governance communication letter, management letter, or other matters related to the engagement.
- We appreciate the opportunity to serve as the auditors for the Minnesota State system and welcome any feedback relative to our performance.

7



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



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MINNESOTA STATE

Human Resources Committee
Closed Session
April 18, 2017
4:00 PM
McCormick Room, Fourth Floor

Note: Committee/board meeting times are tentative. Committee/board meetings may begin up to 45 minutes earlier than the times listed below if the previous committee meeting concludes its business before the end of its allotted time slot.

1. Closed session pursuant to Minnesota Statutes §13D.03 (2016)
(Minnesota Open Meeting Law) the Human Resources Committee will meet in Closed Session to discuss labor negotiations strategies with the Inter Faculty Organization, Minnesota State College Faculty, and Minnesota State University Association of Administrative and Service Faculty.
2. Motion to Close the Meeting
3. Motion to End the Closed Session
4. Adjournment

Committee Members:

Dawn Erlandson, Chair
Elise Bourdeau, Vice Chair
Alexander Cirillo
Robert Hoffman
Rudy Rodriguez
George Soule



Bolded items indicate action is required.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Human Resources Committee

Date: April 18, 2017

Title: Closed Session

Purpose (check one):

- | | | |
|---|---|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input checked="" type="checkbox"/> Information | |

Brief Description:

Status of negotiations and bargaining strategies with:

- Inter Faculty Organization
- Minnesota State College Faculty
- Minnesota State University Association of Administrative and Service Faculty

Scheduled Presenter(s):

Mark Carlson, Vice Chancellor for Human Resources

1 **BOARD OF TRUSTEES**
2 **MINNESOTA STATE COLLEGES AND UNIVERSITIES**
3

INFORMATION ITEM
CLOSED SESSION

4
5 **BACKGROUND**

6
7 In closed session, the Human Resources Committee will hear the current status of
8 negotiations and will discuss bargaining strategies relative to labor contract agreements
9 with the following faculty bargaining units:

- 10
11
 - Inter Faculty Organization (IFO)
 - Minnesota State College Faculty (MSCF)
 - Minnesota State University Association of Administrative and Service Faculty (MSUAASF)

12
13
14

15
16 *Pursuant to Minnesota Statutes § 13D.03, Closed Meetings for Labor Negotiations*
17 *Strategy (Minnesota Open Meeting Law) (2016)*
18

19
20 *Date: April 18, 2017*
21
22



MINNESOTA STATE

Finance and Facilities

April 19, 2017

9:00 AM

McCormick Room

Note: Committee/board meeting times are tentative. Committee/board meetings may begin up to 45 minutes earlier than the times listed below if the previous committee meeting concludes its business before the end of its allotted time slot.

1. **Minutes of March 23, 2017 (pp. 1-4)**
2. **Proposed Amendment to Policy 6.7 Real Estate Transactions (Second Reading) (pp. 5-17)**
3. **Surplus and Sale of Real Estate and Improvements, Minneapolis Community and Technical College Surplus (pp. 18-27)**
4. **Approval of Contract Exceeding \$1 Million (pp. 28-33)**
 - a. **Facilities Use Agreement, Anoka Technical College**
 - b. **Construction Contract, St. Cloud Technical and Community College**
 - c. **St. Cloud State University, Athletics Multi-media Rights Program**

Committee Members:

Jay Cowles, Chair

Elise Bourdeau, Vice Chair

Basil Ajuo

Ann Anaya

Robert Hoffman

Jerry Janezich

Roger Moe

Bolded items indicate action is required.



**MINNESOTA STATE
BOARD OF TRUSTEES
FINANCE AND FACILITIES COMMITTEE**

MARCH 23, 2017
McCORMICK ROOM
30 7TH STREET EAST
ST. PAUL, MN

Finance and Facilities Committee Members Present: Chair Jay Cowles, Vice Chair Elise Bourdeau, Trustees Robert Hoffman, Jerry Janezich

Committee Members Absent: Basil Ajuo, Ann Anaya, Roger Moe

Other Board Members Present: Trustees Cheryl Tefer, Alexander Cirillo, Dawn Erlandson, Amanda Fredlund, George Soule and Michael Vekich

Leadership Council Members Present: Chancellor Steven Rosenstone and Vice Chancellor Laura King

The Minnesota State Finance and Facilities Committee held its meeting on March 23, 2017 in the 4th Floor McCormick Room, 30 East 7th Street in St. Paul, MN.

Chair Cowles called the meeting to order at 8:15 a.m.

1. Minutes of January 24, 2017

Chair Cowles called for a motion to approve the minutes from January 24, 2017. Trustee Bourdeau made the motion, Trustee Janezich seconded. The motion was accepted.

Chair Cowles welcomed updates from Vice Chancellor King.

Key Updates

Legislative Session Deadline dates are:

- March 10 was the first committee deadline for favorable action on bills in the house of origin
- March 17 was the second deadline for committees to act favorably on bills, or companion bills
- March 31 is the third deadline in which the House Ways and Means Committee and Senate Finance Committee must act on major appropriation and finance bills
- The legislative session has a constitutional deadline to adjourn by Monday, May 22

The Senate Higher Education Finance Bill has been reviewed; there hasn't been a House Higher Education Finance Bill

Vice Chancellor King acknowledged the support and attendance during the legislative presentations of Chairs Cowles and Vekich, Trustees Erlandson, Sundin, Cirillo, Ristau and Tefer, the bargaining units and student association leadership.

System office and campus staff presented the FY2018-2019 operating budget request to both Senate and House.

- The presentations can be found on the website and were sent out via email from Government Relations.
- The House and Senate have taken different approaches to the bonding bill. The Senate passed a markup bill that reflects funding for projects that were left in the FY2016 session.
- The House was provided two presentations 1) Asset Preservation and 2) A recap of the board's projects funding as part of the FY2015 bonding bill.

The Senate operating budget bill has a recommendation of \$53 million for Minnesota State and compares to the request for \$178 million. The recommendation has language that mandates tuition freezes for colleges and universities, and provides \$5 million for ISRS NextGen. There was no funding allocated for the Board's Innovation and Student Success Program.

The Summary Outlook for FY2018-FY2019 will be presented to the Board in May and will be based on the legislative conclusion. Detailed college and university operating budgets will be presented in June pending the legislative results.

Regarding the FY2017 Revenue Bond Sale, Piper Jaffray was the winning bidder with a bid at a total interest cost of 2.44% for the tax exempt bonds and a total interest cost on the taxable bonds of 2.587%. The transaction resulted in over \$5m of net present value cost savings to the specific projects at their respective colleges and universities.

Minnesota State University, Mankato completed the new \$31 million Residential Dining Services Building which was funded as part of the 2015 Revenue Bond Sale. The new 60,600 dining facility is designed to serve 3,000.

Minnesota State Safety Conference was held on March 8-9, 2017 at St Cloud Technical and Community College. There were 50 college and university representatives present. There were a host of topics covered.

The FY2018 Capital Program Planning recommendation will be presented to the board in May and June. This will be informed by consultation with the Chancellor, Chancellor Designate and Leadership Council. Board approval will be needed in June. The outcome of a bonding bill in the 2017 legislative session will influence the recommendation to the board for 2018. If there is no bonding bill in 2017, the 2018 will more than likely look very similar to what the board's current priorities are. If there is a bonding bill in 2017, those projects funded in that bill will be removed from consideration as part of the 2018 recommendation.

A status check on the session can be provided at the May Committee Meeting. This would also be an opportunity to review any new and current projects, discuss debt capacity in the size of the 2018 program under various scenarios and release the preliminary recommendation after the adjournment of session and before the June meeting.

Vice Chancellor King followed up on Chair Vekich's question from the previous month's meeting regarding the default provision between the bank and owner/operator for Minnesota West's Housing Project. During a meeting with the bank, language was added which explicitly requires the bank to honor the ground lease, and sublease to the tenant in the event of a default by the owner/operator.

There were no questions from board members. Chair Cowles proceeded with the agenda.

1. Proposed Amendment to Policy 6.7 Real Estate Transactions (First Reading)

This is the 3rd of 4 policies undergoing restructuring in the Facilities board policy and system procedure chapter. Policy 6.7 Real Estate Transactions is presented for a first reading. The changes are administrative and generally technical in nature; however language has been added to define "Eminent Domain" provisions. The policy will be presented for approval during the April 2017 meeting.

2. Selection of External Auditors

Board policy requires that the Office of Internal Audit and the Finance division periodically come before the board with a recommendation for the system's external auditor. After an RFP and consultation process, the audit committee took action to select CliftonLarsonAllen as the vendor. The Audit Committee will be presenting the full recommendation to the board for approval. This information was included on the Finance Committee agenda to allow questions from Finance Committee members.

3. Easement for Mesabi Range College

The material provided to the Board of Trustees on this matter are informational in nature and advises trustees of conversations contemplating the grant of an easement through a portion of the Virginia Campus of Mesabi Range College. Vice Chancellor King will keep the board informed on negotiation discussions.

4. Approval of Contracts Exceeding \$1 Million

a. Master Contract for Janitorial Supplies and Equipment Hillyard

b. Contract Extension for Hobsons Enrollment Management

The two contracts for approval are both system wide and will benefit all colleges and universities:

Master contract for Janitorial Supplies and Equipment

- Has widespread campus utilization
- Has gone through RFP process, Hillyard was chosen for a 5 year, \$12 million contract
- There are 32 colleges and universities participating in the program
- Costs are paid by participating campuses but gives volume discounted prices on supplies and equipment

Contract extension for Hobsons Enrollment Management

- Software program used by 19 colleges to provide customer relationship management and student recruiting and engagement and communication services
- They are currently under contract and the request is to amended for up to 2 additional years for a new contract to not exceed \$9 million
- RFP is complete and proposals are under review
- If new vendor is selected, Hobson would need to be in place long enough to make the implementation/transition for colleges/universities

Chair Cowles invited questions. Trustee Hoffman asked whether CSC identified and tracked savings and whether additional incurred cost has been identified. Michael Noble-Olson, Chief Procurement Officer was invited to respond and stated that last fall Associate Vice Chancellor Phil Davis provided the board with a statement of the tracking and there have been a \$10 million benefit to the campuses. Chancellor Rosenstone stated that the report presented the total cost of the operation and the net of approximately \$2.5 million which is related back to the campus. Each campus has ROI calculated in order to see what the contribution at the campuses are. The net savings is after cost.

Chair Cowles asked for a motion to accept the recommendations for the chancellor or his designee to execute a master contract with Hillyard and execute a contract extension with Hobson's. Trustee Bourdeau made the motion to accept, Trustee Hoffman seconded. The motion carried.

The meeting adjourned at 8:39 a.m.

Respectfully submitted
Maureen Braswell, Recorder

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Finance and Facilities Committee

Date: April 19, 2017

Title: Proposed Amendment to Board Policy 6.7 Real Estate Transactions (Second Reading)

Purpose (check one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input checked="" type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input type="checkbox"/> Information | |

Brief Description:

As part of the regular review for Board Policy 6.7, the following additions and revisions are recommended:

1. Added "Management" to the Policy Title
2. Restructured Policy Formatting
3. Exceptions to Designating Surplus Real Estate
4. Revisions to Leasing or Property Interests
5. Revisions to Eminent Domain provisions

Scheduled Presenter(s):

Laura M. King – Vice Chancellor – Chief Financial Officer
Greg Ewig – Director of Capital Development and Real Estate

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD ACTION
PROPOSED AMENDMENT TO POLICY 6.07 REAL ESTATE TRANSACTIONS (SECOND READING)

BACKGROUND

Board policy 6.7, *Real Estate Transactions*, was originally adopted by the Board of Trustees on June 21, 2000. Since that time, the Board has amended Policy 6.7 as follows:

1. December 2004 - requiring Board approval of property acquisitions valued at \$1 million or 1 percent (whichever is greater) of a college or university annual operating budget and requiring board approval for sales of all real estate regardless of value;
2. December 2005 to clarify the role of the chancellor’s authority regarding acquisitions and sales; and
3. June 2006, which set a new \$250,000 threshold for Board approval for real estate sales.

The system office facilities staff evaluated Board Policy 6.7 as part of its regularly scheduled policy and procedure reviews, and recommends the following additions and revisions:

1. **Added “Management” to the Policy Title.** The new Policy title shall be *Real Estate Transactions and Management* to better reflect the Board’s expectations and more accurately describe the policy.
2. **Restructured Policy Formatting.** This policy is following the new practices and recommended protocol for revised policy, which lead with a Policy Statement (Part 1).
3. **Exceptions to Designating Surplus Real Estate.** The policy is recommended to address circumstances where donative intent, eminent domain or correcting boundary disputes are involved, and a surplus designation may be redundant or unnecessary to the resolution of a legal claim, a donor’s identified direction, or to clear title to a parcel of property. Part 3(A)(1)-(3).
4. **Leasing or Property Interests.** Part 3(B) updated the threshold for Board approval of real property leases at \$1 million, which aligns with Board Policy 5.14.
5. **Eminent Domain.** Part 4 was added to address the Board’s policy on Eminent Domain. Many other state higher education systems maintain a policy on eminent domain. This is a product of the recent experience requiring the use of eminent domain to acquire a holdout residential property at Metropolitan State University to accommodate the parking ramp and lot development.

The recommended Board Policy 6.7 is at Attachment A. Attachment B offers tracked changes from the current policy document.

This Policy is consistent with the ongoing update of board policies in Chapter 6, Facilities Management as shown at Attachment C.

RECOMMENDED COMMITTEE MOTION

The Board of Trustees approves Board Policy 6.07, Real Estate Transactions and Management.

RECOMMENDED BOARD MOTION

The Board of Trustees approves Board Policy 6.07, Real Estate Transactions and Management.

Date of Adoption: 04/19/2017

Date of Implementation: 04/19/2017

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD POLICY	
Chapter 6	Facilities Management
Section 7	Real Estate Transactions and Management

6.7 Real Estate Transactions And Management

Part 1. Policy Statement

The Board of Trustees expects that real property acquisitions and sales will be consistent with a college’s or university’s mission and current comprehensive facilities plan.

Part 2. Responsibilities

The Board of Trustees delegates to the chancellor or the chancellor’s designee the authority to execute and deliver on behalf of the Board of Trustees in accordance with board policy all documents regarding the acquisition, disposal, transfer, or leasing of real property.

Subpart A. Board

The Board of Trustees authorizes the chancellor or the chancellor’s designee to acquire, develop, and sell real property in conjunction with carpentry programs.

Subpart B. Chancellor

The chancellor or the chancellor’s designee shall establish processes regarding acquisition, sales, leasing, and any other real estate interests necessary for the management of the system’s real estate. The chancellor or the chancellor’s designee shall review and approve all real estate transactions.

Subpart C. President

The president shall make a request to the chancellor or chancellor’s designee as provided for in a system procedure.

Part 3. Real Estate Thresholds

Subpart A. Acquisitions and sales

Acquisitions funded by campus operating monies valued at \$1,000,000 or 1% (whichever is greater) of the college or university annual operating budget must be approved by the Board of Trustees before closing. For real estate that is no longer needed by a college or university and is valued at \$250,000 or greater, the board shall first designate the real estate as surplus; for real estate valued less than \$250,000, the chancellor or the chancellor’s designee shall

34 declare real estate as surplus and authorize sale. After any college or university real estate is
35 declared surplus, but before being offered to the general public, the real estate must first be
36 offered for sale at appraised value to the city, county, or other local jurisdiction where the
37 property is located.

38
39 Real estate must be designated surplus before it is offered for sale, except in the following
40 instances:

- 41
- 42 1. Donated real estate accepted by the board, when conversion to cash is consistent with
- 43 the terms of the gift or bequest (see Board Policy 7.7),
- 44 2. Property taken by another agency through eminent domain, or
- 45 3. To correct a boundary dispute with an adjoining landowner where the action impacts
- 46 less than ½ acre of property or less than \$50,000 in value.
- 47

48 **Subpart B. Leasing and other property interests**

49 All leases, whether on or off campus, must be approved by the board if the total rent paid
50 during the term of the lease is valued at or greater than \$1,000,000, including all options to
51 renew. The chancellor or the chancellor's designee shall review and approve all leases lasting
52 at least one year or longer or where the value is \$100,000 or greater. All easements and other
53 interests in real estate with a value of \$1,000,000 or greater must be approved by the board
54 prior to execution of the documents. The chancellor or chancellor's designee shall have
55 authority to enter into easements, licenses, and permits where the value is less than
56 \$1,000,000.

57 58 **Part 4. Eminent Domain**

59 The board may acquire real estate via eminent domain consistent with Minn. Stat. Ch. 117 and
60 related provisions. Before an eminent domain proceeding is initiated for the acquisition of any
61 interest in real estate, the board shall first authorize the action and articulate the public purpose
62 and necessity for the acquisition. Decisions with respect to settlement and with respect to
63 payment of or appeal from the award of the condemnation commissioners or court shall be made
64 consistent with board policies and system procedure.

65 66 **Part 5. Accountability/Reporting**

67 The chancellor shall report all real estate acquisitions and dispositions annually to the board.

Related Documents

- System Procedure 6.7.1 Acquisition and Disposition of Real Estate
- System Procedure 6.7.2 Leasing College or University Property for Non College and Universities Activities
- System Procedure 6.5.2 Carpentry Program Administration
- Two-Year Student Housing Guidelines
- Real Property Conveyance Checklist
- Real Property Acquisition Checklist

Date of Implementation: 06/21/00

Date of Adoption: 06/21/00

Date & Subject of Revisions:

XX/XX/XX – Updates document format, Adds “and Management” to the Policy title. Amends part 2 to add “chancellor’s designee” as part of approval and review authority; creates new Part 3 for thresholds and gives the chancellor authority to surplus and sell real

property valued less than \$250,000; adds requirement of board review and approval prior to acceptance of gifts of real property by colleges and universities. Adds Part 4 regarding eminent domain, and requires the board to identify the public purpose and necessity for the action. Adds “designee” to Part 3., Subparts A and B.

06/21/06 – Amends Part 1 requiring board approval for acquisition of real property valued at or greater than \$250,000.

12/7/05 – Amends Part 1 clarifies the role of the chancellor to review and approve real estate transactions, and clarifies the role of the board to approve acquisitions funded by campus operating funds of real estate valued at or greater than \$1M or valued at or greater than 1% of the school’s annual operating budget and to approve all sales of real estate.

12/15/04 – Changes Part 1 giving the chancellor the authority to approve property acquisitions of less than \$1 million or one percent (1%) of campus operating budget and dispositions and requires the chancellor to report acquisitions annually to the board.

06/21/00 - Contains language formerly in Board Policy 7.9; Added Part 1, Policy Statement; Added language in Part 2 delegating authority to the chancellor to execute and deliver documents regarding real property; Added Part 3, Accountability /Reporting

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD POLICY	
Chapter 6	Facilities Management
Section 7	Real Estate Transactions and Management

1 **6.7 Real Estate Transactions And Management**
2

3 **Part 1. Policy Statement**

4 The Board of Trustees expects that real property acquisitions and sales will be consistent with a
5 college’s or university’s mission and current comprehensive facilities plan.
6

7 **Part 2. Responsibilities**

8 The Board of Trustees delegates to the chancellor or the chancellor’s designee the authority to
9 execute and deliver on behalf of the Board of Trustees in accordance with board policy all
10 documents regarding the acquisition, disposal, transfer, or leasing of real property.
11

12 **Subpart A. Board**

13 The Board of Trustees authorizes the chancellor or the chancellor’s designee to acquire,
14 develop, and sell real property in conjunction with carpentry programs.
15

16 **Subpart B. Chancellor**

17 The chancellor or the chancellor’s designee shall establish processes regarding acquisition,
18 sales, leasing, and any other real estate interests necessary for the management of the
19 system’s real estate. The chancellor or the chancellor’s designee shall review and approve all
20 real estate transactions.
21

22 **Subpart C. President**

23 The president shall make a request to the chancellor or chancellor’s designee as provided for
24 in a system procedure.
25

26 **Part 3. Real Estate Thresholds**
27

28 **Subpart A. Acquisitions and sales**

29 Acquisitions funded by campus operating monies valued at \$1,000,000 or 1% (whichever is
30 greater) of the college or university annual operating budget must be approved by the Board
31 of Trustees before closing. For real estate that is no longer needed by a college or university
32 and is valued at \$250,000 or greater, the board shall first designate the real estate as surplus;
33 for real estate valued less than \$250,000, the chancellor or the chancellor’s designee shall

34 declare real estate as surplus and authorize sale. After any college or university real estate is
35 declared surplus, but before being offered to the general public, the real estate must first be
36 offered for sale at appraised value to the city, county, or other local jurisdiction where the
37 property is located.

38
39 Real estate must be designated surplus before it is offered for sale, except in the following
40 instances:

- 41
- 42 1. Donated real estate accepted by the board, when conversion to cash is consistent with
- 43 the terms of the gift or bequest (see Board Policy 7.7),
- 44 2. Property taken by another agency through eminent domain, or
- 45 3. To correct a boundary dispute with an adjoining landowner where the action impacts
- 46 less than ½ acre of property or less than \$50,000 in value.
- 47

48 **Subpart B. Leasing and other property interests**

49 All leases, whether on or off campus, must be approved by the board if the total rent paid
50 during the term of the lease is valued at or greater than \$1,000,000, including all options to
51 renew. The chancellor or the chancellor's designee shall review and approve all leases lasting
52 at least one year or longer or where the value is \$100,000 or greater. All easements and other
53 interests in real estate with a value of \$1,000,000 or greater must be approved by the board
54 prior to execution of the documents. The chancellor or chancellor's designee shall have
55 authority to enter into easements, licenses, and permits where the value is less than
56 \$1,000,000.

57 58 **Part 4. Eminent Domain**

59 The board may acquire real estate via eminent domain consistent with Minn. Stat. Ch. 117 and
60 related provisions. Before an eminent domain proceeding is initiated for the acquisition of any
61 interest in real estate, the board shall first authorize the action and articulate the public purpose
62 and necessity for the acquisition. Decisions with respect to settlement and with respect to
63 payment of or appeal from the award of the condemnation commissioners or court shall be made
64 consistent with board policies and system procedure.

65 66 **Part 5. Accountability/Reporting**

67 The chancellor shall report all real estate acquisitions and dispositions annually to the board.

Related Documents

- System Procedure 6.7.1 Acquisition and Disposition of Real Estate
- System Procedure 6.7.2 Leasing College or University Property for Non College and Universities Activities
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1 Minnesota State Colleges and Universities
2 Board Policies
3 Chapter 6 – Facilities Management
4
5

6 **6.7 Real Estate Transactions And Management**

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12 ~~university annual operating budget and all sales of real property valued at or greater than~~
13 ~~\$250,000 shall be approved by the Board of Trustees.~~

14
15 **Part 2. Responsibilities.**

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17 authority to execute and deliver on behalf of the Board of Trustees in accordance with
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19 real property.

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29 real estate transactions.

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33 procedure.

34
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64 authority to enter into easements, licenses, and permits where the value is less than
65 \$1,000,000.

66
67 **Part 4. Eminent Domain**

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69 and related provisions. Before an eminent domain proceeding is initiated for the
70 acquisition of any interest in real estate, the board shall first authorize the action and
71 articulate the public purpose and necessity for the acquisition. Decisions with respect to
72 settlement and with respect to payment of or appeal from the award of the condemnation
73 commissioners or court shall be made consistent with board policies and system
74 procedure.

75
76 **Part 35. Accountability/Reporting.** The chancellor shall report all real estate
77 acquisitions and dispositions annually to the Board.

Related Documents

- System Procedure 6.7.1 Acquisition and Disposition of Real Estate
- System Procedure 6.7.2 Leasing College or University Property for Non College and Universities Activities
- System Procedure 6.5.2 Carpentry Program Administration
- Two-Year Student Housing Guidelines
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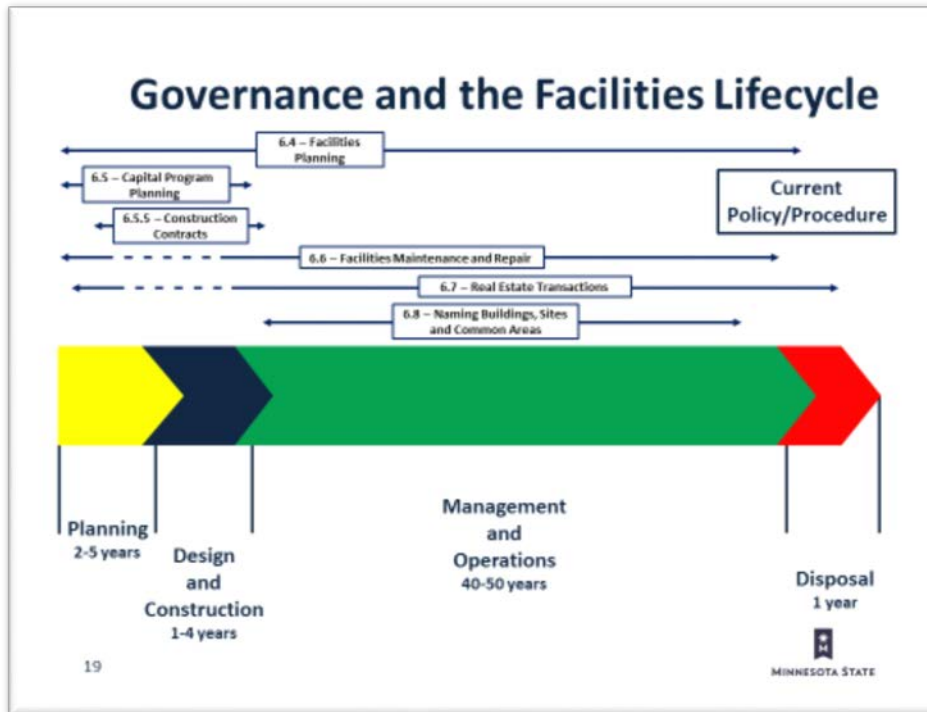


Figure 1 – Current Board Policy Alignment

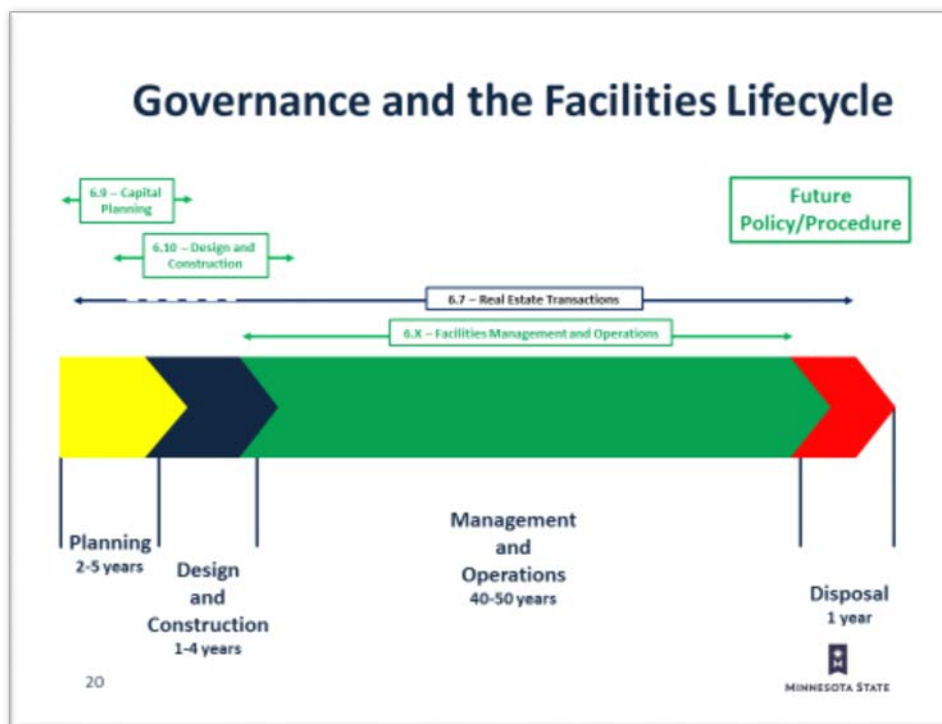


Figure 2 – Future Board Policy Alignment

MINNESOTA STATE BOARD OF TRUSTEES
Agenda Item Summary Sheet

Name: Finance and Facilities Committee

Date: April 19, 2017

Title: Surplus and Sale of Real Estate and Improvements, Minneapolis Community and Technical College

Purpose (check one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input checked="" type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input type="checkbox"/> Information | |

Brief Description:

Minneapolis Community and Technical College requests the Board of Trustees declare certain property as surplus to meet the requirements of Board Policy 6.7, Real Estate Transactions. Minnesota State is exploring an arrangement with the City of Minneapolis to facilitate the sale of the surplus parcel, along with two additional, contiguous parcels, to enable the redevelopment of a historically significant property.

Presenters:

Laura M. King – Vice Chancellor – Chief Financial Officer

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD ACTION
SURPLUS AND SALE OF REAL ESTATE AND IMPROVEMENTS, MINNEAPOLIS COMMUNITY AND TECHNICAL COLLEGE

PURPOSE

Minneapolis Community and Technical College requests the Board of Trustees declare certain property as surplus to meet the requirements of Board Policy 6.7, Real Estate Transactions.

BACKGROUND

Originally built for the H. Alden Smith family in 1887, the Wells Family College Center is a mansion-style building located on the Minneapolis Community and Technical College (MCTC) campus. See **Attachment A** for its location on campus. The property was originally purchased by the Minneapolis Community College Foundation in 1993. After completing a two-year capital campaign, the foundation donated the building to Minnesota State on December 20, 1996 to become part of the college campus. The property was named in recognition of the Frederick B. Wells family, whose contributions allowed the foundation to complete the capital campaign that made the gift possible. The mansion was listed in the National Register of Historic Places in 1976.

After receiving the building as a gift, the college commenced an ongoing effort to find a viable use for the building with mixed success. The building’s construction, while historically appealing, limited flexibility in how it could be used. The college experimented with using the building mostly for office and conference space for the past twenty (20) years.

COLLEGE EFFORTS TO STABILIZE THE BUILDING

From the time it received the building, the college’s efforts focused on capital funding to stabilize and repurpose the building. The college’s funding and investigation efforts were extensive. A synopsis of these efforts is provided in **Attachment B**.

A few years ago, the college engaged PVN (Preservation Design Works), a Minneapolis-based consulting firm specialized in building reuse and historic preservation to develop a strategy for the building. Through their efforts, the college partnered with Project for Pride in Living (PPL), a nonprofit education, job training and affordable housing provider with existing programs on the campus to assess the feasibility of redeveloping the Wells building for their use in high school education and job training. In September 2014, an \$81,000-Minnesota Legacy Grant was awarded to PPL to complete predevelopment activities including environmental assessments, schematic design documents, and analysis of funding sources such as federal and state historic

tax credits. One of the possible options for redevelopment was to convey the property to PPL, allowing PPL to take full advantage of the tax credits and other financial incentives during the rehabilitation and future use. The sale option was meant to serve the college's dual objectives of removing a substantial backlog/liability from its books, while allowing a partner to stabilize the building for a more viable use. After extensively evaluating the property, PPL concluded in late 2015 that it was not feasible for them to rehabilitate the building to suit their programmatic needs within their current funding and operating capacity.

The analysis for reuse by PPL included updated cost estimates for stabilization and building reuse. The estimated cost of reuse as an educational center (in 2015 dollars) was \$6.7 million, and included items such as masonry stabilization and repair, window repair, roof replacement, upgrade of the mechanical, plumbing and electrical systems, and retooling the elevator and stairs. The estimate took into account the historical materials and regulatory requirements necessary for the restoration work, and did not include any demolition of any components of the building. The estimate did not include amounts necessary to prepare the building for a particular programmatic use.

DISPOSITION PROPOSAL

Using the results of the grant-funded study in conjunction with PVN, Minnesota State is exploring an arrangement with the City of Minneapolis to facilitate the conveyance of the Wells parcel, along with two additional, contiguous parcels, to enable the redevelopment of this historically significant property. The subject parcels being proposed for surplus are shown on **Attachment C**. Given the City's strong interest in seeing the Wells building rehabilitated, the City's department of Community Planning and Economic Development (CPED) has offered to complete a "pass-through" property sale of the three parcels from the State to the City to a single development entity that would commit to the rehabilitation of the Wells building and conversion of the adjacent parcels into multi-family housing.

The City agreed to assist the college by:

- Soliciting interest from developers
- Making recommendations to the College on a development team, subject to College approval
- Negotiating sale terms with the selected developer
- Purchasing the parcels from MCTC and contemporaneously selling the property to the developer
- Negotiating a Redevelopment Agreement with the developer stating the requirements of the redevelopment project, as agreed to by Minnesota State and the City of Minneapolis.

The Redevelopment Agreement, by which the City will sell the parcels, will include a legally enforceable condition that the house remains a local landmark, ensuring its protection by the City of Minneapolis preservation ordinance.

For its part, Minnesota State/MCTC would:

- Seek surplus status for the property sale from the Board of Trustees of the Minnesota State Colleges and Universities system
- Consider CPED developer recommendation
- Identify and reserve any necessary easements required for the adjacent college buildings
- Contract and pay for updated property appraisals and title clearance (est. \$10,000)
- Agree to convey the property to the City at \$1.00 (more than appraised value)
- Demolish the black box theater before property transfer (est. cost \$350,000)
- Facilitate approval from the Minnesota Historical Society to ensure that the property transfer to a private entity complies with the Minnesota Historic Sites Act
- Pay the City a \$20,000 fee covering their costs associated with facilitating the sale.

Alternatives considered

During many of the studies conducted for the Wells building, the city and local neighborhood councils have been very clear in their desire to see the Wells building preserved and rehabilitated. Retaining the Wells building significantly limits the market value available to the college for these properties in a surplus action. During one of the building's many evaluations, the college considered the cost of demolition, which ranged between \$500,000 - \$1 million, depending on the extent of staging and deconstruction methods, hazardous materials abatement, utility relocations and historical preservation documentation. Given that any attempt at demolition would be met with significant resistance by the city and neighborhood, the college elected to pursue a facilitated sale with the city as the intermediary with the goal of preserving Wells.

Surplus Action When Appraised Value is Negative

Minnesota State is obligated to follow the surplus real property statute, Minn. Stat. §136F.60, Subd. 5, which provides that "parcels must not be exchanged or transferred for no or nominal consideration." The surplus statute further refers to Minn. Stat. §16B.282 to §16B.286, which in relevant part, states, "Surplus state-owned land shall be sold for no less than the estimated or appraised value."

The college obtained independent appraisals for the three parcels, which calculated a net negative value of approximately (\$2.47 million) when accounting for the requirement of a Wells building rehabilitation. While the two adjacent parcels have positive appraised values of approximately \$1.7 million independent of the Wells parcel, their values fail to offset the amount necessary to rehabilitate Wells.

When comparing this situation to the statute, two things are noteworthy,

1) the consideration in this transaction is the amount of risk the city, and more directly the developer, are taking on the obligation and risk of preserving and rehabilitating the Wells building

(at least \$2.47 million, by the appraiser's calculation), and 2) in the arrangement with the city, the college recommends a "sale" price of \$1.00, which would be greater than the appraised value of negative \$2.47 million.

Additionally, the college engaged with Cushman Wakefield for a market study that explored the highest and best use of the Wells building, assuming that the Wells building was retained and housing was built on the adjacent parcels. Cushman Wakefield reached the conclusion that the project would not be financially viable without the additional land brought forth at no cost to the project.

College's long-term need for the properties

The college is in the process of updating its comprehensive facilities plan, so the discussion with the City and proposed surplus action is timely. Although the plan is not complete, the college has no plans or needs for the building or adjacent land long-term. The college has sufficient development opportunity within its current footprint to fulfill all expected current and future long-term program needs.

Given the nearly 20-year history of studies and various failed funding strategies for the Wells building, the college has concluded that it no longer can afford the status quo and continue to own the building. As a product of their planning efforts, the college is recommending a surplus action to the City of Minneapolis with the requirement that the developer the City selects will rehabilitate the Wells building in keeping with its historical significance and designation, and construct housing on the site to help finance and achieve that objective.

RECOMMENDED COMMITTEE ACTION:

The Finance and Facilities Committee recommends that the Board of Trustees adopts the following motion:

The Board of Trustees designates the project parcels as shown on **Attachment C (Wells Parcel, Parcel 1 and Parcel 2)**, as surplus and authorizes the chancellor or the chancellor's designee to pursue a pass-through sale of the property to the City of Minneapolis for \$1.00, along with completing any necessary site preparation work, provided the chancellor or chancellor's designee is satisfied that the developer has obtained all necessary approvals to commence work on the site.

RECOMMENDED BOARD OF TRUSTEES ACTION:

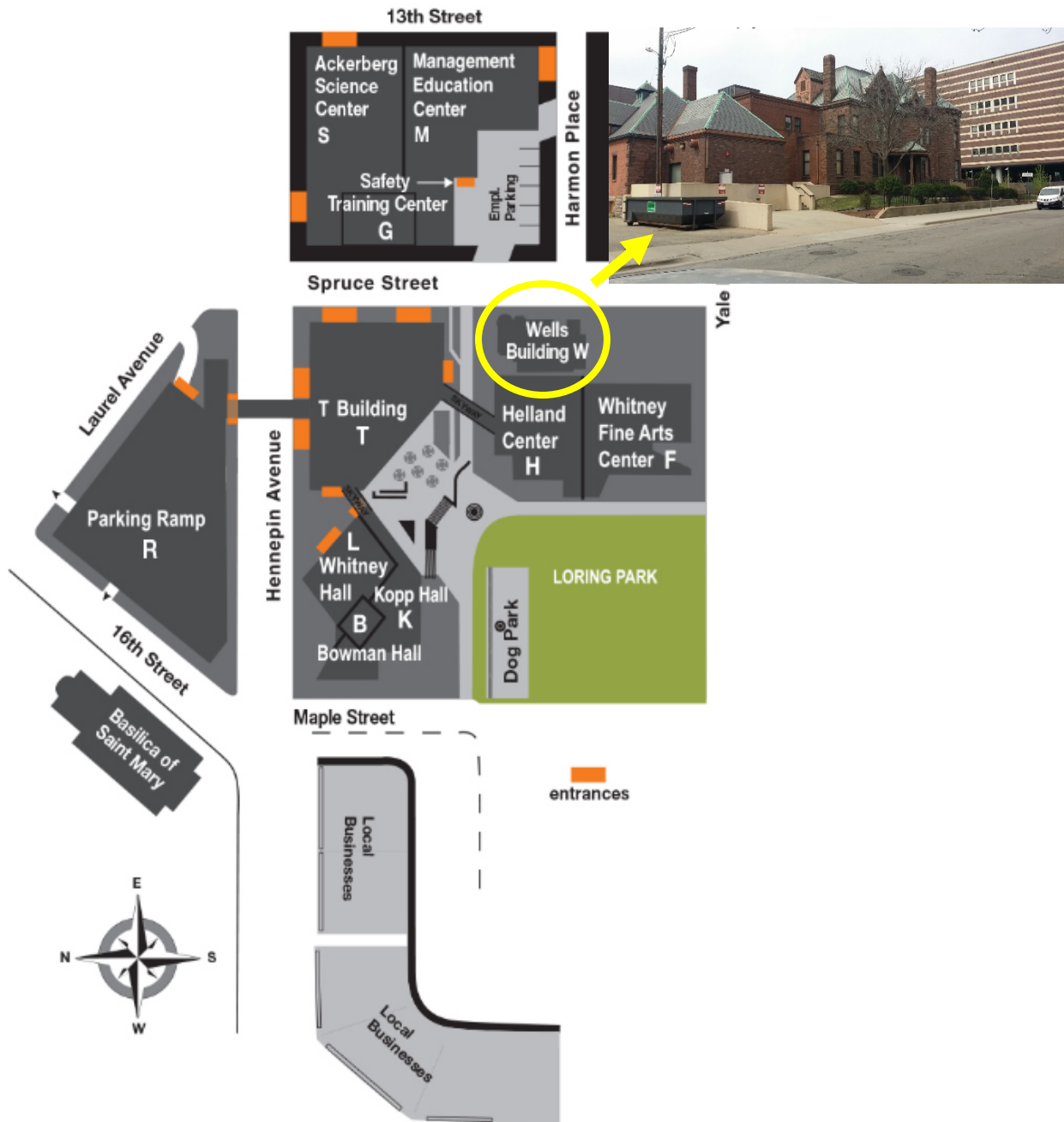
The Board of Trustees designates the project parcels as shown on **Attachment C (Wells Parcel, Parcel 1 and Parcel 2)**, as surplus and authorizes the chancellor or the chancellor's designee to pursue a pass-through sale of the property to the City of Minneapolis for \$1.00, along with completing any necessary site preparation work, provided the chancellor or chancellor's

designee is satisfied that the developer has obtained all necessary approvals to commence work on the site.

Date of Adoption: 04/19/17

Date of Implementation: 04/19/17

Attachment A - Location of Wells Building on Campus



Attachment B – History of Funding Efforts for Wells

Beginning in 2002, MCTC made yearly Higher Education Asset Preservation and Replacement (HEAPR) funding requests for exterior repairs. While the Wells building clearly had an identified need, other HEAPR priorities with more direct student impact often were more pressing and were prioritized above this project. Given the magnitude of the needs and limited HEAPR dollars, the college was unsuccessful in obtaining HEAPR dollars for needed repairs and relied on their own operating dollars to make modest repairs and improvements.

In 2004, MCTC was awarded a Save America's Treasures grant, but later returned it, in part due to the ongoing requirements of the grant that made compliance cost prohibitive, and a need to better scope repairs and the reuse options better-suited to the campus. Between 2006 and 2008, Minnesota State and MCTC commissioned two studies to document the building's history and physical condition to pinpoint an optimal building use and revisit cost estimates to achieve such use. A 2006 Historic Structure Report (HSR) estimated exterior restoration repair construction costs at just under \$2 million. A restoration and remodeling predesign study, prepared in 2008, estimated an optimal interior remodel at approximately \$12.5 million, which included exterior repairs from the Historic Structure Report. Based on the predesign findings, MCTC submitted the project for scoring during preparations for the 2010 Capital Budget cycle. The \$20.5 million project included a proposal for extensive restoration of the Wells Center for optimum usage. The project did not make the Board's 2010 capital bonding priority list after the request scored poorly. (The college's workforce program renovation project, however, was on the Board's list in 2010.)

After the setback in capital scoring, the college undertook a Reuse Study for the Wells building in November 2010. The reuse study explored five different options: 1) continue with minimal maintenance, 2) mothball the building, 3) conduct a phased renovation, 4) sell and/or move the structure, or 5) demolish the building. The reuse study recommended the phased restoration and rehabilitation option, which was to have resulted (again) in multiple-year capital bonding requests. Ultimately, the experience during the 2010 capital scoring and the lack of identified academic or student programming needs outweighed the reuse study recommendation, and the decision was made not to pursue additional capital requests. By default, the college continued funding maintenance for the building.

Attachment C – Proposed Parcels to be declared as surplus



MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
Agenda Item Summary Sheet

Name: Finance and Facilities Committee

Date: April 18, 2017

Title: Approval of Contracts Exceeding \$1 Million

- A. Facilities Use Agreement, Anoka Technical College
- B. Construction Contract, St. Cloud Technical and Community College
- C. St Cloud State University, Athletics Multi-media Rights Program

Purpose (check one):

Purpose (check one):

Proposed
New Policy or
Amendment to
Existing Policy

Approvals
Required by
Policy

Other
Approvals

Monitoring /
Compliance

Information

Brief Description:

Board Policy 5.14, Procurement and Contracts, requires that all contracts with values greater than \$1 million be approved by the Board of Trustees. Policy further requires that all income contracts in excess of \$3 million be approved by the Board. Each of the proposed contracts have campus specific impact.

Scheduled Presenter(s):

Laura M. King – Vice Chancellor – Chief Financial Officer

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD ACTION

APPROVAL OF CONTRACT EXCEEDING \$1M –

1. FACILITIES USE AGREEMENT, ANOKA TECHNICAL COLLEGE
2. CONSTRUCTION CONTRACT, ST. CLOUD TECHNICAL AND COMMUNITY COLLEGE
3. ST CLOUD STATE UNIVERSITY, ATHLETICS MULTI-MEDIA RIGHTS PROGRAM

BACKGROUND

Board Policy 5.14, Procurement and Contracts, requires that all contracts with values greater than \$1 million be approved by the Board of Trustees. Policy 5.14 further requires that contracts that will generate income to the college or university in excess of \$3,000,000 be approved by the board. All three contracts approvals presented to the Board this month have campus-specific impact.

Campus Specific Impact

1. **Facilities Use Agreement at Anoka Technical College.** Anoka Technical College has partnered with Anoka Hennepin Independent School District No. 11 (ISD 11) by providing program space on campus for Secondary Technical Education Programs (STEP) (augmenting the programs offered in the stand-alone STEP building), Adult Basic Education (ABE), and the Anoka-Hennepin Technical High School (AHTHS). The partnership has – and continues to be – beneficial to both parties. This arrangement would be scheduled to commence on July 1, 2017 and involves the school district’s use of 34,800 square feet on campus with a blend of exclusive and shared use space. The transaction would include 278 stalls of dedicated parking on campus, which are located adjacent to the STEP building. The total value over the five-year term is \$2.45 million.

2. **Construction contract at St. Cloud Technical and Community College.** St. Cloud Technical & Community College seeks to renovate 9,225 square feet on its main campus to expand and enhance the existing college bookstore and reprographics area. The project would also include an area to incorporate a small coffee shop with soft seating, coffee bar, and high top tables. The design will focus on creating a visible, welcoming, and spacious college bookstore environment located on the “main avenue” in the main campus building. The college has consulted with students, faculty and staff for several years regarding this renovation and funds have been set aside through both the bookstore and general fund while planning for this project. Design is projected to be completed by late April with construction planned to begin in June, pending Board approval. Based on design estimates, approval is needed for the college to enter into a construction contract not to exceed \$1.8 million.

- 3. St Cloud State University athletics multi-media rights program.** The university has completed a RFP and is requesting authorization to grant a license for an athletics multimedia rights plan. The plan will include, but not be limited to, such elements as corporate sponsorships; on premise marketing, signage, video and message board advertising, event promotions, and game/event sponsorships; radio network play-by-play, coaches' shows, internet rights; digital rights and certain television programming. The plan will also include the exclusive rights to produce, publish, distribute and vend game programs for all athletic endorsements, promotions and advertisers for all athletic programs and events. The plan also includes the rights to secure sponsorships, endorsements, promotions and advertisers for all team schedule cards, posters, calendars and books, as well as the official Athletics web site.

The university and the vendor will enter into a contractual agreement granting the vendor exclusive permission and access to the university's pre-determined saleable media assets; and in turn the vendor is obligated to turn those media assets into financial gain (revenue) for the university's Athletics Department. The funds will be used to supplement the department's operating budgets and fill gaps in departmental spending need (team travel, lodging, meals, equipment, scholarships, etc).

The university would like to execute a five year contract with one option to renew for five years. The business terms are still in negotiation but it is estimated that the annual value of the contract to the university will be approximately \$800,000- \$1,000,000. The contract is subject to board approval under policy 5.14 as it contains an income stream to the university in excess of \$3,000,000.

RECOMMENDED COMMITTEE MOTION

The Finance and Facilities committee recommends the Board of Trustees adopt the following motion:

1. The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a facilities use agreement on behalf of Anoka Technical College for a term of up to five years ending in 2022 with total consideration in the amount of \$2.45 million over the term. The Board delegates to the chancellor or the chancellor's designee authority to execute all necessary documents.
2. The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a construction contract on behalf of St. Cloud Technical and Community College for the renovation of its bookstore and related space for a total amount not to exceed \$1,800,000 subject to final terms and conditions. The Board delegates to the chancellor or his designee authority to execute all necessary documents.
3. The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a licensing athletics multi-media rights contract on behalf of St. Cloud State University for a term of five years with one option to renew for five years subject to negotiation of final terms and conditions. The Board delegates to the chancellor or his designee authority to execute all necessary documents.

RECOMMENDED BOARD MOTION

1. The Board of Trustees authorizes the chancellor or the chancellor’s designee to execute a facilities use agreement on behalf of Anoka Technical College for a term of up to five years ending in 2022 with total consideration in the amount of \$2.45 million over the term. The Board delegates to the chancellor or the chancellor’s designee authority to execute all necessary documents.
2. The Board of Trustees authorizes the chancellor or the chancellor’s designee to execute a construction contract on behalf of St. Cloud Technical and Community College for the renovation of its bookstore and related space for a total amount not to exceed \$1,800,000 subject to final terms and conditions. The Board delegates to the chancellor or his designee authority to execute all necessary documents.
3. The Board of Trustees authorizes the chancellor or the chancellor’s designee to execute a licensing rights contract on behalf of St. Cloud State University for a term of five years with one option to renew for five years subject to negotiation of final terms and conditions. The Board delegates to the chancellor or his designee authority to execute all necessary documents.

Date of Adoption: 04/19/17

Date of Implementation: 04/19/17

St. Cloud State University
Board of Trustees Approval to Negotiate a Contract for Athletic Sponsorships, Corporate Rights, and
Multi-Media Rights
April 3, 2017

St. Cloud State University requested proposals from qualified vendors to continue the past practice of granting a license for an athletics multimedia rights plan. The plan will include, but not be limited to, such elements as corporate sponsorships; on premise marketing, signage, video and message board advertising, event promotions, and game/event sponsorships; radio network play-by-play, coaches' shows, internet rights; digital rights and certain television programming. The plan will also include the exclusive rights to produce, publish, distribute and vend game programs for all athletic endorsements, promotions and advertisers for all athletic programs and events. The plan also includes the rights to secure sponsorships, endorsements, promotions and advertisers for all team schedule cards, posters, calendars and books, as well as the official Athletics web site. Two vendors inquired about the RFP. One vendor responded: Learfield Communications.

ESSENCE of the DEAL:

The university and the vendor will be finalizing a contractual agreement granting the vendor exclusive permission and access to the university's pre-determined saleable media assets; and in turn the vendor is obligated to turn those media assets into financial gain (revenue) for the university's Athletic Department.

The third party vendor applies their own resources (human and other) along with their acquired expertise in selling, marketing, and branding to the university's Athletic Department with the sole purpose of raising much needed support and awareness (financial, community, campus, fans, etc.). The third party vendor can accomplish these tasks in a more effective and efficient manner than could the university's Athletic Department if left to their own devices.

TERMS of the deal:

Pricing Structure will be represented by the issuance of a contract to be approved by general counsel.

The following metric is the current 10 year financial offering. These terms are currently being negotiated. These are funds the vendor guarantees to pay the university.

<u>Year</u>	<u>Guaranteed Rights Fee</u>	<u>Capital Investment</u>	<u>Trade Value</u>	<u>Total Value</u>	<u>Share Hurdle</u>
2017-18	\$775,000	\$100,000	\$250,000	\$1,125,000	\$2,075,000
2018-19	\$790,000	\$100,000	\$250,000	\$1,140,000	\$2,125,000
2019-20	\$805,000		\$250,000	\$1,055,000	\$2,155,000
2020-21	\$820,000		\$250,000	\$1,070,000	\$2,185,000
2021-22	\$835,000		\$250,000	\$1,085,000	\$2,215,000

2022-23	\$855,000		\$250,000	\$1,105,000	\$2,265,000
2023-24	\$875,000		\$250,000	\$1,125,000	\$2,315,000
2024-25	\$895,000		\$250,000	\$1,145,000	\$2,365,000
2025-26	\$915,000		\$250,000	\$1,165,000	\$2,415,000
2026-27	\$935,000		\$250,000	\$1,185,000	\$2,465,000
TOTAL	\$8,500,000	\$200,000	\$2,500,000	\$11,200,000	

SUMMARY → Terms, Content, RFP Process, Value Proposition:

This agreement will be an Income Contract (generate revenue) for the university, not an expense obligation.

The “Share Hurdle” is an opportunity to earn additional revenues if total media rights sales exceed certain pre-determined levels. This extra revenue is split between both parties based upon a percentage mix. All aspects of this portion of the financial proposal are still being negotiated.

The University Benefit

The vendor is obligated to turn predetermined media assets into financial gain (revenue) for the university’s Athletic Department. The funds will be used to supplement the department’s operating budgets and fill gaps in departmental spending need (team travel, lodging, meals, equipment, scholarships, etc).



Board of Trustees Meeting
Wednesday, April 19, 2017
10:00 AM
Minnesota State
30 7th Street East, St. Paul, Minnesota

Note: Committee and board meeting times are tentative. Meetings may begin up to 45 minutes earlier than the times listed if a committee meeting concludes its business before the end of its allotted time slot. In addition to the board or committee members attending in person, some members may participate by telephone.

Call to Order

Chair's Report, Michael Vekich

Chancellor's Report, Steven Rosenstone

Consent Agenda

- a. **Board of Trustees Meeting Minutes of March 22, 2017**
- b. **Surplus and Sale of Real Estate and Improvements, Minneapolis Community and Technical College Surplus**
- c. **Approval of Contracts Exceeding \$1 Million**
 1. **Facilities Use Agreement, Anoka Technical College**
 2. **Construction Contract, St. Cloud Technical and Community College**
 3. **St. Cloud State University, Athletics Multi-media Rights Program**

Policy Decisions

- **Proposed Amendment to Policy 6.7 Real Estate Transactions (Second Reading)**

Student Associations

- a. Minnesota State College Student Association
- b. Students United

Minnesota State Colleges and Universities' Bargaining Units

- a. American Federation of State, County, and Municipal Employees
- b. Inter Faculty Organization
- c. Middle Management Association
- d. Minnesota Association of Professional Employees

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- e. Minnesota State College Faculty
 - f. Minnesota State University Association of Administrative and Service Faculty

Board Standing Committee Reports

- a. Audit Committee, Chair Bob Hoffman
 - 1. Fiscal Year 2017 Audit Plan
 - 2. Federal Single Audit

- b. Human Resources Committee, Chair Dawn Erlandson
 - Report on Closed Session on Labor Negotiations Strategy

- c. Finance and Facilities Committee, Chair Jay Cowles

Trustee Reports

Adjournment



MINNESOTA STATE

Board of Trustees

30 East 7th Street
St. Paul, MN 55101

651-201-1705

Board of Trustees Meeting
Wednesday, April 19, 2017
10:00 AM
Minnesota State
30 7th Street East, St. Paul, Minnesota

Note: Committee and board meeting times are tentative. Meetings may begin up to 45 minutes earlier than the times listed if a committee meeting concludes its business before the end of its allotted time slot. In addition to the board or committee members attending in person, some members may participate by telephone.

Consent Agenda

- a. **Board of Trustees Meeting Minutes of March 22, 2017 (pp 1-6)**
- b. **Surplus and Sale of Real Estate and Improvements, Minneapolis Community and Technical College Surplus (pp. 18-27 of the Finance and Facilities Committee's meeting materials)**
- c. **Approval of Contracts Exceeding \$1 Million (pp. 28-33 of the Finance and Facilities Committee's meeting materials)**
 1. **Facilities Use Agreement, Anoka Technical College**
 2. **Construction Contract, St. Cloud Technical and Community College**
 3. **St. Cloud State University, Athletics Multi-media Rights Program**



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Minnesota State Colleges and Universities
Board of Trustees Meeting Minutes
March 22, 2017

Present: Chair Michael Vekich, Trustees Ann Anaya, Elise Bourdeau, Alex Cirillo, Jay Cowles, Dawn Erlandson, Amanda Fredlund, Bob Hoffman, Jerry Janezich, George Soule, Louise Sundin, and Cheryl Tefer, and Chancellor Steven Rosenstone

Absent: Trustees Basil Ajuo, Roger Moe, and Rudy Rodriguez

Call to Order

Chair Michael Vekich called the meeting to order at 11:00 AM.

Chair's Report

Chair Vekich welcomed George Soule to the Board of Trustees. Trustee Soule is a judge of the White Earth Tribal Court of Appeals and a founding partner of Soule & Stull LLC, where he is a civil trial attorney handling cases involving product liability, commercial, and negligence claims. He earned his B.A. from Minnesota State University Moorhead, and his J.D. from Harvard Law School. Previously, Trustee Soule was a founding and managing partner at Bowman and Brooke LLP, and an associate at Gray, Plant, Mooty, Mooty & Bennett.

Trustee Soule is a member of the boards of the Division of Indian Work and the Infinity Project, and he has served on the board of the Minnesota State University Moorhead Alumni Foundation. He is a fellow of the American College of Trial Lawyers and the International Society of Barristers, and a member of the American Board of Trial Advocates. He serves as a mentor at the University of Saint Thomas Law School and is a past chair of the Commission on Judicial Selection. Trustee Soule also chaired the Chancellor Search Advisory committee.

Gov. Mark Dayton appointed Trustee Soule to the Board of Trustees on February 27, 2017, to fill a vacancy. His term ends on June 30, 2018.

Chancellor Transition Team Update

Associate Vice Chancellor Phil Davis, who is the convener of the transition team, reported that the team was established last month. In addition to himself, the other members are Presidents Connie Gores and Barbara McDonald, Vice Chancellors Ron Anderson, Mark Carlson, and Laura King, and Chief of Staff Nancy Joyer. Executive Assistant Vicki Tschida is supporting the team.

The charge of the team is to facilitate a smooth transition in leadership. The three guiding principles are: respect Chancellor Rosenstone's leadership of the system through July 31; at all times do what is best for Minnesota State; and position the chancellor-designate for success. The team's priorities are to enable the chancellor-designate to develop a greater knowledge of the Minnesota State system, its campuses, programs, and the communities and businesses it serves; keep the chancellor-designate informed of any issues; build internal and external relationships with individuals and organizations that are stakeholders; and provide internal and

external communications about the transition.

The first meeting of the transition team was on March 20, 2017. The team reviewed the charge, examined the transition resources that had already been prepared, and finalized the schedule for Chancellor-designate Malhotra's visits the week of April 3, 2017. The search for a chief diversity officer has been approved and a search firm will be hired. Vice Chancellor Mark Carlson has postponed his retirement and will assist with the search. The team is meeting with Chancellor-designate Malhotra on April 5, and plans to meet with him monthly.

Chancellor's Report

Legislative Update

Chancellor Rosenstone thanked Governor Dayton for recommending in his biennial budget \$150 million in incremental support for Minnesota State. This funding is critical to our colleges and universities. The chancellor expressed his gratitude to everyone who is working on behalf of the board's funding proposal.

Equity and Inclusion

Chancellor Rosenstone thanked Interim Chief Diversity Officer Nickyia Cogshell for her memo to the Board of Trustees with an update on the ongoing work on our equity and inclusion goals. In partnerships with Academic and Student Affairs, Human Resources, and the campuses, the Office of Equity and Inclusion continues to work on our long-term goals to:

1. Reduce and eliminate the student success gap;
2. Increase the diversity of our student body;
3. Ensure a welcoming and supportive campus climate;
4. Recruit and retain diverse faculty and staff;
5. Build partnerships with diverse communities; and
6. Increase the diversity of our vendors and suppliers.

Interim Chief Diversity Officer Cogshell's memo also informed the board of the work that the Office of Equity and Inclusion is doing to support the implementation of campus strategic equity and diversity plans; support safe and welcoming campus climates; and advance the diversity and professional development of our faculty and staff. The Leadership Council has been discussing equity and inclusion priorities for the coming academic year and will likely focus initiatives to:

- Identify common definitions of cultural competence;
- Develop a best practices guide for cultural competence common expectations, professional development, and assessment; and
- Identify and document expectations for diversity and equity professional development and competency in position descriptions and performance evaluations at the campus level.

Chancellor Rosenstone thanked the student and bargaining unit leaders, presidents, Academic and Student Affairs, Human Resources, General Counsel, and Equity and Inclusion colleagues

who have been working together on the campus climate task force; and Interim Chief Diversity Officer Nickyia Cogshell and Interim Assistant Chief Diversity Officer Josefina Landrieu for their leadership and service in their interim roles.

Scholarship Campaign Update

Phase one of the Access to Excellence Scholarship Campaign was incredibly successful, virtually doubling our \$20 million goal by raising \$39 million and awarding 28,000 scholarships. Phase Two was launched last June with a goal of raising \$50 million in new scholarship dollars. At the Board of Trustees meeting in May, the chancellor will report on the progress toward the goal.

Chancellor Rosenstone summarized three innovative scholarships and the difference they will make for our students.

Summer Scholars Academy

With nearly a \$1 million gift, Beverly and Richard Fink have created the “Summer Scholars Academy.” This summer bridge program will provide full scholarships to students to participate in a summer program in partnership with nine Minnesota State colleges in the Twin Cities metropolitan area. The Summer Scholars Academy is aimed at assisting students who are not yet ready for college-level coursework by enabling students to complete their developmental education courses in the summer before freshman year, so they can move right into college-level courses in the fall. The program will reduce student costs and debt and increase student persistence and degree completion.

Beverly and Richard Fink’s generous gift enables the participating colleges to provide a full scholarship to students enrolling in the program that entails:

- courses in mathematics, reading, and writing,
- a student success component that covers topics such as time management, study skills, technology, financial literacy, and academic and career planning,
- wrap-around support services that include tutoring and academic advising,
- subsidized transportation support, and
- a \$150 scholarship for fall tuition awarded to students after they complete the summer program.

The Summer Scholars Academy will serve 200 students this summer and a total of 800 students over a four-year period. This generous gift grows out of Beverly and Richard Fink’s desire to reduce disparities in Minnesota by reducing the impact of both financial disparities and disparities in academic preparedness on student success. Our hope is that, as results of the program’s effectiveness come in, we can grow this program statewide.

David Olson Scholarship

The David C. Olson Graduate Scholarship for Business Community Excellence was created to enable an annual scholarship, in perpetuity, honoring the life and work of David Olson, who was a former Minnesota State trustee and board chair; Minnesota Chamber of Commerce

president for 23 years, and a graduate of Minnesota State University, Mankato. His family, friends, businesses associates, Minnesota State colleagues, and the Minnesota Chamber of Commerce partnered with the School of Business at Minnesota State University, Mankato to build a nearly \$300,000 endowment to enable an annual \$7,500 scholarship to a student in the MBA program at MSU, Mankato with an interest in business, community, and public affairs leadership as well as an annual paid internship with a local Minnesota Chamber, the Minnesota Chamber of Commerce, or the national office of the U.S. Chamber of Commerce.

The first scholarship and internship were awarded last December to MBA student Ellie James, who earned a bachelor's degree in management from MSU, Mankato in 2011 and will complete her MBA next year. Chancellor Rosenstone thanked all who contributed to this collaborative effort to honor David Olson's legacy:

- David's family, with leadership from Mary Claire Olson Potter;
- The Minnesota Chamber of Commerce, with leadership from Doug Loon and Bill Blazer;
- MSU, Mankato, with leadership from President Richard Davenport, College of Business Dean Brenda Flannery, and the MSU, Mankato Foundation; and
- Members of this board, as well as the presidents and cabinet members who contributed to the scholarship.

Nellie Stone Johnson Scholarship Program

The Nellie Stone Johnson Scholarship Program is celebrating its 30th anniversary this year. Nellie Stone Johnson was a remarkable leader throughout a long career that began at a time when women of color were shut out from leadership positions. Nellie Stone Johnson came from a family with a strong tradition of supporting education and went on to become a tremendously influential statewide union leader, civil rights activist, member of the Democratic National Committee, counselor to political leaders, member of our state university board for eight years, and recipient of an honorary doctorate from St. Cloud State University.

The scholarship named in her honor supports minority students from union families who are attending one of Minnesota State's colleges or universities. At the Nellie Stone Johnson Scholarship Dinner on March 23, 2017, trustees, members of the cabinet, and many of our presidents and campus colleagues will join together to contribute, as private individuals, the funds to award 30 scholarships to support 30 students in this, the program's 30th year. Trustees Basil Ajuo and Louise Sundin serve on the scholarship's board. Chancellor Rosenstone thanked everyone for their contributions.

Consent Agenda

Chair Vekich called for a motion to approve the Consent Agenda. Trustee Cirillo seconded and the motion carried unanimously.

- a. Board of Trustees Minutes of Study Session on January 24, 2017**
- b. Board of Trustees Meeting Minutes of January 25, 2017**

- c. **Board of Trustees Meeting Minutes of February 7-9, 2017**
- d. **Board Charter**
- e. **Select External Audit Firm for Systemwide External Auditing Services**
- f. **Approval of Contracts Exceeding \$1 Million**
 - 1. **Master Contract for Janitorial Supplies and Equipment Hillyard**
 - 2. **Contract Extension for Hobsons Enrollment Management**

Human Resources Committee, Chair Dawn Erlandson

Committee Chair Erlandson reported that the Human Resources Committee approved Chancellor Rosenstone's recommendation of Angelia Millender as president of Century College. Ms. Millender is the president of Olive-Harvey College in Chicago. Previously, she served in leadership roles in Broward College in Ft. Lauderdale, and Berkeley College in White Plains, New York and Robert Morris University in Chicago. Committee Chair Erlandson introduced the following motion:

The Board of Trustees, upon the recommendation of Chancellor Rosenstone, appoints Angelia Millender as president of Century College effective July 1, 2017, 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 Minnesota State Colleges and Universities Personnel Plan for Administrators.

Chair Vekich called the question and the motion was unanimously approved.

Ms. Millender thanked Chancellor Rosenstone and the Board of Trustees.

Student Associations

There were no comments from the leaders of the Minnesota State College Student Association and Students United.

Minnesota State Colleges and Universities' Bargaining Units

There were no comments from the leaders of the bargaining units.

Special Recognition

Frank Viggiano, chair, Nellie Stone Johnson Scholarship Program thanked Chancellor Rosenstone for his support of the Nellie Stone Johnson Scholarship Program.

Board Standing Committee Reports

- a. **Audit Committee, Vice Chair Bob Hoffman**

Committee Chair Hoffman reported that the committee approved the appointment of CliftonLarsonAllen as the external audit firm.

- b. Finance and Facilities Committee, Chair Jay Cowles
Committee Chair Cowles reported that Vice Chancellor – Chief Financial Officer King gave an update on the legislative session and the successful bond sale. The committee had a first reading of Policy 6.7 Real Estate Transactions and approved several contracts exceeding \$1 million.

- d. Academic and Student Affairs Committee, Chair Alex Cirillo
Committee Chair Cirillo reported that the Academic and Student Affairs Committee heard an update on baccalaureate planning for the Twin Cities and a report on non-academic student support services that included food shelves, transportation, child care, and emergency funds.

Trustee Reports

Chair Vekich reminded trustees to sign-up for spring commencement ceremonies.

Election of Vice Chair

Trustee Dawn Erlandson indicated her intent to run for vice chair. There were no other nominations.

The Board of Trustees unanimously elected Trustee Dawn Erlandson as the vice chair of the Board of Trustees.

Adjournment

Chair Vekich announced that the next meeting of the Board of Trustees is on April 18 and 19, 2017.

The meeting was adjourned at 11:45 am.

Ingeborg K. Chapin, Secretary to the Board



MINNESOTA STATE

Board of Trustees

30 East 7th Street
St. Paul, MN 55101

651-201-1705

Board of Trustees Meeting
Wednesday, April 19, 2017
10:00 AM
Minnesota State
30 7th Street East, St. Paul, Minnesota

Note: Committee and board meeting times are tentative. Meetings may begin up to 45 minutes earlier than the times listed if a committee meeting concludes its business before the end of its allotted time slot. In addition to the board or committee members attending in person, some members may participate by telephone.

Policy Decisions

- **Proposed Amendment to Policy 6.7 Real Estate Transactions (Second Reading) (pp. 5-17 of the Finance and Facilities Committee's meeting)**



Minnesota State is an affirmative action, equal opportunity employer and educator.

Minnesota State Acronyms

AACC	American Association of Community Colleges
AASCU	American Association of State Colleges and Universities
ACCT	Association of Community College Trustees
ACE	American Council on Education
AFSCME	American Federation of State/County/Municipal Employees
AGB	Association of Governing Boards of Universities and Colleges
AQIP	Academic Quality Improvement Program
ASA	Academic and Student Affairs
BPAC	Business Practices Alignment Committee
CAG	Cross-functional Advisory Group
CAS	Course Applicability System
CASE	Council for the Advancement and Support of Education
CCSSE	Community College Survey of Student Engagement
CFI	Composite Financial Index
CIP	Classification of Instructional Programs
COE	Centers of Excellence <ul style="list-style-type: none">• Advance IT Minnesota• 360° Manufacturing and Applied Engineering Center of Excellence• HealthForce Minnesota• Minnesota Center for Engineering and Manufacturing Excellence (MNCEME)• Center for Agriculture - Southern Minnesota• Minnesota Agriculture Center for Excellence – North – AgCentric• Minnesota Energy Center• Minnesota Transportation Center

CSC	Campus Service Cooperative
CST	Collaborative Sourcing Team
CTF	Charting the Future
CTL	Center for Teaching and Learning
CUPA	College and University Personnel Association
DARS	Degree Audit Reporting System
DEED	Department of Employment and Economic Development
DOA	Department of Administration
DOER	Department of Employee Relations (merged with MN Management and Budget)
EEOC	Equal Employment Opportunity Commission
EIC	Enterprise Investment Committee
ERP	Enterprise Resource Planning
FERPA	Family and Educational Rights and Privacy Act
FIN	Finance
FTE	Full Time Equivalent
FUG	Financial User Group
FY	Fiscal Year (July 1 – June 30)
FYE	Full Year Equivalent
HEAC	Higher Education Advisory Council
HEAPR	Higher Education Asset Preservation
HLC	Higher Learning Commission
HR	Human Resources
HR-TSM	Human Resources Transactional Service Model
IAM	Identity and Access Management
IDM	Identity Management (Old term)

IFO	Inter Faculty Organization
IPEDS	Integrated Postsecondary Education Data System
ISEEK	CareerWise Education
ISRS	Integrated Statewide Records System
IT	Information Technology
ITS	Information Technology Services
LTFS	Long-term Financial Sustainability
MAPE	Minnesota Association of Professional Employees
MDOE	Minnesota Department of Education
MDVA	Minnesota Department of Veterans Affairs
MHEC	Midwestern Higher Education Compact
MMA	Middle Management Association
MMB	Minnesota Management and Budget
MnCCECT	Minnesota Council for Continuing Education and Customized Training
MMEP	Minnesota Minority Education Partnership
MNA	Minnesota Nurses Association
MOU	Memorandum of Understanding
MSCF	Minnesota State College Faculty
MSCSA	Minnesota State College Student Association
MSUAASF	Minnesota State University Association of Administrative and Service Faculty
MSUSA	Students United (previously known as MSUSA or Minnesota State University Student Association)
NASH	National Association of System Heads
NCAA	National Collegiate Athletic Association
NCHEMS	National Center for Higher Education Management Systems

NSSE	National Survey of Student Engagement
OCR	Office for Civil Rights
OET	Office of Enterprise Technology
OHE	Minnesota Office of Higher Education
OLA	Office of the Legislative Auditor
PEAQ	Program to Evaluate and Advance Quality
PM	Project Manager
PSEO	Post-Secondary Enrollment Options
RFP	Request for Proposal
SAG	Services Advisory Group
SCUPPS	State College and University Personnel/Payroll System
SEMA4	Statewide Employee Management System
SER	Subcommittee on Employee Relations
SHEEO	State Higher Education Executive Officers
USDOE	United States Department of Education
USDOL	United State Department of Labor