

MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
MEETING MINUTES
JUNE 20, 2012

Present: Chair Scott Thiss, Trustees Brett Anderson, Duane Benson, Cheryl Dickson, Jacob Englund, Clarence Hightower, Philip Krinkie, Dan McElroy, Alfredo Oliveira, David Paskach, Thomas Renier, Christine Rice, Louise Sundin, James Van Houten, Michael Vekich and Chancellor Steven Rosenstone

Absent: None

1. Call to Order

Chair Scott Thiss called the meeting to order at 10:35a.m.

2. Chair's Report

(1) Minutes of Board of Trustees Study Session on May 15, 2012

The minutes of the Board of Trustees study session were approved as written.

(2) Minutes of Board of Trustees Meeting on May 16, 2012

The minutes of the Board of Trustees meeting were approved as written.

(3) Report of Closed Session Meeting of the Board of Trustees on the Chancellor's Annual Performance Evaluation on June 16, 2012

Chair Thiss stated that the board met in a closed session on June 6, 2012, to conduct the Chancellor's first performance evaluation. The evaluation was positive and the board was unanimous in its view that the chancellor's performance to date has been outstanding.

In this first year, Chancellor Rosenstone has articulated the challenges facing education in Minnesota in a compelling manner that communicates an appropriate sense of urgency. He has clearly established the role Minnesota State Colleges and Universities will play in addressing those challenges by setting a strategic direction for MnSCU with the "Strategic Framework," and he has aggressively driven implementation of an action plan that contains specific projects, benchmarks, and milestones. There is a great deal of clarity about the direction MnSCU is headed and the priorities that must be realized. The projects being implemented under the framework touch every part of the organization, and presidents and system leaders are aligned and fully engaged in driving the continuous improvement in our programs and operations.

Chancellor Rosenstone has strengthened MnSCU's standing in the eyes of external stakeholders, public, legislators, civic leaders, and the business community. He has built trusting relationships that have increased our visibility, the value of our brand, and improved understanding of Minnesota State Colleges and Universities' contribution to the prosperity of our state.

It is especially noteworthy that his success and the progress of the system have been achieved in a difficult economic environment and during a period of tight fiscal constraint that required him to implement tough but necessary decisions regarding the system office budget, realign the priorities within the system office to better serve the colleges and universities, and inspire the staff to embrace the new economic reality.

Chair Thiss noted that, in conversation, Chancellor Rosenstone is quick to give credit to presidents, cabinet, faculty, and staff, both across our campuses and in the system office, for what has been accomplished since he started. It speaks to his leadership style that he views every employee as a leader – as someone he can learn from. It speaks to his leadership success that so much has been accomplished in just one year. As part of the Strategic Framework, Chancellor Rosenstone has led MnSCU in making a commitment to providing an “extraordinary education for all Minnesotans.” The board is unanimous in its assessment that he has provided extraordinary leadership this first year of his tenure.

Chancellor Rosenstone provided exceptional leadership and was successful in establishing a clear strategic direction for MnSCU. In addition, the board established eleven specific, measurable goals as part of the chancellor’s performance objectives for the year. He successfully met all eleven of the performance goals.

Chair Thiss called upon Clarence Hightower, vice chair and Human Resource Committee Chair, for his comments. Vice Chair Hightower commented that in looking ahead, there is an enthusiasm about the strategy and direction of Minnesota State Colleges and Universities under Chancellor Rosenstone’s leadership.

Vice Chair Hightower continued that the board feels strongly that the system is at an inflection point in the history of higher education. The system faces an environment that requires an accelerated pace of change and adaptation. He added that the system’s mission, while meeting the commitment to the citizens of Minnesota and addressing the difficult issues and opportunities facing higher education, does require bold and courageous leadership.

Vice Chair Hightower concluded that with that in mind, Chancellor Rosenstone is encouraged to “keep his foot on the gas” and work with our presidents to hasten implementation of the Strategic Framework to enable the colleges and universities to continue to deliver high-quality education and service to Minnesota’s communities.

Chair Thiss moved that the Board of Trustees authorizes payment of the performance pay provided for FY 2012 in Chancellor Rosenstone’s employment agreement, and authorizes the chair of the board, following completion of system collective bargaining agreements, to set the salary for the chancellor for FY 2013, consistent with the provisions of the Administrator’s Plan. The motion was seconded and carried unanimously.

(4) Proposed FY2013 Meeting Calendar (Second Reading)

Chair Thiss stated that the proposed FY2013 meeting calendar was reviewed several times. No meetings are planned in August, December and February. A retreat is planned on September 18 and 19. Two-day meetings are scheduled in July, October, November, January, March, April, May, June and July. The calendar is subject to change and any changes will be publicly noticed.

Chair Thiss moved that the Board of Trustees approve the following FY2013 Meeting Calendar. The motion was seconded and carried unanimously.

July 17-18, 2012:	Committee and Board Meetings
September 18-19, 2012:	Board Retreat
October 16-17, 2012:	Committee and Board Meetings
November 13-14, 2012:	Committee and Board Meeting
January 15-16, 2013:	Committee and Board Meetings
March 19- 20, 2013:	Committee and Board Meetings
April 16-17, 2013:	Committee and Board Meetings
May 21-22, 2013:	Committee and Board Meetings
June 18-19, 2013:	Committee Meetings and Annual Board Meeting
July 16-17, 2013:	Committee and Board Meetings

(5) Special Recognitions

Chair Thiss reported that the board and Chancellor Rosenstone hosted a reception on June 19 at Saint Paul College to recognize the trustees whose terms on the board are ending later this month. The trustees recognized were Jacob Englund, Dan McElroy, Alfredo Oliveira, Christine Rice, Jim Van Houten and Scott Thiss.

3. Chancellor's Report: Steven Rosenstone

Chancellor Steven Rosenstone thanked the trustees for their vote of confidence and the work accomplished in his first year. Chancellor Rosenstone commented that he is proud of the camaraderie among the presidents, faculty and staff across the system. He recognized and thanked the outgoing trustees for their dedication and service to the system and its students.

Chancellor Rosenstone stated that a board chair and a chancellor share a special relationship, adding that he is honored to have had the opportunity to work closely with Chair Thiss through his first year as chancellor, and even prior to his start date. He thanked Chair Thiss for his outstanding support. He is honored to work with each board member and appreciates their guidance in leading the system.

4. Consent Agenda

All matters listed under Consent Agenda will be enacted by one motion in the form listed below. Any trustee may request that an item or items be removed from the Consent Agenda for independent consideration.

- (1) Mission Approval/Campus Profile: Saint Paul College**
- (2) Approve Annual Audit Plan for Fiscal Year 2013**

- (3) **St. Cloud Technical and Community College – Acquisition of 1520 Whitney Court, St. Cloud, Minnesota (Heartland Clinic)**
- (4) **Northland Community and Technical College – Thief River Falls – Property Surplus Action**
- (5) **Online Student Support Center Intra-Agency Agreement**

Trustee James Van Houten requested removal of Consent Agenda item (3) St. Cloud Technical and Community College – Acquisition of 1520 Whitney Court, St. Cloud, Minnesota (Heartland Clinic) for discussion at the Finance Committee report.

The remaining Consent Agenda items (1, 2, 4 and 5) were moved and approved.

5. Board Policy Decisions

(1) FY2013 Operating Budget

Trustee Dan McElroy moved that the Board of Trustees approved the FY2013 Operating Budget as follows:

- a. Adopt the annual total operating budget for fiscal year 2013 in Table 6 (page 30 of the Finance and Facilities Committee’s meeting materials of June 20, 2012.) Pursuant to Board Policy 5.9, the Board of Trustees will be periodically provided Systemwide budget updates for all funding sources on an exception reporting basis.*
- b. Approve the proposed tuition structure recommendations for fiscal year 2013 as detailed in Attachments 1A through 1E.*
- c. All tuition increases are effective Summer Term or Fall Term 2012 at the discretion of the president. The chancellor is authorized to approve tuition structures for new courses or programs proposed after this date, as well as any required technical adjustments, and is requested to incorporate any approvals at the time fiscal year 2014 tuition recommendations are presented to the Board of Trustees.*
- d. The Board of Trustees continues the policy of market-driven tuition for closed enrollment courses, customized training, non-credit instruction, continuing education, and contract postsecondary enrollment option programs.*
- e. Approve the Revenue Fund and related fiscal year 2013 fees for room and board, student union, wellness and recreation facilities, and parking ramps/surface lots as detailed in Attachments 2A through 2D, including any housing fees that the campuses may charge for occupancy outside the academic year. Approve the fiscal year 2013 fees structure for room and board for colleges who either own or manage student housing as detailed in Attachment 2E.*

The chancellor is authorized to approve fee structures for any new revenue fund programs as well as any technical adjustments, and is requested to

incorporate any approvals at the time fiscal year 2014 recommendations are presented to the Board of Trustees.

- f. Approve Attachment 3, authorizing for Minnesota State University Moorhead to charge a Residential Learning Community fee beginning Fall 2012.*
- g. Approve a tuition waiver for courses in Northland Community and Technical College's Unmanned Aerial Systems (UAS) program that have a prefix of UAST. This waiver is approved for cohort 1 for summer term 2012, fall semester 2012, and a prepared portion for spring semester 2013. The waiver is also approved for cohort 2 for spring semester 2013, fall semester 2013, spring semester 2014, and a prorated portion of fall semester 2014.*

Chair Thiss called the question and the motion was approved with one nay, Trustee Philip Krinkie.

(2) Proposed Amendments to Policy 1A.2, Board of Trustees, Part 4. Officers of the Board and Part 5. Standing Committees, Committees and Working Groups of the Board (Second Reading)

Trustee Michael Vekich reviewed the Proposed Amendments to Policy 1A.2, Board of Trustees, Part 4. Officers of the Board and Part 5. Standing Committees, Committees and Working Groups of the Board.

Trustee Christine Rice moved that the Board of Trustees approves the proposed amendments to Board Policy 1A.2, Parts 4 and 5. The implementation date of the amendment is July 1, 2012. Chair Thiss called the question and the motion carried unanimously.

(3) Proposed Policy 1C.4, Fiduciary Duty, System Pension Plans (Second Reading)

Trustee McElroy moved that the Board of Trustees approves Policy 1C.4 Fiduciary Duty – System Pension Plans. Chair Thiss called the question and the motion was approved unanimously.

6. Board Standing Committee Reports

a. Audit Committee: James Van Houten, Chair

- (1) Review Results of University Personnel and Payroll Internal Audit Control and Compliance Audit
Committee Chair James Van Houten reported that the committee heard a report on the final results of the University Personnel and Payroll Internal Audit Control Compliance Audit. The report was released at the committee on June 19.
- (2) Board Committee Goal
Committee Chair Van Houten reported that the committee discussed its goal for the year to research best practices of other audit committees, including audit approaches of other higher education systems as well as private industry.

b. Academic and Student Affairs Committee: *Christine Rice, Chair*

(1) Academic and Student Affairs Update

Committee Chair Christine Rice reported that the committee heard an update on the work of the Academic and Student Affairs division.

(2) Academic and Student Affairs Committee Goal – Access to Success:
"On Course"

Committee Chair Rice reported that the committee heard a presentation on the Academic and Student Affairs Committee Goal – Access to Success: "On Course." The presentation highlighted an approach that will be effective in promoting student success both in and out of school.

c. Diversity and Multiculturalism Committee: *Louise Sundin, Chair*

(1) Diversity and Multiculturalism Update

Committee Chair Louise Sundin reported that the committee heard an update on the work of the Diversity and Multiculturalism division.

(2) Resources for Relationship Award – Metropolitan State University

Committee Chair Sundin reported that the committee heard a report on Resources for Relationship Award. The purpose of the award is to reward campuses that demonstrate measurable progress to support student engagement and success of underrepresented students.

d. Finance and Facilities Committee: *Dan McElroy, Chair*

(1) Finance and Facilities Update

Committee Chair Dan McElroy reported that the committee heard an update on the work of the Finance and Facilities Division.

(2) St. Cloud Technical and Community College – Acquisition of 1520 Whitney Court, St. Cloud, Minnesota (Heartland Clinic)

Committee Chair McElroy reviewed the St. Cloud Technical and Community College – Acquisition of 1520 Whitney Court, St. Cloud, Minnesota (Heartland Clinic.) Trustees Krinkie and Van Houten spoke against the acquisition stating their concerns of the costs. Committee Chair McElroy disagreed noting that St. Cloud Technical has had a long-term plan and is available now. Trustee Alfredo Oliveira expressed his support adding that he was excited to see the property on the agenda.

Trustee Krinkie inquired about the use of revenue bonds. Vice Chancellor Laura King stated that from a financial standpoint, using cash is always cheapest and more prudent than selling bonds. Chancellor Rosenstone stated that it is in the long term planning of the colleges and universities and the communities being served. Trustee Van Houten stated that this represents sixty percent of the entire

state allocation for this campus next year. A commitment that is inappropriate given the budget concerns.

Committee Chair McElroy moved that the Board of Trustees approves the acquisition of the Heartland Clinic, 1520 Whitney Court, St. Cloud, Minnesota, subject to final approval of the purchase agreement terms by the chancellor or his designee and completion of all required due diligence.

Chair Thiss called the question and the motion carried with two nays, (Trustees Krinkie and Van Houten).

6. Trustees' Reports

Chair Thiss and Trustees Anderson, Benson, Dickson, Englund, McElroy, Oliveira, Sundin and Van Houten reported their participation at the spring commencements.

Trustee Sundin reported that she and Trustee Dickson will visit the campuses of Anoka-Ramsey Community College in Anoka and Cambridge. The visits complete the Connecting with Campuses initiative.

7. Joint Council of Student Associations

- a. Minnesota State University Student Association (MSUSA)
Mr. Geoff Dittberner, president, addressed the Board of Trustees.
- b. Minnesota State College Student Association (MSCSA)
There was no report from the Minnesota State College Student Association.

8. Minnesota State Colleges and Universities' Bargaining Units

- a. Inter Faculty Organization
There was no report from the Inter Faculty Organization.
- b. Administrative and Service Faculty
Dr. Shahzad Ahmad, representative, addressed the Board of Trustees on behalf of Adam Klepetar, president.
- c. Minnesota State College Faculty
Mr. Greg Mulcahy, president, addressed the Board of Trustees.
- d. Minnesota Association of Professional Employees
Mr. Greg Mellas, representative, addressed the Board of Trustees.
- e. American Federation of State, County and Municipal Employees
There was no report from the American Federation of State, County and Municipal Employees.

9. Other Business

• **Election of Officers**

Chair

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

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

Vice Chair

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

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

Chair Thiss congratulated the new officers whose terms are in effect on July 1, 2012.

11. Adjournment

Chair Thiss adjourned the meeting at 12:25 p.m.

Ingeborg K. Chapin
Secretary to the Board