

MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD OF TRUSTEES MEETING MINUTES

MARCH 19, 2008

WELLS FARGO PLACE

ST. PAUL, MINNESOTA

Trustees Present: Chair David Olson, Caleb Anderson, Duane Benson, Cheryl Dickson, Ruth Grendahl, Clarence Hightower, Dan McElroy, David Paskach, Thomas Renier, Christine Rice, Scott Thiss and James Van Houten and Carol Wenner

Trustees Absent: Michael Boulton and Ann Curme Shaw

1. Call to Order

Chair David Olson called the meeting to order at 1:03 p.m. and reported that a quorum was present.

2. Chair's Report

a. Minutes of Board of Trustees Meeting of January 16, 2008

Chair Olson stated that the minutes were approved as written.

b. Other

Chair Olson congratulated Trustee Caleb Anderson who recently was named Minnesota's 2008 New Century Scholar by Phi Theta Kappa, the international two-year college honor society. Phi Theta Kappa chooses the highest-scoring student in each state to be a New Century Scholar. Trustee Anderson will be honored at the American Association of Community Colleges convention in Philadelphia from April 5 to 7. He is graduating this spring with an Associate in Arts degree from Century College and plans to transfer to a four-year institution.

3. Consent Agenda

Trustee Ruth Grendahl requested that the Winona State University Laptop Program be removed from the Consent Agenda. The item was removed from the Consent Agenda to be considered separately.

a. Winona State University Laptop Program

Trustee Grendahl commented that there are several issues regarding the program that need to be addressed. Trustee Grendahl suggested that the item be deferred to the May meeting for further review and discussion.

Committee Chair Clarence Hightower noted that the contract could be approved with an understanding that the issues would be addressed by the Office of the Chancellor and that an update will be provided at the May meeting.

Trustee Duane Benson moved that the Board of Trustees approves execution of a 5-year lease financing contract with Merrimak Capital totaling \$28.4 million to provide lease financing to participants in Winona State University's Laptop Program. The Board delegates execution of the contract to the Chancellor or his designee.

Trustee Cheryl Dickson seconded and the motion carried.

b. Minnesota State University, Mankato Construction Contract

Trustee Grendahl moved that the Board of Trustees approves the capital project to renovate Crawford Residence Hall, A & B Wings on the campus of Minnesota State University, Mankato. Trustee Christine Rice seconded and the motion carried unanimously.

4. Board Policy Decisions

a. Approval of the Inter Faculty Organization (IFO) Bargaining Agreement

Trustee Grendahl moved that the Board of Trustees approves the terms of the 2007-09 labor agreement with the Inter Faculty Organization (IFO), and authorizes the Chancellor to sign the agreement on behalf of the Board. Trustee Scott Thiss seconded and the motion carried unanimously.

b. Approval of the Minnesota State College Faculty (MSCF) Bargaining Agreement

Trustee Dickson moved that the Board of Trustees approves the terms of the 2007-09 labor agreement with the Minnesota State College Faculty (MSCF), contingent upon ratification by the MSCF unit, and authorizes the Chancellor to sign the agreement on behalf of the Board. Trustee Grendahl seconded and the motion carried unanimously.

c. FY 2009 Operating Budget Including Tuition and Fees

Committee Chair Hightower reported that the committee deferred the FY 2009 Operating Budget Including Tuition and Fees to the May meeting due to the Governor's proposed budget cuts.

d. Strategic Plan Summary Revision

Trustee Christine Rice reviewed the revised Strategic Plan Summary revisions and the motion recommended by the Advancement Committee on March 18.

Trustee Dan McElroy offered a friendly amendment to Strategic Direction 3: Goal 3, changing "Be the state's leader in identifying workforce education and training problems and solving them," to "Be the state's leader in identifying workforce education and training opportunities and seizing them." Trustee James Van Houten seconded. Chair Olson called the question and the original motion was approved unanimously.

5. Board Standing Committee Reports

a. Finance, Facilities and Technology Committee, Clarence Hightower, Chair

(1) Finance, Facilities and Technology Update

Committee Chair Clarence Hightower reported that the committee heard an update from Vice Chancellor Laura King on the Finance, Facilities and Technology division.

- (2) **FY 2010-2015 Capital Budget Guidelines (First Reading)**
Committee Chair Hightower reported that the committee heard a presentation on the FY 2010-2015 Capital Budget Guidelines. Capital projects recommended for design and/or construction in 2010 will be submitted on the FY 2010 bonding bill. Committee Chair Hightower noted that projects for the FY 2012 and FY 2014 will serve as a template for future capital budgets. This will be an action item at the May meeting.
- (3) **Revenue Fund Bond Sale (First Reading)**
Committee Chair Hightower reported that the committee heard a report on the Revenue Fund Bond Sale. The Board has fiduciary responsibility for the Revenue Fund and has delegated responsibility to the university presidents while retaining management oversight responsibility in the Office of the Chancellor. Presidents are delegated the responsibility to manage the Revenue Fund programs at their own institution. The Board is required by statute and the Fund's Master Resolution to approve fees and long- term financial commitments. This will be an action item at the May meeting.
- (4) **Minnesota State Colleges and Universities System and State Economic Outlook for FY 2010-2011**
Committee Chair Hightower reported that the committee heard a presentation on the Minnesota State Colleges and Universities System and State Economic Outlook for FY 2010-2011. The report provided the Board with preparatory information as it begins to consider the FY 2010-2011 operating budgets and determine the institutional tuition structures.
- (5) **Enterprise Information Technology Investment Plan Update**
Committee Chair Hightower reported that the committee heard an update on the Enterprise Information Technology Investment Plan. The update provided the current status of projects and new project planning and implementation. Trustee Cheryl Dickson reported that she and Trustees Benson, Thiss and Van Houten are members of a new Work Group on Technology. The group was formed by Committee Chair Hightower with Chair Olson's consent to focus on the Information Technology work and the enterprise investment plan.

b. Advancement Committee, Christine Rice, Chair

- (1) **Advancement Update**
Committee Chair Christine Rice reported that the committee heard an update on the Public Affairs division from Vice Chancellor Linda Kohl.
- (2) **State Legislative Update**
Committee Chair Rice reported that the committee heard an update on the FY 2008 legislative issues.

- (3) Federal Update
Committee Chair Rice reported that the committee heard an update on the FY 2009 federal appropriations request and issues.
- (4) Connecting with Business Proposal
Committee Chair Rice reported that the committee heard a report on an initiative resulting from Chair Olson's visits with Chamber of Commerce members around the state. The initiative was prepared to build an awareness of the services the system provides to the business community.
- (5) Ed Campus Profile
Committee Chair Rice reported that the committee heard a report of a proposed Ed Campus. The proposed facility would provide a number of higher education programs from colleges and universities at a center in Chaska, MN.

c. Academic and Student Affairs Committee, Dan McElroy, Chair

- (1) Academic and Student Affairs Update
Committee Chair Dan McElroy reported that the committee heard an update from Senior Vice Chancellor Linda Baer on the activities of the Academic and Student Affairs division.
- (2) **Review and Approval of Carl D. Perkins Career and Technical Education Act Five Year State Plan**
Committee Chair McElroy moved that the Board of Trustees approves the Minnesota Five-Year Career and Technical Education State Plan for the Carl D. Perkins Career and Technical Education Act of 2006. Trustee Thomas Renier seconded and the motion carried unanimously.
- (3) Accountability Framework
Committee Chair McElroy reported that the committee heard a report on the Accountability Framework. Progress of the dashboard and a schedule to launch in June was proposed.
- (4) 2009 Action Plan for the Minnesota State Colleges and Universities
Committee Chair McElroy reported that the committee reviewed a presentation of the draft 2009 Action Plan for the system. Following the Board of Trustees retreat in October 2007, a fifth strategic direction, "Workforce of the Future," was added to the plan to address the needs of business and industry.
- (5) Update and Progress Report on Achievement of Action Plan Targets and Legislative Performance Goals
Committee Chair McElroy reported that the committee heard a report on the Action Plan Targets. The Board approved the 2006-2010 Action Plan and targets in September 2006.

- (6) **Charter School Report**
Committee Chair McElroy reported that the committee received the Charter School Report. The report was provided in advance of the meeting as an information item.
- (7) **Minnesota Family Investment Program (MFIP) Status – Pine Technical College**
Committee Chair McElroy reported that the committee heard a report on the status of the Minnesota Family Investment Program at Pine Technical College. The Board reviewed Pine Technical College's mission and vision statement and related documents in view of detailed information provided by the Office of the Legislative Auditor concerning services provided by the college's Employment and Training Center.
- (8) **Campus Strategic Profile: Saint Paul College**
Committee Chair McElroy reported that the committee heard a presentation and profile of Saint Paul College. In 2010, Saint Paul College will celebrate 100 years of accomplishing its mission and providing opportunities and services to the community. The college mission, "Education for Employment, Education for Life!" is driven by the strategic goals aligned with the system.

d. Audit Committee, Scott Thiss, Chair

- (1) **Select External Auditors for Institutional Financial Statement Audits**
Committee Chair Thiss moved that the Board of Trustees approves the appointment of Kern, DeWenter, Viere, Ltd., and Virchow, Krause and Company, LLP to serve as external auditors for six colleges and universities. The firm of Kern, DeWenter, Viere, Ltd. will serve as external auditor for Minnesota State University Moorhead, Minnesota State University, Mankato, and Winona State University. The firm of Virchow, Krause and Company, LLP will serve as external auditor for St. Cloud State University, Bemidji State University, and Minnesota State Community & Technical College. The scope of these audit services shall include an annual audit of the general financial statements of the above mentioned colleges and universities. The term of these appointments begins upon execution of contracts and shall continue to fulfill external auditing needs for the three fiscal years from July 1, 2008, to June 30, 2010.

The Board of Trustees authorizes the Executive Director of Internal Auditing and the Vice Chancellor/Chief Financial Officer to negotiate contracts with Kern, DeWenter, Viere, Ltd., consistent with the terms contained in its proposal dated February 14, 2008, and Virchow, Krause and Company, LLP, consistent with the terms contained in its proposal dated February 28, 2008. Trustee Grendahl seconded and the motion carried unanimously.
- (2) **Review Results of Annual Student Financial Aid Audit**
Committee Chair Thiss reported that the committee heard a report on the Annual Student Financial Aid Audit. The audit report cited eleven findings of which seven were procedural.

- (3) Preliminary Internal Audit Report on the Minnesota State Colleges and Universities Foundation
Committee Chair Thiss reported that the committee heard a report on the Preliminary Internal Audit Report on the Minnesota State Colleges and Universities Foundation. The Audit Committee met jointly with the Advancement Committee in December 2007 to review the scope of an internal audit of the Minnesota State Colleges and Universities Foundation and the foundations affiliated with the Minnesota State Colleges and Universities. A final report on the full project will be presented to the committee by September 2008.
- (4) Update on Degree Audit Reporting System/Course Applicability System (DARS/CAS) Implementation
Committee Chair Thiss reported that the committee heard an update on the Degree Audit Reporting System/Course Applicability System (DARS/CAS). In October 2007, the Office of Internal Auditing reported that 26 of the 37 colleges and universities had not yet fully implemented the DARS/CAS systems. An extension to June 30, 2008, was approved for the colleges and universities to fully implement the systems.

e. Diversity and Multiculturalism Committee, Duane Benson, Chair

- (1) Diversity and Multiculturalism Update
Committee Chair Duane Benson reported that the committee heard an update from Executive Director Whitney Harris on the activities of the Diversity and Multiculturalism division.
- (2) Expenditure Data: Diversity-Oriented Academic Support and Cultural Support Services
Committee Chair Benson reported that the committee heard a report on the Expenditure Data: Diversity-Oriented Academic Support and Cultural Support Services. The report is part of an ongoing project to track funds used to support diversity programming on campuses and to review the effectiveness of programs that target the recruitment and retention of underrepresented students.

f. Human Resources Committee, Ruth Grendahl, Chair

- (1) Human Resources Update
Committee Chair Grendahl reported that the committee heard an update from Vice Chancellor Bill Tschida on the Human Resources division.
- (2) **Appointment of President of Minnesota West Community and Technical College**
Chancellor McCormick reported that upon the announcement of Dr. Ron Wood's retirement as president of Minnesota West Community and Technical College, a nationwide search was conducted with the assistance of an executive search firm. Dr. Anne Temte, president of Northland Community and Technical College, chaired the search committee. Chancellor McCormick, along with members of the Board of

Trustees and Cabinet from the Office of the Chancellor, interviewed three finalists. As a result of this process, Chancellor McCormick is recommending Dr. Richard Shrubb for the presidency of Minnesota West Community and Technical College.

Dr. Shrubb currently serves as vice president of academic and student affairs at Terra State Community College in Ohio. Previously, he served as dean of general education and director of the Clinton County campus at Southern State Community College in Ohio; associate professor, program director of technical communication and assessment coordinator at the Milwaukee School of Engineering; and an English faculty member at Pearl River Community College in Mississippi. He also served in the U.S. Army as an intelligence specialist.

Dr. Shrubb holds a doctorate in educational leadership and supervision of instruction from the University of Southern Mississippi; a master's degree in business administration from William Carey College in Mississippi; a master's degree in English from Southeastern Louisiana University; and a bachelor's degree in English from Lee University in Tennessee.

Committee Chair Grendahl moved that the Board of Trustees, upon the recommendation of Chancellor McCormick, appoints Dr. Richard Shrubb as president of Minnesota West Community and Technical College effective July 1, 2008, 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 Personnel Plan for Minnesota State Colleges and Universities Administrators. Trustee Duane Benson seconded and the motion carried unanimously.

Dr. Shrubb expressed his gratitude stating that he is honored and privileged to accept the position as president of Minnesota West Community and Technical College. He thanked Chancellor McCormick and the cabinet members for their efforts in making him feel welcome and comfortable in the interview process.

(3) Appointment of President of Northeast Higher Education District

Chancellor McCormick reported that upon the announcement of Dr. Joseph Sertich's retirement as president of the Northeast Higher Education District, a nationwide search was conducted with the assistance of an executive search firm. Dr. Kevin Kopischke, president of Alexandria Technical College, chaired the search committee.

Chancellor McCormick, along with members of the Board of Trustees and Cabinet from the Office of the Chancellor, interviewed three finalists. As a result of this process, Chancellor McCormick is recommending Dr. Mary S. Collins for the presidency of the Northeast Higher Education District.

Dr. Collins has been serving as vice president of the Northeast Higher Education District since 2006. Previously, she was provost for Vermilion Community College in Ely; dean of students and administration, director of student development, coordinator of student services, a faculty member and athletic director at Rainy River Community College in International Falls and instructor, supervisor of student teachers, and a coach at North Dakota State University Fargo.

Dr. Collins holds a doctorate in educational policy and administration from the University of Minnesota, a master's degree in education from the Southern Illinois University Carbondale, a bachelor's degree in education from Western Illinois University and an associate degree from Danville Area Community College in Illinois.

Committee Chair Grendahl moved that the Board of Trustees, upon the recommendation of Chancellor McCormick, appoints Dr. Mary S. Collins as president of the Northeast Higher Education District effective July 1, 2008, 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 Personnel Plan for Minnesota State Colleges and Universities Administrators. Trustee Thomas Renier seconded and the motion carried unanimously.

Dr. Collins thanked the Board and Chancellor McCormick for their confidence and the opportunity to serve the needs of Minnesota, the Board and the constituents. She added that she will lead the organization for the benefit of the students.

Appointment of Interim President of Fond du Lac Tribal and Community College
Chancellor McCormick reported that President Don Day's employment agreement ends on June 30, 2008. In accordance with board policy, Chancellor James H. McCormick is recommending Larry Anderson as the interim president at Fond du Lac Tribal and Community College.

Larry Anderson currently serves as Vice President of Student Services and Administration at Fond du Lac Tribal and Community College. He holds a bachelor's degree in counseling and a master's degree in education from the University of Wisconsin, Superior.

Trustee Thomas Renier moved that the Board of Trustees, upon the recommendation of Chancellor McCormick, appoints Larry Anderson as interim president of Fond du Lac Tribal and Community College effective July 1, 2008, 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 Personnel Plan for Minnesota State Colleges and Universities Administrators. Committee Chair Grendahl seconded and the motion carried unanimously.

Mr. Anderson commented that he is honored for the opportunity to serve as the interim president of Fond du Lac Tribal and Community College.

(4) Appointment of Interim President of Hennepin Technical College

Chancellor McCormick reported that Dr. Kathryn Jeffery, president of Hennepin Technical College, resigned from her position, effective March 14, 2008. In accordance with Board Policy, Chancellor James H. McCormick appointed Marvin K. Patterson as acting president of Hennepin Technical College and now is recommending Mr. Patterson as the interim president.

Marvin Patterson has been with Hennepin Technical College since 1972, serving as instructor, student services supervisor, program supervisor, department chair, campus director, campus chief executive officer, vice president for academic affairs and senior dean of instruction. He holds a bachelor's degree in secondary mathematics education from the University of South Dakota and an associate degree from Iowa Central Community College

Committee Chair Grendahl moved that the Board of Trustees, upon the recommendation of Chancellor McCormick, appoints Marvin K. Patterson as interim president of Hennepin Technical College effective March 19, 2008, 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 Personnel Plan for Minnesota State Colleges and Universities Administrators. Trustee Thiss seconded and the motion carried unanimously.

Mr. Patterson thanked the Board and Chancellor McCormick stating that he is honored to accept the position and that he is committed to the success of Hennepin Technical College.

(6) Succession Planning

Committee Chair Grendahl reported that the committee heard a report on Succession Planning. The committee reviewed the process and established a tentative Chancellor search process that will take approximately five months from beginning to end. Chair Olson clarified that this is to establish a plan for the future as the Chancellor will remain through his contract date.

6. Joint Council of Student Associations

a. Minnesota State College Student Association (MSCSA)

Mr. Scott Formo, President, provided a written report to the Board of Trustees.

b. Minnesota State University Student Association (MSUSA)

Ms. Kara Brockett, State Chair, addressed the Board of Trustees.

7. Minnesota State Colleges and Universities' Bargaining Units

a. American Federation of State, County and Municipal Employees (AFSCME)

Ms. Karen Foreman, President (AFSCME Council 6), addressed the Board of Trustees.

b. Minnesota State College Faculty (MSCF)

Mr. Joe Juaire, Treasurer, addressed the Board of Trustees.

c. Administrative and Service Faculty (ASF)

Mr. Shahzad Ahmad, President, addressed the Board of Trustees.

d. Inter Faculty Organization (IFO)

Dr. Nancy Johnson Black, President, addressed the Board of Trustees.

8. Trustees Reports

Chair Olson reported that he and Trustee McElroy met with Minnesota manufacturers around the state to discuss workforce needs. He added that they participated in three meetings with approximately 200 manufacturers.

Trustee Wenner reported that she attended the Association of Community Colleges Trustees conference in Washington, D.C. in February.

Trustee Dickson reported that she also attended the conference and met with a staff member for Secretary Spelling's while in Washington. She reported that they also visited with the Under Secretary of International Affairs, U.S. Treasury Department, David McCormick.

Trustee McElroy reported that he participated in a job skills partnership grant signing at Rainy River Community College.

9. Chancellor's Comments

Chancellor James McCormick welcomed the Board of Trustees and system colleagues to the meeting.

Chancellor McCormick commented on the presidential searches, adding that he is proud that some of the candidates were selected from within the system.

Chancellor McCormick noted that the accountability dashboard is on track, and it is an advantage to make the data available and transparent to the public.

Chancellor McCormick remarked that while the bargaining contracts can be difficult, he is pleased by the congenial working relationship with the representatives of the bargaining units.

Chancellor McCormick stated that the Action Plan is in progress and will be discussed and refined with the presidents as it will hold them accountable.

10. Requests by Individuals to Address the Board

There were no requests to address the Board.

11. Other Business

No other business was brought before the Board.

12. Adjournment

Chair Olson adjourned the meeting at 2:50 p.m.

Ingeborg K. Chapin
Secretary to the Board