

MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD OF TRUSTEES MEETING MINUTES

JULY 16, 2008

WELLS FARGO PLACE

ST. PAUL, MINNESOTA

Trustees Present: Chair David Olson, Duane Benson, Cheryl Dickson, Jacob Englund, Ruth Grendahl, Clarence Hightower, Allyson Lueneburg, Dan McElroy, Thomas Renier, Christine Rice, Louise Sundin, Scott Thiss, Terri Thomas and James Van Houten

Trustees Absent: David Paskach

1. **Call to Order**

Chair David Olson called the meeting to order at 1:30 p.m. and reported that a quorum was present.

Chair Olson introduced and welcomed newly appointed Trustees Jacob Englund, Allyson Lueneburg, Louise Sundin and Terri Thomas. Chair Olson also welcomed back Trustees Cheryl Dickson, Clarence Hightower and David Paskach who were reappointed to the Board.

Chair's Report

a. Minutes of Board of Trustees Meeting of May 21, 2008

Chair Olson stated that the minutes were approved as written.

b. Election of Officers

Chair Olson announced that the chair, vice chair and treasurer positions were up for election. He called on Vice Chair Grendahl to preside over the election of the Chair.

Chair

Vice Chair Grendahl announced that Trustee David Olson was the candidate for the position of Chair. Vice Chair Grendahl called for other nominations. There were none and the nominations were closed.

Vice Chair Grendahl moved the nomination for Trustee Olson for the position of Chair. The motion carried unanimously.

Vice Chair

Chair Olson announced that Trustee Ruth Grendahl was the candidate for the position of Vice Chair. Chair Olson called for other nominations. There were none and the nominations were closed.

Chair Olson moved the nomination for Trustee Grendahl for the position of Vice Chair. The motion carried unanimously.

Treasurer

Chair Olson announced that Trustee Scott Thiss was the candidate for the position of Treasurer. Chair Olson called for other nominations. There were none and the nominations were closed.

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

Chair Olson congratulated the new officers, whose terms become effective on August 1.

c. Revised FY 2009 Meeting Calendar

Chair Olson noted changes to the FY 2009 calendar. Orientations were added on July 14 and 30, along with a special meeting on July 30, to appoint a president of Hennepin Technical College. The October Board retreat dates were changed to October 22-23, 2008.

The calendar is subject to changes throughout the year. There will be hearings on the 2010-2011 biennial operating budget in September and also on the capital budget in February and March, if needed. Dates for the donor recognition and the Board's annual farewell have not yet been scheduled. Committee chairs also may schedule additional committee meetings as needed, after consulting with the Chair of the Board.

Trustee Rice moved that the Board of Trustees approves the revised FY 2009 meeting calendar. Trustee Grendahl seconded and the motion was approved unanimously.

Chair Olson noted that new committee assignments will be made in August. Chair Olson assigned Trustee mentors to the new student Trustees.

d. Report of Closed Session on Chancellor's Evaluation

Chair Olson stated that the Trustees participated in the review of Chancellor McCormick. He added that a public summary of the Chancellor's assessment was distributed. Chair Olson remarked on Chancellor McCormick's strong leadership and excellent performance.

Vice Chair Grendahl moved that the Board of Trustees authorizes:

- 1. Payment of a lump sum payment of \$23,500 based on Chancellor McCormick's attainment of performance indicators established for Fiscal Year 2008.*
- 2. A base salary increase of \$20,000 effective July 1, 2008.*
- 3. The Board Chair to establish performance goals for Fiscal Year 2009 and to renegotiate and execute an amendment to the employment agreement with the Chancellor to provide a performance incentive of up to \$50,000.*
- 4. Modifications needed to implement the authorized changes.*

Trustee Thiss seconded and the motion carried unanimously.

e. Emeriti Recognition

Chancellor McCormick stated that the title of president emeritus is highly regarded and recognizes respected years of devoted leadership to the institutions and community. He recommended presidential emeritus status for Roland E. Barden, retiring president of Minnesota State University Moorhead; Roy H. Saigo, former president of St. Cloud State University and retiring from Minnesota State Colleges and Universities; Joseph M. Sertich, retiring president of the Northeast Higher Education District; and Ronald A. Wood, retiring president of Minnesota West Community and Technical College.

Vice Chair Grendahl moved that upon the recommendation of Chancellor James H. McCormick, the Board of Trustees hereby confers emeritus status upon Roland E. Barden, Roy H. Saigo, Joseph M. Sertich and Ronald A. Wood, effective upon their retirements. The motion was approved.

2. Consent Agenda

- a. Acquisition of Student Housing**
- b. Century College Property Lease**
- c. Transfer of Property: Anoka Technical College Horticulture Center**

Trustee Van Houten moved approval of the Consent Agenda. Trustee Grendahl seconded and the motion carried unanimously.

4. Board Policy Decisions

There were no Board Policy Decisions.

5. Board Standing Committee Reports

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

- (1) **Finance, Facilities and Technology Update**
Committee Chair Hightower reported that the committee heard an update from Vice Chancellor Laura King on the Finance, Facilities and Information Technology divisions.
- (2) **FY 2009 Office of the Chancellor and Enterprise Technology Budget Reductions**
Committee Chair Hightower reported that the committee heard a report on the Office of the Chancellor and Enterprise Technology Budget Reductions. Committee Chair Hightower stated that the Legislature ordered an \$8.6 million dollar budget reduction for the system: \$1 million from system reserves, \$5 million from Enterprise Technology and \$2.6 million from the Office of the Chancellor. Committee Chair Hightower emphasized the difficulties in reducing those areas and how best to continue to do business.

- (3) **FY 2008 Financial Statement Issue Discussion**
Committee Chair Hightower reported that the committee heard a presentation on the FY 2008 Financial Statement Issue. The purpose of this report is to provide the Board of Trustees background on the FY 2008 adoption of Standard 45 of the Governmental Accounting Standards Board (GASB 45) by Minnesota State Colleges and Universities, the liabilities prescribed by the standard. Committee Chair Hightower stated that the committee deferred the recommendation at this time. The implication would be approximately a \$6 million dollar liability.

- (4) **Tuition Study Including the Price of Attendance**
Committee Chair Hightower reported that the committee heard a report on Tuition Study Including the Price of Attendance. Committee Chair Hightower stated that the Board of Trustees has identified four priorities for action in FY2008-2009. One of the priorities is titled "Economic Model" and is focused on the price of attendance and the cost to educate students. Results of the study will be provided in draft form to the Board in September 2008.

Trustee Grendahl began a discussion on the budget reductions noting that the Human Resources division should provide information on each area of the Office of the Chancellor as there are often questions regarding what services are provided through the system office. Trustee Benson added that not everyone is aware of the work and responsibilities provided by the central office. Chancellor McCormick suggested tours of the offices which would provide a better understanding of the Office of the Chancellor functions. Trustee Thiss offered that the Office of Internal Auditing may provide a numerical analysis of the divisions within the Office of the Chancellor. Chair Olson concluded the discussion requesting that the Human Resources and Audit Committees work together to provide an informational report. Trustee Hightower requested that the Finance division be included as there are financial implications to be considered as well. Chair Olson agreed and referred the discussion to the Executive Committee for discussion.

b. Academic and Student Affairs Committee, *Dan McElroy*

- (1) **Academic and Student Affairs Update**
Committee Chair Dan McElroy reported that the committee heard an update from Senior Vice Chancellor Baer on the activities of the Academic and Student Affairs division.

- (2) **Metropolitan Area Planning**
Committee Chair McElroy reported that the committee heard an update on Metropolitan Area Planning. The Board has had several discussions regarding the system's challenges in serving the growing metropolitan population and increasing baccalaureate and graduate degree programs. Committee Chair McElroy added that there is a significant shortage of graduates per year. A proposed framework was reviewed and discussed by the committee.

Chair Olson suggested that Metropolitan Planning be assigned as a major topic discussion at the September meeting. Chancellor McCormick noted that it is an item on the Leadership Council agenda in September, as well.

- (3) Annual Sabbatical Report
Committee Chair McElroy reported that the committee was given the Annual Sabbatical Report. The report provided summary data for fiscal year 2007.

c. 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) Presidential Years of Service
Committee Chair Grendahl reported that the committee heard a presentation on Presidential Years of Service. Certificates in recognition of service were presented to Presidents Phil Davis, Minneapolis Community and Technical College; Cheryl Frank, Inver Hills Community College; Robert Musgrove, Pine Technical College; and Ron Wood, Minnesota West Community and Technical College.

d. 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 Associate Vice Chancellor Linda Kohl.
- (2) Proposed Policy 1A.11 College and University Names and Permanent Locations (First Reading)
Committee Chair Rice reported that the committee heard a first reading of Proposed Policy 1A.11 College and University Names and Permanent Locations. Current board policy does not include an official list of the names and permanent locations of the colleges and universities within the Minnesota State Colleges and Universities system. The proposed policy lists the names of system institutions and their permanent locations as authorized by law.
- (3) Proposed Amendment 3.23 Naming Colleges and Universities (First Reading)
Committee Chair Rice reported that the committee heard a first reading of Proposed Amendment 3.23 Naming Colleges and Universities. The amendment adds a new Subpart D to Part 2 of the policy, which makes approval of a college or university name change an amendment to proposed Board policy 1A.11 with no further action of the board required. This will keep proposed Board policy 1A.11 consistent with future board-approved name changes.

- (4) Connecting with Business Initiative Update
Committee Chair Rice reported that the committee heard an update on the initiative Connecting with Business. Dan Foote of Foote & Associates presented findings from a series of focus groups and interviews with business executives. Committee Chair Rice remarked that as a result of the findings there will be visits to build relationships with the business community. Updates will be provided to the Board at future meetings.

e. Joint Advancement and Diversity and Multiculturalism Committees,
Christine Rice and Duane Benson, Co-Chairs

- (1) Reaching the Underrepresented Initiative Update
Committee Co-chair Benson reported that the joint committees heard an update on Reaching the Underrepresented Initiative. The update provided results of focus group research conducted with middle-school youth from underrepresented groups in higher education. The report also provided results that focus groups conducted for updated recruitment brochures.

f. 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) Update on Funding for Diversity and Underrepresented Programming
Committee Chair Duane Benson reported that the committee heard an update on Funding for Diversity and Underrepresented Programming. The report focused on expenditures for the recruitment and retention of underrepresented students and for diversity-oriented academic support services as well as cultural support services.

6. Joint Council of Student Associations

a. Minnesota State College Student Association (MSCSA)

Mr. Jacob Littler, President, addressed the Board of Trustees.

b. Minnesota State University Student Association (MSUSA)

Mr. Chris Frederick, State Chair, and Ms. Jennifer Ohren, Vice 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. Inter Faculty Organization (IFO)

Mr. Rod Henry, President, addressed the Board of Trustees.

8. Trustees Reports

Trustee Thiss reported that the Board meeting materials are now available on the Board of Trustees' Web site. Trustee Thiss also reported that he attended the National Association of Manufacturers (NAM) meeting with Chancellor McCormick in Washington, D.C. Chancellor McCormick added that Trustee Thiss was invited to attend a Lumina Foundation meeting on workforce development as a result of his participation at the NAM meetings.

9. Chancellor's Comments

Chancellor McCormick welcomed the newly appointed Trustees. He also welcome Mr. Rod Henry, newly appointed president of the Inter Faculty Organization (IFO). The Chancellor reported that the assessment process of the presidents and staff is in process. Chancellor McCormick introduced President Pat Johns as the new co-chair of the Leadership Council. The Chancellor noted that the presentation of Board meeting information and structure at the committee meetings will allow for more discussion time among the Trustees. Chancellor McCormick stated that he will focus on spending time with the new presidents to assist in their development within the system.

Chancellor McCormick commented that he looks forward to the Board's request to assist with 2020 planning, commenting that he welcomes the assignment.

Chair Olson remarked that the accountability dashboard project received a great deal of visibility and was recognized nationally. Trustee Grendahl reported that she attended the press conference on the dashboard which was Web-based for reporters to write or call in with their questions.

10. Requests by Individuals to Address the Board

There were no requests to address the Board.

11. Adjournment

Chair Olson adjourned the meeting at 3:25 p.m.

Ingeborg K. Chapin
Secretary to the Board