

MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD OF TRUSTEES MEETING MINUTES

SEPTEMBER 15, 2010

WELLS FARGO PLACE

ST. PAUL, MN

Trustees Present: Chair Scott Thiss, 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 and Michael Vekich

Trustees Absent: Christopher Frederick

1. Call to Order

Chair Scott Thiss called the meeting to order at 1:05 p.m. and reported that a quorum was present. Lieutenant Colonel Angela Steward-Randle led the assembly in the Pledge of Allegiance.

2. Chair's Report

a. Minutes of Board of Trustees Study Session of July 20, 2010

The minutes of the Board of Trustees Study Session of July 20, 2010, were approved as written.

b. Minutes of Board of Trustees Study Session of July 21, 2010

The minutes of the Board of Trustees Study Session of July 21, 2010, were approved as written.

c. Minutes of Board of Trustees Meeting of July 21, 2010

The minutes of the Board of Trustees meeting of July 21, 2010, were approved as written.

d. Revised FY11 Meeting Calendar

The Executive Committee meeting dates were added to the FY11 meeting calendar.

Trustee Dan McElroy moved that the Board of Trustees approves the revised FY11 Meeting Calendar. Trustee Cheryl Dickson seconded and the motion carried unanimously.

e. FY10 Board Operating Budget Year-End Report

Treasurer Duane Benson provided an overview of the FY10 Year-End Board Operating Budget Report. The Board of Trustees Operating Budget for July 1, 2009, through June 30, 2010, was \$212,500. During FY2010, the Board of Trustees spent \$170,678, or 80 percent of its budget. The balance at year-end was \$41,822, of which \$1,222 was carried forward to FY2011 for an obligation that occurred in FY2010.

f. October 19-20, 2010 Board Retreat

Trustee Benson reviewed the retreat agenda. He reported that he and Interim Vice Chancellor Scott Olson are in the process of retreat planning. Trustee Benson noted that he hopes for an outcome that will be the starting point of a new direction as it relates the ideas and goals of the Board. He would also like to see an outcome of what legacy the Board would like to leave behind. Interim Vice Chancellor Scott Olson thanked the Board for completing the retreat survey.

3. Consent Agenda

(1) Online Student Support Center Intra-Agency Agreement

(2) Mission Approvals:

- **Dakota County Technical College**
- **Northland Community and Technical College**
- **Minnesota State College – Southeast Technical**

(3) Approve FY2011 Audit Plan

(4) Authorization of Leadership Employment Agreements

Chair Thiss moved approval of the Consent Agenda. The motion carried unanimously.

4. Board Policy Decisions

(1) Proposed Amendment to Board Policy 5.16 Risk Management and Insurance

Trustee Dan McElroy moved that the Board of Trustees approves the amendment to Policy 5.16 Risk Management and Insurance. Chair Thiss called the question and the motion carried unanimously.

5. Board Standing Committee Reports

a. Finance and Facilities Committee

Dan McElroy, Chair

(1) Finance and Facilities Update

Committee Chair McElroy reported that the committee heard an update from Vice Chancellor Laura King on the activities of the Finance and Facilities division.

(2) Laws of 2010 – Local Bank Deposit Pilot

Committee Chair McElroy reported that the committee heard a report on Laws of 2010 – Local Bank Deposit Pilot. Minnesota State Colleges and Universities will conduct a pilot for up to eight institutions to deposit their reserve funds with community financial institutions to increase the distribution of potential economic benefits throughout the state.

(3) Discuss and Select Committee Goals

Committee Chair McElroy reported that the committee discussed and approved its goals for FY11.

(4) Minnesota State Colleges and Universities System and State Economic Outlook for FY2011-2013

Committee Chair McElroy reported that the committee received a report and had a discussion on the System and State Economic Outlook for FY2011-2013 as it relates to the biennial operating budget request.

(5) FY2012-2017 Capital Budget Update

Committee Chair McElroy reported that the committee heard an update on the FY2012-2017 Capital Budget process currently underway in preparation for the 2012 legislative session. Capital budgets are presented to the legislature every two years in the even year of the biennium as part of a six-year capital plan.

b. Advancement Committee

Cheryl Dickson, Chair

(1) Advancement Update

Committee Chair Cheryl Dickson reported that the committee heard updates from Director Mary Davenport, Associate Vice Chancellor Linda Kohl and Executive Director Maria McLemore on the Government Relations division, Public Affairs division and the System and Foundation Relations division, respectively.

(2) Discuss and Select Committee Goals

Committee Chair Dickson reported that the committee discussed and approved its goals for FY11.

(3) Trustee Visits to Campuses – Protocols

Committee Chair Dickson reported that the committee reviewed the protocol for visits to the campuses. The visits are to acquaint the Trustees with the distinctiveness of each institution and to provide them with an informed context when making strategic and policy decisions for the system.

(4) Trustee Interaction with the Legislature

Committee Chair Dickson reported that the committee discussed their goal to increase the Board's familiarity with the legislators and the legislative process as they relate to the system issues.

c. 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 from Interim Vice Chancellor Scott Olson on the activities of the Academic and Student Affairs division.

(2) 2009-2010 Honorary Degrees Report

Committee Chair Rice reported that the committee heard a report on the 2009-2010 Honorary Degrees. Two institutions awarded honorary degrees in academic year 2009-2010.

- St. Cloud State presented an honorary Doctorate of Business Administration to Mr. Gordon Viere, CEO of LarsonAllen, one of America's 20 largest accounting and consulting firms, in recognition of achievement and outstanding success in his professional and personal life.
- Winona State University awarded an Honorary Doctorate of Humane Letters to Ms. Shigeko Sasamori in recognition of her commitment to promoting worldwide peace and awareness. Ms. Sasamori is a survivor of the Hiroshima bombing. This award is just the fifth honorary doctorate degree awarded by the university in its 152 year history.

(3) Discuss and Select Committee Goals

Committee Chair Rice reported that the committee discussed and approved its goals for FY11.

(4) 60/120 Credit Length Legislative Report

Committee Chair Rice reported that the committee heard a report on the 60/120 Credit Length Legislative report. The report provided information about the status of program credit length reductions.

d. Audit Committee

James Van Houten, Chair

(1) Legislative Auditor's Presentation on the Report of Five Colleges:

- Central Lakes College
- Inver Hills Community College
- Pine Technical College
- Ridgewater College
- Riverland Community College

Committee Chair James Van Houten reported that the committee heard a presentation on the Legislative Auditor's report of five colleges listed above. The Office of the Legislative Auditor provides for periodic audits of colleges which are not subject to annual financial statement audits. No significant findings or risks were found in the audit.

(2) Discuss Internal Audit of St. Cloud Technical and Community College

Committee Chair Van Houten reported that the committee discussed an Internal Audit of St. Cloud Technical and Community College. Due to resource constraints, the Office of the Legislative Auditor was unable to audit the college.

(3) Discuss Approved Committee Goals

Committee Chair Van Houten reported that the committee discussed the committee's goals for FY11.

(4) Status Report on Office of the Legislative Auditor Program Evaluation Findings

Committee Chair Van Houten reported that the committee heard a report on the Office of the Legislative Auditor Program Evaluation Findings. The Audit Committee was assigned to monitor the progress made in resolving findings of the report.

e. Human Resources Committee

Clarence Hightower, Chair

(1) Human Resources Update

Committee Chair Clarence Hightower reported that the committee heard an update from Vice Chancellor Lori Lamb on the Human Resources division.

(2) Report on Board Early Separation Incentive for FY2010

Committee Chair Hightower reported that the committee heard a report on the Board Early Separation Incentive for FY2010. Board Policy 4.11 provides the Board's authority for the system to offer early separation incentives to reduce salary and benefit obligations in anticipation of reduced state funding; to reallocate resources to departments and programs in response to changing needs or strategic objectives; or achieve other cost savings or efficiencies. The policy further requires an annual reporting requirement to the Board and the legislature concerning board early separation incentives paid.

(3) Pay for Performance

Committee Chair Hightower reported that the committee heard a report on the background and history of Pay for Performance. Administrators, including the Chancellor, presidents and vice chancellors, historically have been paid on a performance-based model.

(4) Staffing Report

Committee Chair Hightower reported that the committee heard an update on the Human Resources Staffing report. The report is a continuation developed for review and discussion by the committee.

(5) Discuss and Select Committee Goals

Committee Chair Hightower reported that the committee discussed and approved its goals for FY11.

(6) Orientation for New Executives

Committee Chair Hightower reported that the committee heard a report on Orientation for New Executives. The report provided an overview of an updated and improved orientation process.

f. Diversity and Multiculturalism Committee

Louise Sundin, Chair

(1) Diversity and Multiculturalism Division Update

Committee Chair Louise Sundin reported that the committee heard an update from Executive Director Whitney Stewart Harris on the activities of the Diversity and Multiculturalism division.

(2) Discuss and Select Committee Goals

Committee Chair Sundin reported that the committee discussed and approved its goals for FY11.

(3) Diversity and Multiculturalism Committee/Division Work Plan for FY2011

Committee Chair Sundin reported that the committee reviewed and discussed its annual work plan.

g. Technology Committee – Board Room

David Paskach, Chair

(1) Information Technology Update

Committee Chair David Paskach reported that the committee heard an update from Vice Chancellor Darrel Huish.

(2) Discuss and Select Committee Goals

Committee Chair Paskach reported that the committee discussed and approved its goals for FY11.

(3) Students First Report

Committee Chair Paskach reported that the committee heard a report on Students First. Students First embodies several projects in areas key to serving the students. Chair Paskach requested that the committee receive a progress report at each meeting.

(4) Office of Legislative Auditor Compliance
Committee Chair Paskach reported that the committee heard an update on Information Technology's progress related to the OLA report.

(5) Discuss Future Meetings

Committee Chair Paskach reported that the committee discussed its future meeting agendas.

6. Joint Council of Student Associations

- a. Minnesota State College Student Association (MSCSA)
Mr. Travis Johnson, President, addressed the Board of Trustees.
- b. Minnesota State University Student Association (MSUSA)
Mr. Andrew Spaeth, Chair, addressed the Board of Trustees.

7. Minnesota State Colleges and Universities' Bargaining Units

- a. Administrative and Service Faculty
Ms. Barbara Oertel, President, addressed the Board of Trustees.
- b. Inter Faculty Organization
Dr. Donald Larsson, President, addressed the Board of Trustees.

8. Trustees' Reports

Chair Thiss thanked the Trustees for their participation at the Minnesota State Fair exhibit. Chair Thiss reported that he attended North Hennepin Community College's Strategy Forum in Lisle, Illinois. He announced that Trustee Rice will participate in Alexandria Technical College's Strategy Forum in November.

Trustees Sundin and Van Houten reported that they participated at the State Fair exhibit.

9. Chancellor's Comments

Chancellor James McCormick welcomed the Trustees, the constituents, staff and presidents to the meeting.

Chancellor McCormick stated that part of his update is to keep the Board informed on the important work of its goals. Chancellor McCormick stated that with the system restructuring, including cuts and lay-offs, some services can no longer be continued. He emphasized that it is a very difficult situation and that he will continue to do his very best to keep the system strong and enhance its presence on a national level.

The Chancellor reported that headcount for the system is up approximately three percent this year compared to fall of 2009. Enrollment of students of color, and of continuing education students, increased while enrollment of new students was a bit less than last year. The Chancellor reported that David Danahar, President, Southwest Minnesota State University, has announced that he will retire in July of 2011. He noted the 100 year anniversary of Saint Paul College. He congratulated President Donovan Schwichtenberg for his strong leadership of the college and the celebration of the 100 year anniversary during his tenure. Chancellor McCormick concluded his remarks thanking the Board for their time.

10. Requests by Individuals to Address the Board

There were no requests to address the Board.

11. Other Business

There was no other business to come before the Board.

12. Adjournment

Chair adjourned the meeting at 2:25 p.m.

Ingeborg K. Chapin
Secretary to the Board