

MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD OF TRUSTEES

FINANCE AND FACILITIES COMMITTEE

MEETING MINUTES

October 23, 2013

Finance and Facilities Committee Members Present: Vice Chair Dawn Erlandson, Trustees Duane Benson, Philip Krinkie, Thomas Renier, and Elise Ristau

Other Board Members Present: Trustees Ann Anaya, Margaret Anderson Kelliher, Cheryl Dickson, Clarence Hightower, Alfredo Oliveira, and Louise Sundin

Leadership Council Representatives Present: Chancellor Steven Rosenstone, Vice Chancellor Laura King, President Phil Davis, and President Richard Hanson

The Minnesota State Colleges and Universities Finance and Facilities Committee held its meeting on October 23, 2013 4th Floor, McCormick Room, 30 East 7th Street in St. Paul. In Chair Vekich's absence, Vice Chair Erlandson called the meeting to order at 10:17 a.m.

1. Minutes of June 19, 2013

The minutes of the June 19, 2013 Finance and Facilities Committee were approved as published.

2. Finance and Facilities Update

Vice Chancellor King reported that Minnesota State Colleges and Universities (MnSCU) has signed a new agreement with Minnesota Management and Budget (MMB) concerning the state's temporary use of MnSCU's cash balance. This is the sixth year of the agreement and currently \$400 million in loans is outstanding. Trustee Krinkie inquired about the repayment terms of the loan. Vice Chancellor King replied that the agreement allows MnSCU to keep a minimum cash balance and the loan needs to be repaid before the fiscal year's books close. Typically all funds are repaid in May. Trustee Krinkie said that it was his understanding that the cash flow account and rainy day fund at the state has been restored, and asked why MMB continues to borrow from MnSCU. Vice Chancellor King said those accounts aren't big enough and that the state's cash flow is uneven with expenses falling on the front end of the calendar and revenues coming in at the tail end.

FY2013 was closed out in SWIFT and FY2014 activity is being monitored. \$272.5M of financial aid was processed using the new accounting guidance and the new federal sanctions in place.

MnSCU's Government Relations team and Brian Yolitz and Greg Ewig from Facilities have joined MMB and the House and Senate Capital Investment committees as they visit campuses around the state to learn more about the 2014 capital budget request.

MMB and members of the Capital Investment Committees have visited 24 MnSCU campuses so far. Many of these campuses have hosted legislators and executive branch staff multiple times. Bonding tours are still being scheduled with visits in November and December. Vice Chancellor King thanked the presidents and their leadership team for outstanding hospitality and representation of the MnSCU priorities.

Work is proceeding on 13 college and university 2013 financial statements, the revenue fund, systemwide financial statements and related audits. The audit schedule had been modified to match MMB's schedule. The work is going very well and no material issues have emerged to date.

There is a special meeting of the Audit committee scheduled in early December to review and authorize release to MMB. The Finance committee will have a considerable time allotment scheduled in January for review and staff presentation.

Vice Chancellor King has visited with four of the six new presidents at their campuses and the remaining two will be visited in the next couple of weeks. All have strong planning and budgeting efforts in place.

3. Proposed Amendment to Board Policy 5.21 Possession or Carry of Firearms (First Reading)

Vice Chancellor King noted that a printed version of the proposed policy was at each Trustee's place, replacing the version in the published materials. The original policy was adopted in June 2003. Board Policy 1A.1 requires period reviews of all policies and procedures which prompted this review.

Under the current policy, students, employees and visitors are treated as distinctive groups. Students, other than licensed peace officers, cannot have firearms on campus except for parking lots, ramps and for academic purposes. There are no provisions for employees to carry a firearm while at work unless they are a licensed peace officer on campus as an academic instructor. Visitors are not prohibited from carrying a firearm as long as they are in compliance with the license and carry law.

The primary proposed change is to allow any employee who is a licensed peace officer to carry a firearm in accordance with law while in work status as a MnSCU employee. This would change the current policy, which limits this authority to licensed peace officers employed by the system who are assigned related academic or public safety duties.

The proposed policy would also provide that federally authorized law enforcement officials may carry firearms on system property consistent with federal requirements.

The second proposed change is to delete Part 8, which provides that colleges and universities are to adopt policies consistent with board policy. The deletion is recommended because it is redundant. Board Policy 1A.1 allows colleges and universities to adopt policies consistent with board policy and system procedure.

No changes are proposed to the policy's prohibition of students and employees from carrying firearms on system property. The policy does not prevent firearms in vehicles, parking lots, and ramps because state statute prevents MnSCU from prohibiting it.

Vice Chancellor King said the proposed amendment was sent out for comment to the faculty unions, employee unions, student groups, and presidents. There were no objections from the groups with most comments asking for clarification of the current or proposed policy.

Trustee Sundin referred to Part 8 that was deleted under the proposed amendment. The current policy reads that colleges and universities "shall" adopt policies consistent with board policies, whereas Policy 1A.1 "allows" colleges and universities to adopt policies consistent with board policy. Trustee Sundin said the words should be consistent. Gail Olson, from the Office of General Counsel, clarified that colleges and universities can have their own firearms policies but it needs to be consistent with Policy 5.21.

Trustee Benson asked if it affects signage. Ms. Olson said under the law, signage applies to private entities. The law allows visitors to bring firearms on campuses as long as they are in compliance with the law.

Trustee Oliveira asked if the policy could be even stricter and how the policy can be enforced. Ms. Olson replied that the policy is as limiting as possible under statute and if someone is breaking the policy, law enforcement should be contacted.

Trustee Krinkie asked if there is an exemption for peace officer training programs. Ms. Olson said that there is an academic allowance for that. Presidents can permit guns on campus for specific courses, including the gunsmithing program at Pine Technical College.

President Hanson commented that he appreciated that clarity because students do ask about the policy. President Davis said that it adds clarification as to what peace officers can do, particularly when they are employed by a campus.

Vice Chancellor King said that the second reading will be in November.

4. Proposed Amendment to Board Policy 5.23 Security and Privacy of Information Resources (1st Reading)

Interim Vice Chancellor McCoy introduced Walt Swanson, Information Security Manager and Dan Heckaman, CIO of MSU Moorhead. Interim Vice Chancellor McCoy said at the IT Security study session yesterday, there was discussion on the importance of continually adjusting MnSCU's security posture. In January 2013, a workgroup was formed to review practices surrounding vulnerability management. The workgroup was charged with development of board policy, system procedure and system guidelines in relation to IT security. Mr. Heckaman was one of the lead CIOs on the workgroup and Mr. Swanson acted as the liaison for the system office. Both have advocated for change in MnSCU's security posture.

The proposed policy changes have gone through the consultation process and no objections have been received. Mr. Heckaman was asked to give some insight.

Mr. Heckaman said this policy serves as the framework of regulatory compliance ensuring consistency in application of information security throughout the system. The proposed changes add the requirement for campuses and the system office to adopt plans, programs and training consistent with the commitment, direction, and expectations to minimize risks with regard to information resources.

There were no questions or comments. The second reading will take place in November.

5. North Dakota Tuition Reciprocity Agreement

Vice Chancellor King said that it is a matter of practice that the Board be asked to approve certain reciprocity agreements. The Minnesota Office of Higher Education is the lead negotiator and reporter of the agreement. The Board must approve the agreement prior to the Chancellor's authorization.

The change to the agreement is administrative and it does not have material impact on MnSCU students. It does impact North Dakota students and the rate calculation for students crossing the border in both directions.

Trustee Benson asked about the number of students that cross the border. Susan Anderson, Budget Program Director, replied that 10,000 Minnesota students cross the border into North Dakota and 5,300 North Dakota students cross into Minnesota. In FY2013, MnSCU enrolled 3,800 North Dakota students on a per FYE basis.

Trustee Benson moved that the Finance and Facilities Committee recommend adoption of the following motion. Trustee Renier seconded the motion. The motion prevailed.

RECOMMENDED COMMITTEE ACTION:

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

The Board of Trustees approves the North Dakota/Minnesota Reciprocity Agreement (Attachment A) in accordance with Minnesota Statutes section, 136A.08, Subd. 6, effective beginning with the 2013-2014 academic year.

The meeting was adjourned at 10:47 a.m.

Respectfully submitted,

Laury Anderson, Recorder