



**BOARD OF TRUSTEES
EXECUTIVE COMMITTEE MEETING
FEBRUARY 16, 2016
8:15 AM**

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
30 7TH STREET EAST
CONFERENCE ROOM 3310, THIRD FLOOR
SAINT PAUL, MN**

In addition to committee members attending in person, additional committee or board members may participate by telephone. Members of the public may attend in person.

- (1) Convene, Michael Vekich, Chair
- (2) **Minutes of January 7, 2016**
- (3) **Approval of Revised FY2016 Board Operating Budget**
- (4) Proposed Amendments to Policy 1A.2, Board of Trustees, Part 5 Standing Committees, Committees, and Working Groups of the Board
(First Reading)
- (5) Draft Committee Charters
 - Academic and Student Affairs Committee
 - Audit Committee
 - Diversity and Equity Committee
 - Executive Committee
 - Finance and Facilities Committee
 - Human Resources Committee
- (6) Proposed Amendments to Policy 1C.1 Board of Trustees Code of Conduct
(First Reading)
- (7) Adjournment

Executive Committee

Michael Vekich, Chair, Chair
Margaret Anderson Kelliher, Vice Chair
Jay Cowles, Treasurer
Thomas Renier, Immediate Past Chair
Alexander Cirillo
Dawn Erlandson
Robert Hoffman
BOLD denotes action item

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
MEETING OF THE EXECUTIVE COMMITTEE
MINUTES
January 7, 2016**

Executive Committee Members Present: Michael Vekich, chair, Margaret Anderson Kelliher, vice chair, Alex Cirillo, John Cowles, Dawn Erlandson, Robert Hoffman, and Thomas Renier

Others Present: Trustees Duane Benson, Maleah Otterson, Louise Sundin, and Chancellor Steven Rosenstone

Convene and Updates

Chair Vekich convened the meeting at 8:05 am and announced that a quorum was present. There were two additions to the agenda. Chancellor Rosenstone will provide an update on the presidential transition at Rochester Community and Technical College and a discussion on the supplemental budget request.

Minutes of December 14, 2015

Trustee Hoffman noted a correction to the minutes on the bottom of page three. The corrected minutes were approved.

Chancellor Rosenstone Update

Chancellor Rosenstone reported that he has appointed Joyce Helens, currently president of St. Cloud Technical and Community College, as the acting president of Rochester Community and Technical College, effective January 9, 2016. Chancellor Rosenstone added that he will recommend her appointment as interim president of Rochester Community and Technical College to the Board of Trustees at their meeting on January 27, 2016. This will be a temporary reassignment and she will return to her duties as president of St. Cloud Technical and Community College at the end of year. President Helens also will chair the search committee for a permanent president of Rochester Community and Technical College.

Chancellor Rosenstone explained that he has consulted with the chair of the board and all of the members of the Human Resources Committee. Since assuming the presidency of St. Cloud Technical and Community College on July 1, 2006, President Helens has built an excellent leadership team. She is an experienced, thoughtful, and effective leader. President Helens has recommended Margaret Shroyer, vice president, academic affairs, as acting president. There will be minimal disruption at St. Cloud Technical and Community College with these temporary reassignments. No board action is required to appoint Dr. Shroyer, but she will be introduced at the January board meeting. Helens and Shroyer are meeting with St. Cloud Technical and Community College faculty and staff this morning.

On January 8, 2016, Chancellor Rosenstone said he and President Helens will travel to Rochester to meet with students, faculty, staff, community members, and others to talk about the change. Chancellor Rosenstone added that he is also reaching out to key legislators.

The chancellor thanked Chair Vekich, Chair of the Human Resources Committee Erlandson, members of the Human Resources Committee, and Vice Chancellor Carlson for their guidance over the past several months. He also thanked President Helens and Vice President Shroyer for their willingness to take on these assignments over the next several months.

Supplemental Budget Request

Trustee Cowles explained that Myron Frans, commissioner, Minnesota Management and Budget, sent Minnesota State Colleges and Universities information about submitting a supplement budget request for Governor Dayton's consideration. Vice Chancellor King added that this was the first formal indication received that the governor would be considering a supplemental proposal. On behalf of the board and the chancellor and after consultation with the board chair and the Finance Committee chair, Vice Chancellor King submitted a supplement budget request of \$21M on December 30, 2015. The Board of Trustees received copies of the letter on January 6, 2016.

Chair Vekich asked if the request should have gone through a committee before it was submitted, or was this consistent with past practice. Vice Chancellor King replied that the submission of the supplemental request was consistent with past practices. The \$21M was left unfunded from the board's \$142M request last session. Chair Vekich commented that as long as we are in the parameters of our original budget request and received instructions from Minnesota Management and Budget, then he does not have a problem with the letter. Chancellor Rosenstone noted that the board's budget request asked for \$142M for the biennium and we are still fighting for the board's position. We have maintained a consistent position with the board's authority.

Vice Chair Anderson Kelliher was supportive of the supplemental request. She requested that we make sure that we are speaking the language of this session and what the priorities are for this session in the context of our outstanding request. We are the educator of choice for a lot of people that need a ladder up and will need our help to be academically successful.

Vice Chancellor King explained that another dimension is that since we built the \$142M budget, our enrollment has gone down. The supplemental request is not a replacement for declining enrollment. The presidents are managing their budgets.

Trustee Sundin commented that the supplemental budget is an opportunity to describe the role of our colleges and universities in descriptive ways concerning the critical and urgent needs of the state rather than just in numbers. Chancellor Rosenstone replied that the government relations and advancement teams have already begun working on this and they will also reach out to trustees.

Trustees Cowles summarized the discussion noting that he has asked Vice Chancellor King to provide a draft that will explain the board's past practice for operating and capital budget requests from one legislative session to the next.

Discuss Role of the Standing Committees

Chair Vekich explained that the charters and proposed amendments to board policy are presented for discussion. No action will be taken today.

Academic and Student Affairs Committee

Trustee Cirillo, chair, Academic and Student Affairs Committee reviewed the charter and proposed policy amendments for the committee. Trustees' comments on the charter included program reviews and closures, systemwide academic strategic planning and delivering programs for the education of the future. Chancellor Rosenstone commented that the campuses are much more in tune with program needs for their students.

Audit Committee

Trustee Hoffman, chair, Audit Committee, reviewed the charter. There were no amendments to board policy. There was a discussion about training for the committee. Chair Vekich commented that there should be some additional training, and he suggested considering an annual training. Responding to a question, Chancellor Rosenstone explained that Internal Auditing does not conduct mini audits, but it is not uncommon for the office to look into specific matters. Chair Vekich proposed considering audits during a leadership change. Chancellor Rosenstone commented that a component of any presidential transition is a conversation with the individual.

Chancellor Rosenstone recommended adding consultation with the chancellor to the review of the executive director of Internal Auditing, and in other areas, as well. Chair Vekich commented that the Audit Committee should oversee approval or dismissal of the executive director. He also requested clarification on the selection and approval process for independent external auditors.

Diversity and Equity Committee

Trustee Benson, chair, Diversity and Equity Committee, reviewed the charter for the committee. There were no amendments to the board policy. Suggestions to the charter included adding collaborations with other committees, student support services such as food shelves, and using other opportunity gap instead of achievement gap.

Finance and Facilities Committee

Trustee Cowles, chair, Finance and Facilities Committee, reviewed the charter and proposed policy amendment for the committee. A suggestion to the proposed policy amendment was to add “in support of academic priorities” to the last sentence in section 1. Subpart B. Suggestions to the charter included: emphasizing diversity, adding natural environment as well as built environment, being proactive on research facilities, and including a statement on the use of student work in sculpture, art, to highlight programs

Human Resources Committee

Trustee Erlandson, chair, Human Resources Committee, reviewed the charter for the committee. There were no amendments to the board policy. She inquired about adding a more proactive focus to the charter including human resources efforts on improving retention, recruitment, and diversity. Chancellor Rosenstone noted that succession planning, quality of the workforce, demographic of the workforce, staff and faculty development, growing our own, the new human resources transactional model and how we organize our people to get work done efficiently and effectively are all related. He suggested adding monitoring and evaluating how we conduct searches to item number five.

Chancellor Rosenstone added that these were the questions that we asked three years ago that led to Charting the Future. He commented that these topics are conversations that should occur annually, and he suggested programming them for the annual board retreat as a way to infuse the whole board with their importance.

Chair Vekich noted that the new format in committee meetings allows more time for discussions. Chancellor Rosenstone explained that there will be a study session at the January board meeting to discuss “offense” rather than the “defense” strategies for risk management. How do we think fundamentally and differently about concepts we ought to be thinking about? For example, what would happen if we were to organize education in the metro in a fundamentally different way?

Before the charters are finalized, Vice Chair Anderson Kelliher suggested that they all have a consistent format with respect to font, font size, spacing and organization.

Other

Trustee Cowles inquired about the National Conference for Trustees sponsored by the Association of Governing Boards of Universities and Colleges. The conference conflicts with the April board meeting dates.

Adjournment

Chair Vekich adjourned the meeting at 10:05 am.

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD ACTION

PROPOSED INCREASE TO FY2016 BOARD OF TRUSTEES OPERATING BUDGET

BACKGROUND

Board Policy 1A.2, Board of Trustees, Part 4. Officers of the Board, Subpart C. Duties and Responsibilities of the Board Chair require the chair to recommend an annual board operations budget and budget increases to the Executive Committee for approval.

Since the FY2016 Operating Budget was approved in June of 2015, the board has had four training sessions on governance, added monthly meetings of the Executive Committee, and held an off-site meeting in January. Increased consulting costs, meeting expenses, per diem, and in-state travel expenses have resulted in an evident gap. See attachment A.

Chair Vekich and Trustee Cowles, treasurer and chair of the Finance and Facilities Committee are recommending an increase of \$30,000 to the board's operating budget. The additional funds will be one-time funds, not be an increase to the base.

RECOMMENDED COMMITTEE MOTION

The Executive Committee approves an increase of \$30,000 to the FY2016 Board Operating Budget, and recommends that the Board of Trustees approve it at their meeting on March 16, 2016. The additional funds will be one-time funds, not added to the base.

RECOMMENDED BOARD OF TRUSTEES MOTION

The Board of Trustees approves an increase of \$30,000 to the FY2016 Board Operating Budget. The additional funds will be one-time funds, not added to the base.

Date Presented to the Executive Committee: February 16, 2016

Presented to the Board of Trustees: March 16, 2016

Minnesota State Colleges and Universities
Board of Trustees FY2016 Operating Budget

Attachment A

	Approved	Projected Year-End	Variance
Expenses:			
Per Diem	\$25,000	\$30,000	\$5,000
Meeting Expense (1)	\$32,000	\$42,000	\$10,000
Audio / Amplification / Streaming	\$10,000	\$14,000	\$4,000
Travel in-state (2)	\$47,000	\$55,000	\$8,000
Development / National Conferences (3)	\$20,000	\$23,000	\$3,000
Memberships (4)	\$21,000	\$20,196	-\$804
Travel / Accident Insurance (5)	\$5,000	\$750	-\$4,250
Consultants (6)	\$37,000	\$63,480	\$26,480
Miscellaneous	\$1,000	\$1,000	\$0
Chair Expense (7)	\$7,000	\$7,000	\$0
Contingency (8)	\$20,772	\$0	-\$20,772
Total Budget (9):	<u>\$225,772</u>	<u>\$256,426</u>	<u>\$30,654</u>

Notes:

- (1) Meeting expense includes: printing, supplies, meals and refreshments, off-site room and equipment rental.
- (2) Travel in-state includes mileage, meals, lodging, parking, in-state registration fees.
- (3) Registration and travel to national higher education conferences.
- (4) Dues for memberships in the Association of Community College Trustees and the Association of Governing Boards of Universities and Colleges.
- (5) Travel accident insurance policy renews in September 2015.
- (6) In addition to the \$12,000 that the board approved, \$25,000 was carried forward for two consultants hired in spring 2015.
- (7) Per board policy, the chair allowance provides for board attendance at special events and the annual recognition reception.
- (8) Carry forward amount from FY2015 added to contingency.
- (9) The original FY2016 approved budget was \$180,000. Added to that are the 2015 consulting contract balance of \$25,000 and the carry forward balance as approved by the Executive Committee on May 5, 2015, and the Board of Trustees on June 17, 2015.

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD POLICY		1A.2
Chapter	1A.	System Organization and Administration
Section	2.	Board of Trustees

1A.2 BOARD OF TRUSTEES.

Part 5. Standing Committees, Committees, and Working Groups of the Board. The board establishes the standing committees at subparts A through G and may establish additional standing committees as necessary. A joint meeting of standing committees may be scheduled only after prior consultation with the board chair.

All members of the board shall serve as ex-officio members of every committee to which they are not appointed. The ex-officio members are granted the right to fully participate in committee discussion and deliberations, but do not have the power to vote and are not to be included for purposes of a quorum.

Subpart A. Executive Committee.

1. The Executive Committee of the board shall consist of not fewer than five and not more than seven trustees, and shall include the chair, the vice chair, the past chair if that person continues to serve as a trustee, and is available to serve, and additional trustees as determined by the chair to ensure broad representation.
2. The board chair and vice chair shall serve as chair and vice chair respectively of the Executive Committee.
3. The Executive Committee may meet during periods between regular meetings of the board at the call of the chair.
4. The Executive Committee is charged with oversight of the board's integrity and effectiveness, conducting ongoing reviews of board operations procedures ~~The executive committee recommends board policies not within the purview of other standing committees, evaluates the effectiveness of the board annually, identifies best practices for boards with an educational mission, reviews the board's practices with respect to participation and conflict of interest, act on unresolved conflict of interest questions, designs and oversees orientation of new board members and leads in succession planning by identifying, to the governor, qualities to be sought in a trustee and potential new members.~~
5. The Executive Committee may act on those issues delegated to it by the full board and shall consider issues that require attention prior to the next regular board meeting. The Executive Committee shall not have the authority to act on behalf of the board unless specifically delegated by the board except in the case of

1 an emergency which, in the judgment of the chair, requires action more
2 immediately than an emergency meeting of the board can be called. In such
3 instances, the chair shall report to members of the board as soon as possible after
4 the emergency and seek ratification of emergency actions at the next possible
5 meeting.

- 6 6. The Executive Committee shall approve the annual operating budget for the
7 board office, subject to the regular budget review and approval procedures of the
8 facilities/finance committee and the board. The Executive Committee
9 periodically shall review the budget and provide a yearend report to the board at
10 the conclusion of the fiscal year.

11 **Subpart B. Finance and Facilities Committee.** The Finance and Facilities
12 Committee of the board shall consist of no fewer than five and no more than seven
13 members to be appointed by the chair annually. The Finance and Facilities Committee
14 is charged with governance of the short and long term financial strategic conditions and
15 economic health of the system and its colleges and universities. oversight of all
16 systemwide fiscal, facility and technology matters, matters related to system pension
17 plans, and oversight of system/ foundation relations and development. This includes
18 biennial budget development, tuition, allocation formula, capital budget requests, and
19 annual gifts and grants reports The committee's scope includes oversight of board
20 policies for the administrative, information technology, financial and facilities
21 management of the system so to assure the highest possible quality of administrative
22 services, data integrity and the efficient use of the system's physical and information
23 resources. The committee recommends the annual operating and capital budget for
24 the system and its colleges and universities including tuition, fees and allocation
25 decisions, the issuance of debt, certain real estate transactions, and other policy
26 oversight according to its charge in support of academic priorities.

27 **Subpart C. Human Resources Committee.** The Human Resources Committee of the
28 board shall consist of no fewer than five and no more than seven members to be
29 appointed by the chair annually. The Human Resources Committee is charged with
30 oversight of all system personnel policies for administrators, student employees and
31 collective bargaining agreements throughout the system, and climate, diversity and equity
32 matters related to system employees.

33 **Subpart D. Academic and Student Affairs Committee.** The Academic and Student
34 Affairs Committee of the board consists of no fewer than five and no more than seven
35 members to be appointed by the chair annually. The Academic and Student Affairs
36 Committee is charged with governance and oversight of the academic programs and
37 student services provided at the system's colleges and universities. all system academic
38 and student service policy. This includes program approval, academic standards, transfer
39 policy, institutional names, systemwide The committee's scope includes oversight of
40 board policies for the all system academic and student service policy to assure the
41 highest possible quality of academic programming and service to students and the

1 efficient use of the system's academic and service resources. The committee also
2 provides oversight to systemwide academic and student service strategic planning,
3 diversity and equity matters related to students and academic programs, and academic or
4 student related technology matters.

5 **Subpart E. Audit Committee.** The Audit Committee of the board consists of no fewer
6 than three and no more than seven members to be appointed by the chair of the board
7 annually. The committee shall meet at the call of its chair. The Audit Committee is
8 charged with oversight of internal and external audits of all system functions including
9 individual campus audits. The board shall hire an executive director of internal auditing
10 and other auditors who shall report directly to the committee and the board. Committee
11 members shall receive training annually on their auditing and oversight responsibilities.

12 The Audit Committee is responsible for overseeing the service of internal and
13 independent external auditors. Policy 1D governs the Office Internal Auditing. The
14 committee has the following responsibilities for independent external auditors:

- 15 1. Oversee the process for selecting and removing independent auditors. The
16 committee shall select one or more independent auditors to audit system-level or
17 institutional financial statements and recommend their appointment to the board.
- 18 2. Review any non-audit services proposed by independent auditors under contract
19 for audit services. The board must approve in advance any non-audit services to
20 be provided by independent auditors under contract for audit services unless the
21 scope of non-audit services is completely distinct from the scope of the audit
22 engagement.
- 23 3. Review and discuss the results of each audit engagement with the independent
24 auditor and management prior to recommending that the board release the audited
25 financial statements.

26 **Subpart F. Diversity and Equity Committee.** The Diversity and Equity Committee
27 of the board consists of no fewer than five and not more than seven members to be
28 appointed by the chair of the board annually. The Diversity and Equity Committee is
29 charged with oversight of incorporation of diversity and equity into the work of the
30 system. Annually, the board will assess progress on this charge.

31 **Subpart G. Working Groups.** The chair of a standing committee may request that the
32 board chair appoint a working group under Part 4, Subpart C3d. to advise on issues of
33 concern to the committee.

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36 *Date of Adoption:* 03/21/95,
37 *Date of Implementation:* 03/21/95,
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Date and Subject of Revision:

XX/XX/16 – Amended Part 5 to update the responsibilities of the standing committees.

*01/22/14 – Amended Part 5, Subpart E1 to remove the restriction that independent audit firms
may not be appointed to a particular engagement for more than six consecutive years.*

06/20/12 – ...

Charter of the Board of Trustees Academic and Student Affairs Committee

Revised February 2016

Purpose:

The Academic and Student Affairs Committee is charged with oversight of all system wide academic and student service matters of the organization.

The Academic and Student Affairs Committee shall not have the authority to act on behalf of the board unless specifically delegated by the board. The Academic and Student Affairs Committee shall meet at the call of the committee chair.

Committee Structure:

The committee will consist of no fewer than five and no more than seven members appointed by the chair of the board annually. The chair and vice chair of the Academic and Student Affairs Committee shall be appointed by the chair of the board.

Authority:

The principal elements of the Charter of the Academic and Student Affairs Committee shall be:

1. Provides advice and counsel to the chancellor. (This duty is shared with all other board members).
2. Preparation of an annual committee workplan.
3. Recommend proposed board policies within the purview of the committee.
4. The committee's oversight includes but is not limited to:
 - Academic programs
 - Academic standards
 - Transfer policy
 - Institutional names
 - Educational strategy that proactively addresses future needs
 - Diversity and equity matters related to students and academic programs
 - Academic and student-related technology matters
5. This charter is subject to review annually.

Charter of the Board of Trustees

Audit Committee

Revised February 2016

Purpose:

The Audit Committee shall assist the board in fulfilling its oversight responsibility for MnSCU's system of internal control, the audit process, and compliance with legal and regulatory requirements. The committee provides ongoing oversight of internal and external audits of all system functions including individual campus audits.

Committee Structure:

The committee shall consist of no fewer than three and no more than seven members to be appointed by the chair of the board annually.

Authority:

The principle elements of the Charge of the Audit Committee shall be:

1. Internal Auditing

- Approve decisions regarding the appointment and removal of the executive director who shall report directly to the Audit Committee and board consistent with Board Policy 1A.4.
- Review, at least once per year, the performance of the executive director and concur with the annual compensation and any salary adjustment consistent with Board Policy 1A.4. The performance review process should include input from the chancellor and other key stakeholders.
- Provide input, review, and approve an annual audit plan that is based on a risk assessment(s). The plan shall include all internal auditing and external audit activities planned for the ensuing fiscal year.
- Review and evaluate the effectiveness of MnSCU's internal control system, including information technology security and control. Review and discuss the audit results and management's response to each internal audit report.
- Review with the executive director the internal audit budget, resource plan, activities, and organizational structure of the internal audit function.
- On a regular basis, the audit committee chair or vice chair should meet with the executive director to discuss any matters that they or the executive director believes should be discussed privately.

- The committee has authority to direct the Office of Internal Auditing to conduct any investigations, audits, or other assurance-related projects within its scope of responsibility. It may also direct the office to provide professional advice on any matters within its scope of responsibility.

2. Independent External Audits

The committee shall oversee the services of independent external auditors.

- Oversee the process for selecting and removing independent auditors. The committee shall select one or more independent auditors to audit system-level or institutional financial statements.
- Review any non-audit services proposed by independent external auditors under contract for audit services. The board must approve in advance any non-audit services to be provided by independent auditors under contract for audit services unless the scope of non-audit services is completely distinct from the scope of the audit engagement.
- The audit chair or vice chair should meet with the external auditors to discuss any matters that they or the external auditors believe should be discussed privately.
- Review and discuss the results of each audit engagement with the independent auditor and management prior to recommending that the board release the audited financial statements.

3. Other Responsibilities

The committee shall perform other duties, including:

- The committee has authority to conduct or authorize special audits and investigations into any matters within its scope of responsibility.
- Periodically review and assess the adequacy of the committee charter and request board approval for proposed changes.
- Committee members should obtain annual training on their roles and responsibilities.

Charter of the Board of Trustees Diversity and Equity Committee

Revised February 2016

Purpose:

The Diversity and Equity Committee is charged with oversight of all systemwide diversity, equity, and inclusion matters of the organization.

The Diversity and Equity Committee shall not have the authority to act on behalf of the board unless specifically delegated by the board. The Diversity and Equity Committee shall meet at the call of the committee chair.

Committee Structure:

The committee will consist of no fewer than five and no more than seven members appointed by the chair of the board annually. The chair and vice chair of the Diversity and Equity Committee shall be appointed by the chair of the board.

Authority:

The principal elements of the Charter of the Diversity and Equity Committee shall be:

1. Provides advice and counsel to the chancellor. (This duty is shared with all other board members.)
2. Preparation of an annual committee workplan.
3. Recommend proposed board policies within the purview of the committee.
4. The committee's oversight includes but is not limited to:
 - Addresses diversity matters to ensure the success of students from diverse backgrounds
 - Closing the opportunity gap for students from diverse backgrounds
 - Recruitment, retention and inclusion of diverse students, staff, faculty and administrators
 - Oversight of the System's Equal Opportunity and Non Discrimination policies and Affirmative Action in Employment
 - Monitoring of systemwide diversity demographics, including student enrollment, participation, and a diverse workforce
 - Share ideas for wrap-around support services for students such as food shelves, emergency funds, dental, physical and mental health, etc.
 - Campus partnerships with diverse communities
 - Diverse supplier and vendor participation
 - Collaborate with other committees
5. This charter is subject to review annually.

Charter of the Board of Trustees

Executive Committee

Revised February 2016

Purpose:

The Executive Committee provides ongoing oversight of the administration of the board. In addition, the Executive Committee provides a forum for trustees to address all issues of board governance. The Executive Committee acts on behalf of the Minnesota State Colleges and Universities Board of Trustees on matters delegated to it by the full board and shall consider issues that require attention prior to the next regular board meeting. The Executive Committee does not act on behalf of the board unless specifically delegated by the board except in the case of an emergency. In such instances, the chair reports to members of the board as soon as possible after the emergency and seek ratification of emergency actions at the next meeting. The Executive Committee meets at the call of the chair.

Committee Structure:

The members of the Executive Committee are the chair, the vice-chair, the past chair if still serving on the board and the chairs of the standing committees, which shall not constitute a majority of the board. The chair of the board chairs the Executive Committee.

Authority:

The principal elements of the Charter of the Executive Committee shall be:

1. Provide advice and counsel to the chancellor. (This duty is shared with all other board members).
2. Conduct ongoing reviews of board operations procedures.
3. Approve the annual operating budget for the board office, subject to the regular budget review and approval procedures of the facilities/finance committee and the board. The Executive Committee periodically shall review the budget and provide a yearend report to the board at the conclusion of the fiscal year.
4. Assure that policies and procedures are in place and being implemented to ensure that the board, and its individual members, operate with the highest ethical standards and integrity, including duties of care and loyalty. Act on unresolved issues of conflict of interest.
5. Recommend proposed board policies not within the purview of other standing committees.
6. Research and identify best practices for boards with an educational mission and recommends particular practices to the board.
7. Design and oversee the orientation process for new trustees so that new trustees may be fully prepared for decision making. Design and implement training for current board members as appropriate.
8. Plan for trustee succession by identifying to the governor desired qualities of a trustee and identifying potential candidates.
9. Ensure that policies and procedures are in place and being implemented to ensure that the committees of the board are fulfilling their obligations as defined by their respective charters. Provide a process for each committee to review and update its charter annually.
10. Review periodically the governance processes, including board organization and structure, frequency of meeting and attendance and make any necessary recommendations to the board in accordance with the Two-Read Policy.
11. Perform a board self-evaluation at least annually.

Charter of the Board of Trustees Finance and Facilities Committee

Revised February 2016

Purpose:

The Board of Trustees is responsible for overall systemwide financial management assurance and is committed to long-term stewardship of the state's financial and physical resources. It is the policy of the Board of Trustees to provide sound financial administration to safeguard the resources of the State of Minnesota, the system, the colleges and universities and the constituencies they serve and to preserve the long term viability of the colleges, universities and system as a whole.

The Finance and Facilities Committee is charged with oversight of all systemwide fiscal, facilities and technology matters of the organization.

The Finance and Facilities Committee shall not have the authority to act on behalf of the board unless specifically delegated by the board. The Finance and Facilities Committee shall meet at the call of the committee chair.

Committee Structure:

The committee will consist of no fewer than five and no more than seven members appointed by the chair of the board annually. The chair and vice chair of the Finance and Facilities Committee shall be appointed by the chair of the board.

Authority:

The principal elements of the Charter of the Finance and Facilities Committee shall be:

1. Provides advice and counsel to the chancellor. (This duty is shared with all other board members);
2. Assurance of leadership, research and pursuit of best practices in the finance and facilities arena on behalf of the success of all students;
3. Adoption of an annual committee workplan; and
4. Recommend proposed board policies within the purview of the committee.
5. The committee's oversight includes but is not limited to:
 - the system's biennial budget development
 - annual operating budget establishment and performance
 - the system's tuition and fee structure
 - design and administration of the system's allocation framework
 - administration of financial management polices including financial reporting, scholarships, and grant administration
 - procurement practices including support of the board's commitment to diverse supplier and vendor participation

- establishment and administration of the system's pension program and related plans (in cooperation with the Human Resources Committee of the board)
- college and university foundation relations and development
- approval of capital budget requests
- administration of the system's capital asset program including the design, construction and maintenance program for the built and natural environment with environmental stewardship as a core value
- policies related to system technology practices and programs (in cooperation with the Academic and Student Affairs Committee of the board)
- oversight of college and university administrative programs including the areas of campus housing, dining and parking services
- safety and security, occupational health, environment compliance and emergency management

6. This charter is subject to review annually.

Charter of the Board of Trustees

Human Resources Committee

Revised February 2016

Purpose:

The Human Resources Committee is charged with assisting the Board of Trustees in fulfilling its oversight responsibilities in the arena of personnel policy and compensation. The board acknowledges that to fulfill the mission of the organization, a high level of professionalism and commitment to student success is critical. It further holds that MnSCU will endeavor to nurture a safe, inclusive, and supportive workplace for all faculty, staff, and student employees.

Committee Structure:

The Human Resources Committee of the board shall consist of no fewer than five and no more than seven members to be appointed by the chair of the board annually.

Authority:

The principal elements of the Charter of the Human Resources Committee are:

1. To provide advice and counsel to the chancellor and vice chancellor for Human Resources.
2. The preparation of an annual committee work plan that considers critical Human Resources strategic components (with an eye toward proactive innovation), such as:
 - a. Talent pipeline (succession planning, staff/faculty development, diversity, etc.)
 - b. Workforce trends
 - c. Organizational development
 - d. Search and recruitment processes
 - e. Retention
3. Recommending employment contract (union) negotiation strategies and contract approvals.
4. Recommending employment plan (non-union) approvals.
5. Recommending selection of senior system executives (chancellor, vice chancellors, and college/university presidents).
6. Address additional matters deemed appropriate by the chancellor, vice chancellor for human resources, or the board.

The Human Resources Committee shall not act on behalf of the board unless specifically delegated to do so by the board.

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD POLICY		1C.1
Chapter	1C.	System Organization and Administration
Section	1.	Board of Trustees Code of Conduct

1 **1C.1 Board of Trustees Code of Conduct.**

2

3 **Part 1. Purpose.** The purpose of this policy is to establish the general standards of conduct
4 required of trustees. As public officials, trustees are required to file annual statements of
5 economic interest, and are subject to gift prohibitions and other provisions of Minnesota State
6 Statute Chapter 10A. Those provisions and any other applicable law shall govern in the event of
7 any conflict between applicable law and this policy.

8

9 **Part 2. General Standards of Conduct.** In order to fulfill its statutory authority and support
10 the vision, mission, values and goals of the MnSCU system, the bBoard functions as a collegial
11 unit. The bBoard functions well as a unit when the individual members act ethically, are
12 committed to working together, operate in a non-partisan manner and speak with one voice. The
13 bBoard creates a positive climate when it focuses on the future, acts with integrity and civility
14 and uses its influence appropriately.

15 **Subpart A. Authority to act.** Each board member is encouraged to contribute his or her
16 talents and perspectives to the bBoard. Although board members are free to voice their
17 personal opinions, no board member has the authority to act on his or her own to further a
18 personal agenda or to direct college, university or system employees or operations.

19 **Subpart B. Informed decision-making.** Trustees strive to make informed decisions based
20 on sufficient information, thoughtful deliberation and comprehensive understanding of
21 issues. To achieve that goal, board members gather information by listening, asking
22 questions, analyzing materials and exploring issues thoroughly in conjunction with other
23 trustees, faculty, staff, students and constituency groups.

24 **Subpart C. Support for Board decisions.** Individual trustees are able to express their
25 opinions vigorously and openly during the decision making process and may respectfully
26 disagree with colleagues. However, once a decision has been made and the bBoard has taken
27 action, it is each member's responsibility to support the decision.

28 **Subpart D. Official spokesperson.** Trustees are the stewards of the system and advocates
29 of its policies and programs. The official spokesperson for the bBoard is the chair of the
30 bBoard or the chair's designee.

31

1 **Part 3. Conflicts of Interest.**

2 **Subpart A. Disclosure of potential conflicts.** A potential conflict of interest is any
3 circumstance in which the personal, professional or substantial financial interests of the
4 trustee in a matter before the board may be reasonably perceived as potentially or actually
5 diverging from his or her fiduciary obligation to the board and Minnesota State Colleges and
6 Universities. This conflict may arise from the personal, professional or economic interest of
7 themselves, members of their immediate families or others with whom they have a personal
8 or professional relationship, including outside organizations.

9 A trustee with a substantial financial conflict of interest must follow the provisions of Minn.
10 Stat. § 10A.07. A substantial financial conflict exists when a decision would confer a
11 particular benefit on a trustee greater than that generally available to the trustee's business or
12 occupational class.

13 A trustee with a potential non-financial conflict shall inform the board chair of the conflict in
14 a timely manner.

15 ~~A trustee who in the discharge of official duties would be required to take an action or make~~
16 ~~a decision that would substantially affect the trustee's financial interests or those of an~~
17 ~~associated business, unless the effect on the trustee is no greater than on other members of~~
18 ~~the trustee's business classification, profession, or occupation, must take the following~~
19 ~~actions:~~

- 20
21
22 ~~1. Prepare a written statement describing the matter requiring action or decision and the~~
23 ~~nature of the potential conflict of interest; and~~
24 ~~2. Deliver copies of the statement to the Board chair for distribution to the Board.~~

25
26 ~~If a potential conflict of interest presents itself and there is insufficient time to provide the~~
27 ~~written statement under paragraphs 1 and 2, the trustee must orally inform the Board of the~~
28 ~~potential conflict in open meeting session.~~

29
30 ~~**Subpart B. Required actions for trustee with potential conflict of interest.** If a potential~~
31 ~~conflict of interest arises for a trustee, the Board chair must assign the matter in which the~~
32 ~~potential conflict arises, if possible, to another trustee or other individual who does not have~~
33 ~~a conflict of interest.~~

34
35 ~~A trustee with a potential conflict of interest shall:~~

- 36 ~~1. Abstain, if possible, from influence over the action or decision in question.~~
37 ~~2. File a statement describing the potential conflict and the action taken, if the trustee is not~~
38 ~~permitted or is otherwise unable to abstain from action in connection with the matter.~~
39 ~~The statement shall be filed with the Campaign Finance and Public Disclosure Board, and~~
40 ~~copied to the Board chair, within a week of the action taken.~~

41
42 ~~The Board chair shall promptly distribute copies of the statement to Board members.~~

1
2 **Subpart BC. Abstention.** A trustee who has a potential conflict of interest shall not chair a
3 meeting, participate in any vote, offer any motion or discussion, or otherwise attempt to
4 influence other trustees on the matter giving rise to the potential conflict of interest.
5

6 **Part 4. Employment wWith Minnesota State Colleges aAnd Universities.** Except as
7 provided in this part, a trustee shall not seek or accept employment with the system or its
8 colleges or universities while serving as a trustee. This provision does not prohibit any trustee
9 from employment as an adjunct faculty member or a student trustee from employment with a
10 college or university in a non-administrative, part-time position, such as the work study program.
11

12 Part 5. Candidacy for Public Office. Any trustee who files his or her candidacy for an elective
13 office shall resign effective immediately.

14
15 **Part 65. Prohibited Activities.**

16
17 **Subpart A. Use of position to secure benefits.** Except as otherwise provided by law or
18 policy of the bBoard, a trustee shall not use the position, authority, title, influence, or prestige
19 of trustee to secure special privileges or exemptions not available to the general public for the
20 benefit of the trustee, trustee's family members, or others.
21

22 **Subpart B. Confidential or protected communications.** Except as otherwise required by
23 law or authorized by the bBoard, a trustee shall not disclose to any unauthorized persons
24 information or communication subject to confidentiality by action of the bBoard or other
25 applicable law or policy, including privileged attorney/client communications.
26

27 **Subpart C. Use of influence.** Except for those decisions that are subject to the direct
28 authority of the bBoard, no trustee shall attempt to influence the hiring of system, college or
29 university employees, or the awarding of consulting or other contracts.
30

31 **Part 76. Removal.** If the bBoard determines that the conduct of a trustee has violated the
32 trustee's professional or fiduciary responsibilities, bBoard policy or other governing law, the
33 Board may recommend that the Governor remove the trustee from the bBoard for cause under
34 Minnesota Statutes section 15.0575.
35
36

37
38 *Date of Adoption:* 05/21/03,

39 *Date of Implementation:* 05/21/03,

40
41 *Date and Subject of Revision:*

42 XX/XX/16 – Amended Part 3, Subparts A & B. Added a new Part 5 Candidacy for Public
43 Office.