



**April 2022 committee & board meetings**  
Minnesota State Colleges and Universities  
McCormick Room, 4th floor  
Apr 19, 2022 11:30 AM - Apr 20, 2022 1:00 PM CDT

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**Board of Trustees**  
**April 19 - 20, 2022**  
**McCormick Room, 4th Floor**

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*Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings. Interested parties can listen to the live stream of the proceedings from the [Board website](#).*

**Tuesday, April 19, 2022**

- 11:30 a.m. Luncheon, Conference Rooms 3304/3306
- 12:30 p.m. Diversity, Equity and Inclusion Committee, Rudy Rodriguez, Chair  
*Other board members may be present constituting a quorum of the board.*
- 1. Minutes of March 15, 2022**
  2. Equity 2030 in Action: Campus Stories
- 1:30 p.m. Joint Meeting: Diversity, Equity and Inclusion and Workforce and Organizational Effectiveness Committees, Co-Chairs Rudy Rodriguez and George Soule  
*Other board members may be present constituting a quorum of the board.*
1. Climate Assessment Framework
- 2:15 p.m. BREAK
- 2:30 p.m. Audit Committee, Michael Vekich, Chair  
*Other board members may be present constituting a quorum of the board.*
- 1. Minutes of November 16, 2021**
  2. Federal Compliance Testing Over Student Financial Assistance and Higher Education Emergency Relief Fund Programs
- 3:00 p.m. Committee of the Whole, Jay Cowles, Chair
1. NextGen Project Update
- 4:00 p.m. Meeting ends
- 5:00 p.m. Dinner (Social event, not a meeting)



**Wednesday, April 20, 2022**

- 8:30 a.m. Joint Meeting: Facilities and Finance Committees, Co-Chairs Jerry Janezich and Roger Moe  
*Other board members may be present constituting a quorum of the board.*
- 1. Minutes of March 16, 2022 Joint Meeting of Facilities and Finance Committees**
  - 2. Contracts Requiring Board Approval**
    - a. Facilities Use Agreement with Anoka-Hennepin Schools (ISD-11), Anoka Technical College**
    - b. East Campus Air Handling Unit Replacement, Century College**
    - c. Entry Access Control and Door Hardware Upgrades, North Hennepin Community College**
  - 3. FY2024 Capital Budget Guidelines (Second Reading)**
- 9:15 a.m. Finance Committee, Roger Moe, Chair  
*Other board members may be present constituting a quorum of the board.*
- 1. Minutes of March 16, 2022**
  - 2. Contracts Requiring Board Approval**
    - a. Stadium Heights Apartments Lease Agreement, Minnesota State University, Mankato**
    - b. Wiley Contract for Graduate OPM Services, Southwest Minnesota State University**
    - c. Integration Platform Software: Boomi, System Office**
    - d. Software Agreement for Tutor.com, System Office**
  3. Proposed Amendment to Board Policy 7.3 Financial Administration (First Reading)
- 10:00 a.m. Workforce and Organizational Effectiveness Committee, George Soule, Chair  
*Other board members may be present constituting a quorum of the board.*
- 1. Minutes of March 16, 2022**
  - 2. Appointment for Interim President for Hennepin Technical College**
- 10:15 a.m. BREAK
- 10:30 a.m. Board of Trustees, Jay Cowles, Chair
- 12:00 p.m. Board of Trustees Awards for Excellence (Virtual event)
- 1:00 p.m. Meeting ends

**Bolded items indicate action is required.**



**FY2022 and FY2023 Board Meeting Dates**

*The meeting calendar is subject to change. Changes to the calendar will be publicly noticed.*

**Revised FY2022 Meeting Calendar**

Meeting	Date	If agendas require less time, these dates will be cancelled.
No meetings in July <i>Potential board training session to be scheduled</i>		
No meetings in August		
Board Retreat <i>Tentative Location: Riverland Community College/Austin</i>	September 21-22, 2021	
Executive Committee	October 6, 2021	
Committee / Board Meetings	October 19-20, 2021	October 19, 2021
Executive Committee	November 3, 2021	
Committee / Board Meetings Combined with Leadership Council	November 16-17, 2021	November 17, 2021
No meetings in December		
Executive Committee	January 5, 2022	
Board Meeting/Combined meeting with Leadership Council	January 25-26, 2022	January 26, 2022
No meetings in February		
Executive Committee	March 2, 2022	
Committee / Board Meetings	March 15-16, 2022	March 15, 2022
Executive Committee	April 6, 2022	

<b>Meeting</b>	<b>Date</b>	<b>If agendas require less time, these dates will be cancelled.</b>
Committee / Board Meetings	April 19-20, 2022	April 19, 2022
Executive Committee	May 4, 2022	
Committee / Board Meetings	May 17-18, 2022	May 17, 2022
Executive Committee	June 1, 2022	
Committee / Board Meetings	June 21-22, 2022	June 21, 2022

### **Proposed FY2023 Meeting Calendar**

<b>Meeting</b>	<b>Date</b>	<b>If agendas require less time, these dates will be cancelled.</b>
Board Meeting/Combined meeting Leadership Council	July 19-20, 2022	July 20, 2022
No meetings in August		
Board Retreat	September 20-21, 2022	
Executive Committee	October 5, 2022	
Committee / Board Meetings	October 18-19, 2022	October 18, 2022
Executive Committee	November 2, 2022	
Committee / Board Meetings Combined with Leadership Council	November 15-16, 2022	November 16, 2022
No meetings in December		
Executive Committee	January 4, 2023	
Board Meeting/Combined meeting with Leadership Council	January 24-25, 2023	January 25, 2023
No meetings in February		

Meeting	Date	If agendas require less time, these dates will be cancelled.
Executive Committee	March 1, 2023	
Committee / Board Meetings	March 21-22, 2023	March 21, 2023
Executive Committee	April 5, 2023	
Committee / Board Meetings	April 18-19, 2023	April 18, 2023
Executive Committee	May 3, 2023	
Committee / Board Meetings	May 16-17, 2023	May 16, 2023
Executive Committee	June 7, 2023	
Committee / Board Meetings	June 20-21, 2023	June 20, 2023

**National Higher Education Conferences:**

ACCT Leadership Congress: October 13-16, 2021, San Diego  
ACCT National Legislative Summit: 2022 (dates not posted)  
AGB National Conference on Trusteeship: Spring 2022 (dates not posted)

*AGB is the Association of Governing Boards of Universities and Colleges  
ACCT is the Association of Community College Trustees*

## Committee Rosters

2021- 2022

(Updated October 1, 2021)

### Executive

Jay Cowles, Chair  
Rudy Rodriguez, Vice Chair  
Roger Moe, Treasurer  
Dawn Erlandson  
April Nishimura  
Cheryl Tefer  
Michael Vekich

### Academic and Student Affairs

Cheryl Tefer, Chair  
Alex Cirillo, Vice Chair  
Asani Ajogun  
Dawn Erlandson  
Javier Morillo  
Oballa Oballa  
Kathy Sheran

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#### *President Liaisons:*

*Deidra Peaslee*  
*Robbyn Wacker*

### Audit

Michael Vekich, Chair  
George Soule, Vice Chair  
Victor Ayemobuwa  
Jerry Janezich  
April Nishimura

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#### *President Liaisons:*

*Faith Hensrud*  
*Michael Seymour*

### Diversity, Equity, and Inclusion

Rudy Rodriguez, Chair  
George Soule, Vice Chair  
Asani Ajogun  
Alex Cirillo  
Javier Morillo  
April Nishimura  
Oballa Oballa

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#### *President Liaisons:*

*Carrie Brimhall*  
*Kumara Jayasuriya*

### Facilities

Jerry Janezich, Chair  
Roger Moe, Vice Chair  
Victor Ayemobuwa  
Alex Cirillo  
Kathy Sheran

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#### *President Liaisons:*

*Kent Hanson*  
*Faith Hensrud*

### Finance

Roger Moe, Chair  
April Nishimura, Vice Chair  
Jerry Janezich  
Oballa Oballa  
Rudy Rodriguez  
Kathy Sheran  
George Soule

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#### *President Liaisons:*

*Joe Mulford*  
*Scott Olson*

*Minnesota State is an affirmative action, equal opportunity employer and educator.*

**Outreach and Engagement Committee**

Dawn Erlandson, Chair  
Alex Cirillo, Vice Chair  
Victor Ayemobuwa  
Javier Morillo  
Cheryl Tefer

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*President Liaisons:*

*Ginny Arthur  
Michael Berndt*

**Workforce and Organizational Effectiveness**

George Soule, Chair  
Rudy Rodriguez, Vice Chair  
Asani Ajogun  
Dawn Erlandson  
Roger Moe  
Kathy Sheran  
Cheryl Tefer

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*President Liaisons:*

*Anne Blackhurst  
Annette Parker*

**Nominating Committee**

George Soule, Chair  
Michael Vekich, Vice Chair  
Cheryl Tefer

**Chancellor Performance Review**

Jay Cowles, Chair  
Rudy Rodriguez, Vice Chair  
Dawn Erlandson  
Roger Moe



**Diversity, Equity and Inclusion Committee**  
**April 19, 2022**  
**12:30 p.m.**  
**McCormick Room, 4<sup>th</sup> Floor**

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*Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings.*

- 1. Minutes of March 15, 2022**
2. Equity 2030 in Action: Campus Stories

Committee Members

Rudy Rodriguez, Chair  
George Soule, Vice Chair  
Asani Ajogun  
Alex Cirillo  
Javier Morillo  
April Nishimura  
Oballa Oballa

Presidents Liaisons

Carrie Brimhall  
Kumara Jayasuriya

**Bolded items indicate action required.**





**Diversity, Equity and Inclusion Committee**  
**Meeting Minutes**  
**March 15, 2022**

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A meeting of the Diversity, Equity and Inclusion Committee of the Board of Trustees was held on March 15, 2022.

Committee members present: Rudy Rodriguez, Chair; George Soule, Vice Chair; Asani Ajogun, Alex Cirillo, Javier Morillo, and Oballa Oballa

Other board members present: Victor Ayemobuwa, Jay Cowles, Dawn Erlandson, Roger Moe, Kathy Sheran and Cheryl Tefer.

Staff present: Devinder Malhotra, Chancellor; Andriel Dees, Vice Chancellor for Equity and Inclusion

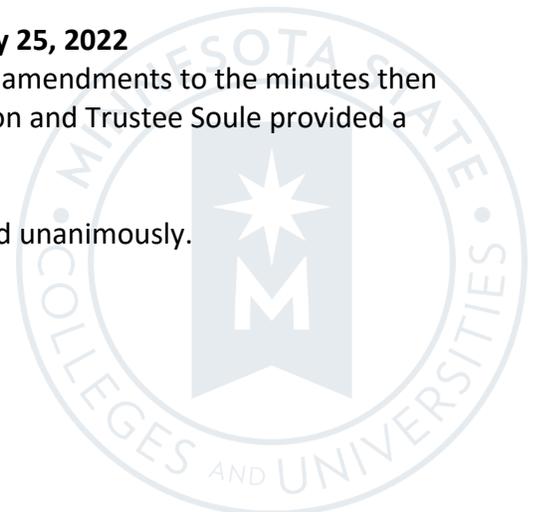
The meeting materials for this meeting are available [here](#), starting on page 10. An audio recording of the meeting is available [here](#).

Committee Chair Rodriguez called the meeting to order at 10:00 a.m.

**Agenda Item 1: Approval of the Meeting Minutes for January 25, 2022**

Committee Chair Rodriguez asked if there are any changes or amendments to the minutes then asked for a motion to approve. Trustee Cirillo made the motion and Trustee Soule provided a second.

A roll call vote was conducted and the minutes were approved unanimously.



**Agenda Item 2: Equity 2030 in Action: Campus Stories**

Committee Chair Rodriguez invited Vice Chancellor Dees along with President Annette Parker, South Central College, John Harper, Director of Diversity, Equity and Inclusion, South Central College, and Narren Brown, Vice President of Research and Institutional Research, South Central College to present South Central College's perspective on Equity 2030 in action, as detailed in the meeting materials. The meeting materials for this item begin on page 13.

This being an informational item, there was no vote taken.

**Adjournment**

The committee chair adjourned the meeting at 11:06 a.m.

**MINNESOTA STATE  
BOARD OF TRUSTEES  
Agenda Item Summary Sheet**

**Name:** Diversity, Equity and Inclusion Committee

**Date:** April 19, 2022

**Title:** Equity 2030 in Action: Campus Stories

**Purpose (*check one*):**

Proposed New Policy or  
Amendment to Existing Policy

Approvals Required  
by Policy

Other Approvals

Monitoring/Compliance

Information

**Brief Description:**

This presentation will continue to showcase part of our efforts to illustrate how Equity 2030 is activated throughout the system at our colleges and universities. Today, Winona State University will focus their perspective on how their campus supports Equity 2030 to include their data, initiatives, and successes. Minnesota State colleges and universities continue to identify and undertake the work needed of which would increase the effectiveness and impact of their work.

**Scheduled Presenter(s):**

Andriel Dees, Vice Chancellor for Equity and Inclusion

Scott Olson, President, Winona State University

Jonathan Locust, Associate Vice President for Equity Inclusive Excellence, Winona State University

**MINNESOTA STATE  
BOARD OF TRUSTEES**

**BOARD INFORMATION ITEM**

Equity 2030 in Action: Campus Stories

**BACKGROUND**

Winona State University will share their Equity 2030 data, progress, and successes. In addition, Winona State University will discuss how their tailored campus initiatives such as the Race Matters Study Groups, George Floyd Scholarship, Wealth Building Series, and others will expedite the closing of equity on their campuses.



**Joint Workforce and Organizational Effectiveness / Diversity, Equity and Inclusion  
Committees  
April 19, 2022  
1:30 p.m.  
McCormick Room, 4<sup>th</sup> Floor**

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1. Climate Assessment Framework

Diversity, Equity, and Inclusion  
Committee Members

Rudy Rodriguez, Chair  
George Soule, Vice Chair  
Asani Ajogun  
Alex Cirillo  
Javier Morillo  
April Nishimura  
Oballa Oballa

Presidents Liaisons

Carrie Brimhall  
Kumara Jayasuriya

Workforce and Organizational  
Effectiveness Committee Members

George Soule, Chair  
Rudy Rodriguez, Vice Chair  
Asani Ajogun  
Dawn Erlandson  
Roger Moe  
Kathy Sheran  
Cheryl Tefer

Presidents Liaisons

Anne Blackhurst  
Annette Parker

**Bolded items indicate action required.**



**MINNESOTA STATE  
BOARD OF TRUSTEES  
Agenda Item Summary Sheet**

**Name:** Workforce and Organizational Effectiveness /  
Diversity, Equity and Inclusion Committees

**Date:** April 19, 2022

**Title:** Climate Assessment Framework

**Purpose (check one):**

Proposed New Policy or  
Amendment to Existing Policy

Approvals Required  
by Policy

Other Approvals

Monitoring/Compliance

Information

**Brief Description:**

In a joint effort, the Workforce and Organizational Effectiveness and Diversity, Equity and Inclusion committees will present the preliminary framework and approach for assessing and monitoring campus climate.

**Scheduled Presenter(s):**

Eric Davis, Vice Chancellor for Human Resources  
Andriel Dees, Vice Chancellor for Equity and Inclusion  
Priyank Shah, Associate Vice Chancellor for Equity and Inclusion

**MINNESOTA STATE  
BOARD OF TRUSTEES**

<b>BOARD INFORMATION ITEM</b>
Climate Assessment Framework

**BACKGROUND**

In a joint effort, the Workforce and Organizational Effectiveness and Diversity, Equity and Inclusion committees will present the preliminary framework and approach for assessing and monitoring campus climate. In December 2021, under the direction of Chancellor Malhotra, a system office workgroup was formed with the charge of providing recommendations for a system-wide process of assessing campus climate. This process would support campus and system level efforts to improve the experiences and success of our students and employees. The presentation will provide an overview of the processes and recommendations that are currently being developed by the workgroup.

**Defining Campus Climate**

Campus climate includes the experience of an individual and groups on a campus and the quality and the extent of interaction between those various groups and individuals. A healthy campus climate is not the same as a positive climate or a climate that is always comfortable. *Milem, J.F. Chang, M.J. & Antonio, A.L. (2005)*

Hurtado (1992) and Rankin (2001) state, a climate study is a measure of the real or perceived quality of interpersonal, academic and professional interactions on a campus and consists of “the current attitudes, behaviors and standards of faculty, staff, administrators and students concerning the level of respect for individual needs, abilities and potential.”

**Improving campus climate can favorably impact:**

1. Employee retention & recruitment
2. Compositional diversity of students and employees
3. Student academic success
4. Recruitment of students
5. Community relations



**Audit Committee**  
**April 19, 2022**  
**2:30 p.m.**  
**McCormick Room, 4<sup>th</sup> Floor**

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*Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings.*

- 1. Minutes of November 16, 2021**
2. Federal Compliance Testing Over Student Financial Assistance and Higher Education Emergency Relief Fund Programs

Committee Members

Michael Vekich, Chair  
George Soule, Vice Chair  
Victor Ayemobuwa  
Jerry Janezich  
April Nishimura

Presidents Liaisons

Faith Hensrud  
Michael Seymour

**Bolded items indicate action required.**





**Audit Committee  
Meeting Minutes  
November 16, 2021**

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A meeting of the Audit Committee of the Board of Trustees was held on November 16, 2021.

Committee members present: Michael Vekich, Chair; George Soule, Vice Chair; Victor Ayemobuwa; and April Nishimura

Committee members absent: Jerry Janezich

Other board members present: Asani Ajogun, Alex Cirillo, Jay Cowles, Dawn Erlandson, Roger Moe, Javier Morillo, Kathy Sheran, and Cheryl Tefer

Staff present: Devinder Malhotra, Chancellor; Eric Wion, Executive Director of the Office of Internal Auditing; and Bill Maki, Vice Chancellor for Finance and Facilities

The meeting materials for this meeting are available [here](#), starting on page 39. An audio recording of the meeting is available [here](#).

Committee Chair Vekich called the meeting to order at 12:15 p.m.

**Agenda Item 1: Approval of the Meeting Minutes of June 15, 2021**

Committee Chair Vekich asked if there are any changes or amendments to the minutes then asked for a motion to approve. Trustee Soule made the motion and Trustee Nishimura provided a second. A roll call vote was conducted and the minutes were approved unanimously.

**Agenda Item 2: Approval of the Meeting Minutes of June 15, 2021 Joint Meeting of Audit and Finance Committees**

Committee Chair Vekich asked if there are any changes or amendments to the minutes then asked for a motion to approve. Trustee Soule made the motion and Trustee Nishimura provided a second. A roll call vote was conducted and the minutes were approved unanimously.

**Agenda Item 3: FY2022 Committee Workplan**

Committee Chair Vekich invited Mr. Eric Wion, Executive Director of Internal Auditing to present the committee work plan/schedule, as detailed in the meeting materials.

The meeting materials for this item begin on page 45.

This being an informational item, there was no vote taken.

**Agenda Item 4: Revised Office of Internal Auditing Charter**

Committee Chair Vekich invited Mr. Wion to present the revised Office of Internal Auditing charter, as detailed in the meeting materials.

The meeting materials for this item begin on page 48.

Committee Chair Vekich asked committee members to consider the following recommended committee motion:

*The Audit Committee has reviewed the proposed revision and recommends that the Board of Trustees approves the revised Office of Internal Auditing Charter:*

**RECOMMENDED BOARD MOTION:**

*Based on the review and recommendation of the Audit Committee, the Board of Trustees approves the revised Office of Internal Auditing Charter.*

Trustee Soule made the motion and Trustee Nishimura seconded. A roll call vote was conducted. The vote was as follows:

Trustee Vekich	Yes
Trustee Soule	Yes
Trustee Ayemobuwa	Yes
Trustee Janezich	Absent
Trustee Nishimura	Yes

The committee voted to approve the recommended motion.

**Agenda Item 5: Review Audit Results and Approve Release of Audited Financial Statements and Federal Student Financial Aid Audit Update**

Committee Chair Vekich invited Mr. Wion along with Mr. Don Loberg, Managing Principal with CliftonLarsonAllen, Ms. Brenda Scherer, Signing Director with CliftonLarsonAllen, Mr. Chris Knopik, Principal with CliftonLarsonAllen, and Mr. Bill Maki, Vice Chancellor for Finance and

Facilities to present the review of audit results and approve the release of audited financial statements and the federal student financial aid audit update, as detailed in the meeting materials.

The meeting materials for this item begin on page 61.

Committee Chair Vekich asked committee members to consider the following recommended committee motion:

*The Audit Committee has reviewed the fiscal year 2021 audited financial statements and discussed them with representatives of management and Minnesota State's external auditing firm. The committee recommends that the Board of Trustees approves the release of the fiscal year 2021 audited financial statements as submitted.*

**RECOMMENDED BOARD MOTION:**

*Based on the review and recommendation of the Audit Committee, the Board of Trustees approves the release of the fiscal year 2021 audited financial statements as submitted.*

Trustee Soule made the motion and Trustee Ayemobuwa seconded. A roll call vote was conducted. The vote was as follows:

Trustee Vekich	Yes
Trustee Soule	Yes
Trustee Ayemobuwa	Yes
Trustee Janezich	Absent
Trustee Nishimura	Yes

The committee voted to approve the recommended motion.

**Adjournment**

The committee chair adjourned the meeting at 1:29 p.m.

**MINNESOTA STATE  
BOARD OF TRUSTEES  
Agenda Item Summary Sheet**

**Name:** Audit Committee

**Date:** April 19, 2022

**Title:** Federal Compliance Testing Over Student Financial Assistance and Higher Education Emergency Relief Fund Programs

**Purpose (check one):**

Proposed New Policy or  
Amendment to Existing Policy

Approvals Required  
by Policy

Other Approvals

Monitoring/Compliance

Information

**Brief Description:**

Minnesota State's external auditors, CliftonLarsonAllen, LLP, will discuss the results of its recently completed federal compliance audit of federal student financial aid and Higher Education emergency Relief Fund (HEERF) Programs for the year ended June 30, 2021. This audit work was required by the federal government.

**Scheduled Presenter(s):**

Eric Wion, Executive Director of the Office of Internal Auditing  
Bill Maki, Vice Chancellor of Finance and Chief Financial Officer  
Don Loberg, Managing Principal with CliftonLarsonAllen, LLP  
Brenda Scherer, Signing Director with CliftonLarsonAllen, LLP  
Liz Cook, Manager with CliftonLarsonAllen, LLP

**MINNESOTA STATE  
BOARD OF TRUSTEES**

<b>BOARD INFORMATION ITEM</b>
Federal Compliance Testing Over Student Financial Assistance and Higher Education Relief Fund Programs

**BACKGROUND**

Federal student financial aid is a major federal financial assistance program and required by law to be audited annually. Higher Education Emergency Relief Funds (HEERF), part of three acts passed by Congress to provide financial assistance to students and campuses due to the disruption caused by the coronavirus, were required to also be audited. The three acts were as follows:

- Coronavirus Aid, Relief, and Economic Security Act (CARES)
- Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)
- American Rescue Plan (ARP)

Minnesota State’s 2021 Schedule of Expenditures of Federal Awards Report for the Year Ended June 30, 2021 has been prepared by CLA as part of its responsibilities as the system auditor for Minnesota State. The results in this report are incorporated into the State of Minnesota’s Single Audit report and available on the Minnesota Management and Budget website. Copies of the State of Minnesota’s Single Audit report will also be available on Minnesota State’s financial reporting website.

**Summary Fiscal Year 2021 Schedule of Expenditures of Federal Awards**

	2021	2020
Perkins Loans	\$20,230,240	\$25,032,468
Nursing Loans	\$15,893	\$18,147
Student Direct Loans	\$355,702,684	\$407,312,797
Total Student Loans	\$375,948,817	\$432,363,412
Supplemental Educational Opportunity Grants	\$8,901,276	\$6,630,926
Work-Study Program	\$4,967,305	\$7,344,153
Pell Grant Program	\$185,585,388	\$214,626,559
Teacher Education Assistance Grants	\$389,033	\$408,492
Total Student Grants and Other Aid	\$199,843,002	\$229,010,130
Total Student Financial Assistance Cluster	\$575,791,819	\$661,373,542
Education Stabilization Fund/HEERF	\$162,114,885	\$56,954,890
Other Federal Programs	\$55,255,098	\$56,316,408
Total Federal Expenditures	\$793,161,802	\$774,644,840



April 19, 2022  
Office of Internal Auditing

## Audit Committee

Federal Compliance Testing Over Student Financial Assistance and  
Higher Education Relief Fund Programs

MINNESOTA STATE



## Minnesota State Colleges and Universities Audit Presentation

Year Ended June 30, 2021

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

© 2021 CliftonLarsonAllen, LLP

# Agenda

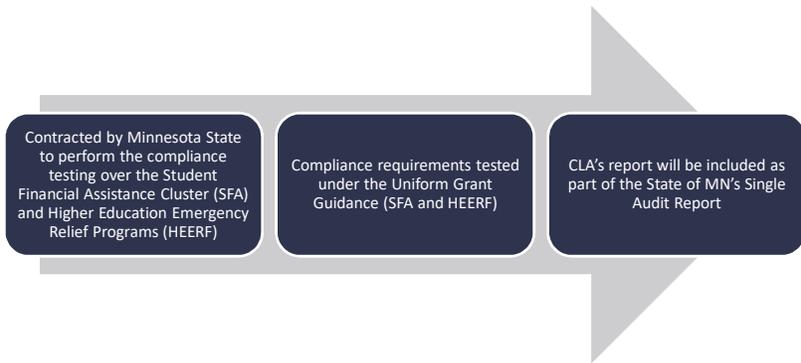
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- Scope of Audit Responsibilities
- Timeline of Testing
- Audit Approach
- Results



# Scope of Audit Responsibilities

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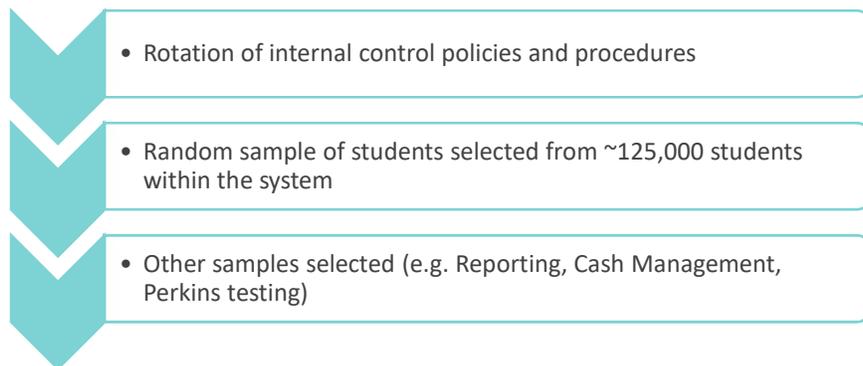
## Timeline for Testing in FY21

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## Audit Approach - SFA

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## Audit Approach – HEERF

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- Questionnaire sent to all colleges and universities to understand internal controls
- Disbursement testing (student and institutional) selected from entire system but several samples due to populations of differing internal controls
- Other samples (procurement and reporting) selected from entire system



## Audit Results

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- Opinion {
- Unmodified Opinion on Compliance



## Audit Results – SFA

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No Material Weaknesses

Three Findings Considered to be Significant Deficiencies

- National Student Loan Database System Enrollment Reporting
- Perkins Recordkeeping
- Student Refund Checks Outstanding Greater than 240 Days



Create Opportunities

9

## Audit Results – HEERF

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One Material Weakness

- Reporting

Two Findings Considered to be Significant Deficiencies

- Allowable Student Costs
- Allowable Lost Revenue



Create Opportunities

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## Fiscal Year 2022 Compliance Audit

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### SFA

- No changes in timeline for testing

### HEERF

- Start time is unknown



## Questions and Feedback

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We welcome any questions pertaining to the audit, governance communication letter, management letter or other matters related to the engagement

We appreciate the opportunity to serve as the auditors for the Minnesota State Colleges and Universities system and welcome any feedback relative to our performance



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**Committee of the Whole**  
**April 19, 2022**  
**3:00 p.m.**  
**McCormick Room, 4<sup>th</sup> Floor**

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*Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings.*

1. NextGen Update

**Bolded items indicate action required.**



**MINNESOTA STATE  
BOARD OF TRUSTEES  
Agenda Item Summary Sheet**

**Name:** Committee of the Whole

**Date:** April 19, 2022

**Title:** NextGen Update

**Purpose (check one):**

Proposed New Policy or  
Amendment to Existing Policy

Approvals Required  
by Policy

Other Approvals

Monitoring/Compliance

Information

**Brief Description:**

Minnesota State launched the Next Gen Enterprise Resource Planning (ERP) replacement project in March 2016 with the endorsement of the business case. Phase 1 of the project concluded in November 2020 with the approval of an updated project plan and finance plan, and the selection of Workday as the ERP vendor. NextGen Phase 2 began in January 2021, and the Finance/Human Resources implementation kicked off in March 2021. The April 2022 update will include:

- Internal Audit Report
- Monthly Status Update
- Guiding Principles
- Workday Student Update – Information Gathering
- Organizational Change Management Activities
- Opportunities for End-User Engagement
- Additional Updates from the January 2022 Board Meeting

**Scheduled Presenters:**

Jacquelyn Malcolm, Vice Chancellor for Information Technology

Mike Cullen, Baker Tilly

Clint Davies, BerryDunn, Third-Party Owner's Representatives

David Houle, BerryDunn, Third-Party Owner's Representatives

**MINNESOTA STATE  
BOARD OF TRUSTEES**

<b>BOARD INFORMATION ITEM</b>
NextGen Update

**BACKGROUND**

Minnesota State launched the NextGen Enterprise Resource Planning (ERP) replacement project in March 2016 with the endorsement of the business case. Phase 1 of the project concluded in November 2020 with the approval of an updated project plan and finance plan, and the selection of Workday as the ERP vendor. NextGen Phase 2 began in January 2021, and the Finance/Human Resources implementation kicked off in March 2021.

The Chancellor has established a regular project status reporting program with the full board after consultation with the board chair. During the Committee of the Whole, a high-level update will be provided by Jacquelyn Malcolm, Vice Chancellor of Information Technology and CIO; Mike Cullen of Baker Tilly; and Clint Davies and David Houle of BerryDunn, Third-Party Owner’s Representative; and Melinda Clark, NextGen Program Manager. Topics will include: an Internal Audit Report; Monthly Status Update; Guiding Principles; Workday Student Update – Information Gathering; Organizational Change Management Activities; Opportunities for End-User Engagement; Additional Updates from the January 2022 Board Meeting. Ample time will be reserved for questions.



**Joint Finance and Facilities Committee**  
**April 20, 2022**  
**8:30 a.m.**  
**McCormick Room, 4th Floor**

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*Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings.*

1. **Minutes of March 16, 2022 Joint Meeting of Facilities and Finance Committees**
2. **Contracts Requiring Board Approval:**
  - a. **Facilities Use Agreement with Anoka-Hennepin Schools (ISD-11), Anoka Technical College**
  - b. **East Campus Air Handling Unit Replacement, Century College**
  - c. **Entry Access Control and Door Hardware Upgrades, North Hennepin Community College**
3. **FY2024 Capital Budget Guidelines (Second Reading)**

Finance Committee Members

Roger Moe, Chair  
April Nishimura, Vice Chair  
Jerry Janezich  
Oballa Oballa  
Rudy Rodriguez  
Kathy Sheran  
George Soule

Presidents Liaisons

Joe Mulford  
Scott Olson

Facilities Committee Members

Jerry Janezich, Chair  
Roger Moe, Vice Chair  
Victor Ayemobuwa  
Alex Cirillo  
Kathy Sheran

Presidents Liaisons

Kent Hanson  
Faith Hensrud





**Joint Finance and Facilities Committee**  
**Meeting Minutes**  
**March 16, 2022**

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A meeting of the Joint Finance and Facilities Committees of the Board of Trustees was held on March 16, 2022.

Finance Committee members present: Roger Moe, Chair; Oballa Oballa, Rudy Rodriguez, Kathy Sheran, George Soule

Facilities Committee members present: Roger Moe, Vice Chair; Victor Ayemobuwa, Alex Cirillo, Kathy Sheran

Committee members absent: Jerry Janezich, Facilities Committee Chair; April Nishimura, Finance Committee Vice-Chair

Other board members present: Jay Cowles, Cheryl Tefer

Staff present: Devinder Malhotra, Chancellor; Bill Maki, Vice Chancellor for Finance and Facilities; Brian Yolitz, Associate Vice Chancellor for Facilities

The meeting materials for this meeting are available [here](#), starting on page 32. An audio recording of the meeting is available [here](#).

Committee Chair Moe called the meeting to order at 8:30 a.m.

**Agenda Item 1: Contracts Requiring Board Approval**

Committee Chair Moe invited Vice Chancellor Maki along with Associate Vice Chancellor Yolitz to present the Contracts Requiring Board Approval as detailed in the meeting materials. The meeting materials for this item begin on page 33.

Committee Chair Moe asked committee members to consider the following recommended committee motion for Agenda Item 1a: Parking Lot 1 Improvements, Minnesota State University, Mankato:

*The Facilities and Finance Committees recommend that the Board of Trustees authorize the chancellor or the chancellor's designee to enter into a construction contract not to exceed \$1,200,000 to repair and upgrade Parking Lot 1 at Minnesota State University, Mankato. The*

*Facilities and Finance Committees further recommend that the Board of Trustees direct the chancellor or his designee to execute all necessary documents.*

Trustee Cirillo made the motion and Trustee Sheran seconded. A roll call vote was conducted. The vote was as follows:

Trustee Ayemobuwa	Yes
Trustee Cirillo	Yes
Trustee Janezich	Absent
Trustee Moe	Yes
Trustee Nishimura	Absent
Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Sheran	Yes
Trustee Soule	Yes

The committee voted to approve the recommended motion.

Committee Chair Moe asked committee members to consider the following recommended committee motion for Agenda Item 1b: Parking Lot Improvements, Saint Paul College:

*The Facilities and Finance Committees recommend the Board of Trustees authorize the chancellor or the chancellor's designee to enter into a construction contract not to exceed \$1,500,000 to repair and upgrade three parking areas, storm water catch basins, entry points, and retaining wall at Saint Paul College. The Facilities and Finance Committees further recommend that the Board of Trustees direct the chancellor or his designee to execute all necessary documents.*

Trustee Rodriguez made the motion and Trustee Oballa seconded. A roll call vote was conducted. The vote was as follows:

Trustee Ayemobuwa	Yes
Trustee Cirillo	Yes
Trustee Janezich	Absent
Trustee Moe	Yes
Trustee Nishimura	Absent
Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Sheran	Yes
Trustee Soule	Yes

The committee voted to approve the recommended motion.

**Agenda Item 2: Capital Budget Guidelines**

Committee Chair Moe invited Associate Vice Chancellor Yolitz to present the Capital Budget Guidelines, as detailed in the meeting materials.

The meeting materials for this item begin on page 38.

This being the first reading of the item, there was no vote taken.

**Adjournment**

The committee chair adjourned the meeting at 9:12 a.m.

**MINNESOTA STATE  
BOARD OF TRUSTEES  
Agenda Item Summary Sheet**

**Name:** Joint Finance and Facilities Committee

**Date:** April 20, 2022

**Title:** Contracts Requiring Board Approval:

- a. Facilities Use Agreement with Anoka-Hennepin Schools (ISD-11), Anoka Technical College
- b. East Campus Air Handling Unit Replacement, Century College
- c. Entry Access Control and Door Hardware Upgrades, North Hennepin Community College

**Purpose (check one):**

Proposed New Policy or  
Amendment to Existing Policy

Approvals Required  
by Policy

Other Approvals

Monitoring/Compliance

Information

**Brief Description:**

Board Policy 5.14, Contracts, Procurements, and Supplier Diversity, requires Board of Trustees approval of any procurement, lease agreement, or professional, technical, or consulting service contract with a value in excess of \$1,000,000 or contract amendment that would increase the total value of a contract to more than \$1,000,000.

**Scheduled Presenter(s):**

Bill Maki, Vice Chancellor for Finance and Facilities

Brian Yolitz, Associate Vice Chancellor for Facilities

Don Lewis, Vice President of Finance and Administration, Anoka Ramsey Community College/Anoka Technical College

Greg Cole, Chief Operations Officer, Independent School District 11

Pat Opatz, Vice President of Finance & Administration, Century College

Mike Houfer, Facilities Director, Century College

Dawn Belko, Interim Vice President for Finance and Facilities, North Hennepin Community College

Joshua Blackwell, Physical Plant Director, North Hennepin Community College

**MINNESOTA STATE  
BOARD OF TRUSTEES**

**BOARD ACTION**

Contracts Requiring Board Approval: Facilities Use Agreement, Anoka Technical College

*Board Policy 5.14, Contracts, Procurements, and Supplier Diversity, requires Board of Trustees approval of any procurement, lease agreement, or professional, technical, or consulting service contract with a value in excess of \$1,000,000 or contract amendment that would increase the total value of a contract to more than \$1,000,000.*

**BACKGROUND**

This request is to enter into a 5-year Facilities Use Agreement with Anoka Hennepin Independent School District No. 11 (ISD 11) to provide on-campus space at Anoka Technical College in support of ISD 11 Secondary Technical Education Programs (STEP), Adult Basic Education (ABE), and the Anoka-Hennepin Technical High School (AHTHS) programming.

The Facilities Use Agreement provides approximately 39,750 square feet of dedicated and shared-use space of the Anoka Technical College campus for ISD 11 STEP, ABE and AHTHS programming, as well as 278 parking stalls.

Anoka Technical College has partnered with ISD 11 for nearly two decades in providing program space on campus for STEP, ABE, and the AHTHS programming. The partnership has proven to be and continues to be beneficial to both parties.

**FINANCIAL TERMS**

This is an income contract with no direct cost obligations to the campus. The term of the Agreement is for five (5) years commencing on July 1, 2022. Total revenue to Anoka Technical College over the full term of the Agreement is approximately \$2,675,000. The Agreement is an educational initiative between the local entities serving the immediate area and population.

**RECOMMENDED COMMITTEE MOTION**

The Finance and Facilities Committees recommend the Board of Trustees authorize the Chancellor or the Chancellor's designee to enter into a Facilities Use Agreement with Anoka Hennepin Independent School District No. 11 for the use of Anoka Technical College campus space to provide Secondary Technical Education, Adult Basic Education, and the Anoka-Hennepin Technical High School programming.

**RECOMMENDED BOARD MOTION**

The Board of Trustees authorizes the Chancellor or the Chancellor’s designee to enter into a Facilities Use Agreement with Anoka Hennepin Independent School District No. 11 for the use of Anoka Technical College campus space to provide Secondary Technical Education, Adult Basic Education, and the Anoka-Hennepin Technical High School programming.

*Date Presented to the Joint Finance and Facilities Committee:* 04/20/22  
*Date Presented to the Board of Trustees:* 04/20/22  
*Date of Implementation:* 04/20/22

**MINNESOTA STATE  
BOARD OF TRUSTEES**

**BOARD ACTION**

Contracts Requiring Board Approval: East Campus Air Handling Unit Replacement,  
Century College

*Board Policy 5.14, Contracts, Procurements, and Supplier Diversity, requires Board of Trustees approval of any procurement, lease agreement, or professional, technical, or consulting service contract with a value in excess of \$1,000,000 or contract amendment that would increase the total value of a contract to more than \$1,000,000.*

**BACKGROUND**

This construction contract replaces four (4) of ten (10) air handling units and associated equipment on the East Campus building of Century College. The air-handler equipment on the east campus has far exceeded the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRE) estimated life expectancy of 25 to 30 years. The four (4) existing 50+ year old penthouse air-handling units will be replaced with four (4) new high efficiency penthouse air handling units. In addition, the contract modernizes the air terminal units and controls; replaces pneumatic variable air volume (VAV) controls with new direct digital controls; and replaces existing ductwork lined with insulation with ductwork insulated on the outside, enabling more efficient operations and improved air quality.

The East Campus Building was built in 1971 and the associated mechanical systems can no longer effectively provide thermal and acoustic comfort, and control potential pollutants. This construction contract helps improve indoor environmental air quality, meet current building and mechanical code requirements and complements the colleges COVID mitigation strategies by providing better controls and allow increased fresh air flow inside campus rooms.

**FINANCIAL TERMS**

This construction contract is being funded with Higher Education Emergency Relief Fund (HEERF) funds allocated to Century College. Subject to Board approval, the contract will be awarded for no more than \$5,000,000 with an estimated substantial completion date of May 2023. The construction contract will be publicly advertised through QuestCDN, our electronic public bidding process.

**RECOMMENDED COMMITTEE MOTION**

The Joint Finance and Facilities Committee recommends the Board of Trustees authorize the Chancellor or the Chancellor’s designee to enter into a construction contract not to exceed \$5,000,000 to replace four (4) air handling units and associated equipment on the East Campus building of Century College.

**RECOMMENDED BOARD MOTION**

The Board of Trustees authorizes the chancellor or the chancellor’s designee to enter into a construction contract not to exceed \$5,000,000 to replace four (4) air handling units and associated equipment on the East Campus building of Century College.

<i>Date Presented to the Finance and Facilities Committees:</i>	<i>04/20/22</i>
<i>Date Presented to the Board of Trustees:</i>	<i>04/20/22</i>
<i>Date of Implementation:</i>	<i>04/20/22</i>

**MINNESOTA STATE  
BOARD OF TRUSTEES**

**BOARD ACTION**

Contracts Requiring Board Approval: Entry Access Control And Door Hardware Upgrades,  
North Hennepin Community College

*Board Policy 5.14, Contracts, Procurements, and Supplier Diversity, requires Board of Trustees approval of any procurement, lease agreement, or professional, technical, or consulting service contract with a value in excess of \$1,000,000 or contract amendment that would increase the total value of a contract to more than \$1,000,000.*

**BACKGROUND**

This contract procure labor and equipment to upgrade hardware and access controls for more than 160 doors North Hennepin Community College in the Center for Liberal Arts, Learning Resource Center, and Science Center Buildings. The contract will include electronic door controls, new door hardware, and construction labor. This will provide card access for students and faculty to use on-campus. The new door access control system will be tied into the campus door monitoring system, improving security for faculty, staff, and students. Implementation of this project will improve the ability to control and monitor access to the buildings enhancing campus safety and security and enabling conduct contact tracing if needed.

**FINANCIAL TERMS**

This construction contract is being funded with Higher Education Emergency Relief Funds (HEERF) allocated to North Hennepin Community College. Subject to Board approval, the construction contract will be awarded for no more than \$1.075 million with an estimated substantial completion in April of 2023. The construction contract will be publicly advertised in May 2022 through QuestCDN, our electronic bidding process.

**RECOMMENDED COMMITTEE MOTION**

The Finance and Facilities Committees recommend the Board of Trustees authorize the Chancellor or the Chancellor's designee to enter into a construction contract not to exceed \$1,075,000 to upgrade the access controls and door hardware systems at North Hennepin Community College.

**RECOMMENDED BOARD MOTION**

The Board of Trustees authorizes the Chancellor or the Chancellor’s designee to enter into a construction contract not to exceed \$1,075,000 to upgrade the access controls and door hardware systems at North Hennepin Community College.

<i>Date Presented to the Joint Finance and Facilities Committee:</i>	<i>04/20/22</i>
<i>Date Presented to the Board of Trustees:</i>	<i>04/20/22</i>
<i>Date of Implementation:</i>	<i>04/20/22</i>

**MINNESOTA STATE  
BOARD OF TRUSTEES  
Agenda Item Summary Sheet**

**Name:** Joint Finance and Facilities Committee

**Date:** April 20, 2022

**Title:** FY2024 Capital Budget Guidelines (Second Reading)

**Purpose (*check one*):**

Proposed New Policy or  
Amendment to Existing Policy

Approvals Required  
by Policy

Other Approvals

Monitoring/Compliance

Information

**Brief Description:**

Board Policy 6.9, Capital Planning, calls for the chancellor to develop and recommend for board approval capital funding guidelines for system facilities and real property. These guidelines will shape college and university facility project planning and recommendations for capital bonding requests from the State of Minnesota in 2024 as well as potential Revenue Fund bond sales for 2023 and beyond.

Key aspects of the proposed recommended guidelines:

1. Adapting and modernizing academic and support spaces critical to student success.
2. Facilitate fulfilling the vision of Equity 2030.
3. Advancing resilience and environmental sustainability.
4. No net increase in academic footprint.

These guidelines are complemented with direction to incorporate impacts of long terms enrollment trends, history state funding support, and lessons learned during the pandemic in terms of academic program offerings, workforce structure, and student support and success.

**Scheduled Presenter(s):**

Bill Maki, Vice Chancellor for Finance and Facilities

Brian Yolitz, Associate Vice Chancellor for Facilities

**MINNESOTA STATE  
BOARD OF TRUSTEES**

**BOARD ACTION**

FY2024 Capital Budget Guidelines (Second Reading)

*Board Policy 6.9, Capital Planning, calls for the chancellor to develop and recommend for board approval capital program guidelines for system facilities and real property.*

**BACKGROUND**

**General** – Minnesota State delivers extraordinary education through 37 state colleges and universities with 54 campuses across the state. These campuses include more than 28 million square feet of facility space and over 7,000 acres of property.

College and university facilities and property contribute to and influence the Minnesota State experience. They set a lasting first impression of our colleges and universities and their programs and directly impact the recruitment, retention, and success of students, faculty, and staff.

Academic facilities, which include classrooms, labs, student support spaces, and offices, make up 80% of our facility space and are eligible for capital investment from the State of Minnesota, which includes construction of new facilities, their major renovation and replacement, as well as asset preservation of major building systems and components, through the issuance of general obligation bonds by the State of Minnesota. Capital investment by the State of Minnesota typically occurs in even-year legislative sessions. While the State of Minnesota carries the majority of the debt associated with capital investment in academic facilities, they do not carry all. The state covers the full debt of asset preservation projects and two-thirds of the debt of individual campus capital projects. Minnesota State is responsible for one-third of the debt associated with individual campus capital projects as user financing, a responsibility shared equally between the project institution and the system. Minnesota State is requesting \$292.4 million for capital funding in the 2022 legislative session.

Residence halls, dining facilities, student unions, some parking ramps and lots, along with other select auxiliary facilities, are in the Minnesota State Revenue Fund and make up the remaining 20% of campus facility spaces. Capital investment in these auxiliary facilities comes through the sale of revenue bonds through statutory authority (136F.90) granted to the Board of Trustees. Minnesota State has typically pursued Revenue Fund bond sales in odd-numbered years, with the last sale being a refunding of previously issued bonds in 2021. The last revenue bond sale for Revenue Fund facility work was for \$9.3 million 2017 for the renovation of East Snarr Hall, a residential facility at Minnesota State University Moorhead.

## GUIDELINES

**Capital Investment in Academic Facilities** – State statute 135A.034 asks the Board of Trustees to consider the following criteria (not prioritized) in establishing capital investment priorities for requests for bond funds for capital projects from the State of Minnesota:

1. maintenance and preservation of existing facilities;
2. completion of projects that have received funding;
3. updating facilities to meet contemporary needs;
4. providing geographic distribution of capital projects; and
5. maximizing the use of non-state contributions.

In creating their capital investment guidelines, the Board of Trustees has refined the statutory criteria and incorporated Minnesota State specific strategies and priorities. Past guidelines included provisions for prioritizing alignment with the Strategic Framework and advancing baccalaureate programs, especially in the Twin Cities metropolitan area. The 2022 guidelines included prioritizing work helping to realize Equity 2030. These guidelines inform candidate project development by colleges and universities and the scoring process for developing and sizing board capital investment requests to the state.

**Considerations for 2024 and the future** – Today, there are many forces challenging past capital planning assumptions about the future of higher education and the role of Minnesota State college and university campuses, their infrastructure, and built environment will play in that future. While the full extent of some of those forces is not fully understood or realized, there are some that can and should be accounted for now.

Since fiscal year (FY) 2011, when Minnesota State experienced its peak enrollment of 157,903 full-year equivalents (FYE), the system has seen a steady decline of over 40,000 (42,145) FYE or 26.7% by the end of FY2021. FYE enrollment for FY2022 is projected to decrease an additional 6.8% from FY2021 levels. There was also a general trend towards more concurrent enrollment as well as a greater proportion of academic programming being hybrid or online. This long-term enrollment trend along with changes in course delivery has and will impact long-term academic space needs.

Over the same period, Minnesota State's academic facility square footage remained relatively steady at 22.5 million square feet. These facilities have continued to age and their condition deteriorate. Today, the backlog of maintenance in Minnesota State academic facilities is \$1.2 billion, an increase of more than 60% over the last 10 years. Looking ahead, the estimated costs of building components and systems that will exceed their useful lives and fall into backlog is \$1.3 billion, bringing the total 10-year renewal need for Minnesota State's academic facilities to \$2.5 billion.

Financial and environmental sustainability priorities are increasing in importance for our system and the State of Minnesota. Both of these priorities are impacted by how much facility space Minnesota State owns, its overall condition, and how it is used and operated.

All of these priorities and how we respond to them are informed and influenced by Minnesota State's work to achieve the aspirational goals of Equity 2030 by adapting and changing systems, processes, and cultures to meet the needs of today's students. Together, these trends and priorities provide a framework for where to focus and prioritize future capital investments.

**Additional Considerations for 2024** – There are several other factors to be included in developing Minnesota State's overall capital investment strategy.

*State support:* Competition for state funding for capital projects is incredibly high. Higher education in Minnesota has seen its share of state bonding bills, as measured by general obligation bond funding, drop from highs in the 40% range in the early 2000s to an average of 12% over the last three bonding bills (2017/2018/2020).

In terms of actual funding, Minnesota State has experienced reduced capital funding as well. Bonding bills in the years 2008 through 2013 (6-year period) provided, on average, \$107.3 million per year in capital investment for Minnesota State colleges and universities. During the last 6 years, 2016 through 2021, the annual average was \$52.0 million, or less than 50% of the earlier years. This \$52.0 million provided, on average, \$19.4 million for HEAPR work and \$32.6 million for major projects.

*Asset preservation shortfalls:* Asset preservation funding has not kept up with our aging academic facilities. Since 2012, Minnesota State has received less than 30% (29.3%) of the requested amount of HEAPR funding needed to address the urgent preservation needs of the college and university buildings we already have and need, leaving the majority of preservation needs unmet.

As a result, we have seen the backlog of maintenance in our academic buildings—meaning the estimated costs of those building components and systems that have exceeded their useful lives and are now outdated and obsolete—grow by 63% (\$405 million) to \$1.2 billion. In the coming 10 years, an estimated \$1.3 billion in building systems and components will reach the end of their useful lives. Together, Minnesota State college and university academic facilities have a \$2.5 billion 10-year renewal need to simply address those building systems in backlog and take care of items as they age out in the years ahead.

*Project size:* The total size of the major projects is also a factor for consideration. The total cost of major projects sought in Minnesota State capital budget requests in 2012 and 2014 ranged from \$826,000 to \$39.6 million and averaged \$17.7 million and \$12.5 million respectively. The total cost of major projects in Minnesota State's 2022 capital budget is \$569.1 million, ranging from \$2.7 million to \$107.5 million and averaging \$28.6 million.

Given the trends in state funding (10-year annual average for projects = \$45.7 million) and the total size of projects in Minnesota State's most recent project request, the list of capital projects in the 2022 request would not be fully funded until 2034. In this scenario, no new capital projects beyond those already in the 2022 request could be added to Minnesota State's biennial requests until 2032.

*Disruptive Nature of the COVID-19 Pandemic:* Finally, while some trends are slowly emerging, the full impact the COVID-19 pandemic will have on future program and course offerings, campus workforce posture, and overall enrollment remains unclear, as does how the physical plant needs to support those trends.

**Strategic Guidelines for 2024** – Minnesota State's overall capital investment strategy should prioritize:

**Adapting and modernizing academic and support spaces critical to student success.** Acknowledge the importance of physical campus spaces for our students by modernizing and adapting existing space that directly contributes to student and faculty recruitment, retention, and success. Create flexible spaces that support changing teaching and learning strategies and demographic needs.

**Facilitate fulfilling the vision of Equity 2030.** Prioritize facility improvements that directly support student success at Minnesota State colleges and universities by supporting inclusive educational opportunities, growing programs, and improving campus climate and culture. Prioritize projects that support closing equity and opportunity gaps to address workforce and employment challenges in Minnesota. Prioritize contracting and procurement strategies and practices that encourage diversity in suppliers of project design, consultation, and construction services as well as their workforces.

**Advancing resilience and environmental sustainability.** Strive to reduce campus facility impacts on the natural environment by updating infrastructure and facility spaces to reduce energy and resource use, prioritizing sustainable and efficient construction, utilization, and operating practices. Actively pursue and create renewable energy infrastructure and encourage institutions to incorporate environmental, climatic, and other risks in their institutional plans and projects.

**No net increase in academic footprint.** Invest in maximizing the potential of existing academic space through renovation, retrofit, or replacement with smart, flexible, and wherever possible, a smaller footprint. Increasing campus footprint may be considered in rare and extraordinary circumstances.

**Requested program prioritization, scoping, and sizing** – Pending the outcome of the 2022 legislative session, Minnesota State will overhaul the approach to developing and prioritizing the capital request. The process will be centered on first addressing the stewardship and asset preservation responsibilities in our existing academic facilities and the associated growing

backlog of maintenance. From here, the process will deviate from past practice and be more zero-based.

**Project scoring and selection** – All candidate projects will be evaluated and prioritized for funding based on the Strategic Guidelines from above, as well as campus enrollment trends and composition, program and course offerings, campus workforce posture, existing academic space and configuration, project size and scope, position within the Comprehensive Facilities Plan, and other institutional factors. Prior state funding for a project will be considered and prioritized where appropriate and conditions dictate seeking further state investment.

Priority will be on projects that are quickly deliverable and focused on improving specific programmatic or student support needs. Planned future requests (project phases and construction tails) would be limited to the potential of \$75 million in the next biennial request. Projects included in past requests may not be automatically included in future requests.

The total FY2024 program request would be approximately \$350 million including HEAPR and major capital projects. The specific project list will be modeled to ensure projects can be fully delivered in 6 years (3 biennia) or less, given trends in state support. Given these combined effects of this criteria, projects on past requests may not be included in the 2024 request.

**Capital Investment in Revenue Fund Facilities** – While the Board of Trustees has statutory authority (136F.90) to issue revenue bonds for capital investments in residence halls, dining facilities, student unions, and some parking ramps and lots, it is important to understand there is no cost sharing with the state and the institution is responsible for the entire project cost and debt service. Each institution must levy student/user fees and charges sufficient to finance the full debt service of a project and operating requirements for their particular project and program.

The proposed Strategic Guidelines for 2024 are also relevant to potential Revenue Fund projects. Because of the reliance of fees to service project costs, debt, and operating expenses, additional factors required for Revenue Fund projects include:

1. Sound project and program financials and balance sheet supported by appropriate assumptions on costs and revenues over time and reflected in a pro forma document
2. Strong evidence of student involvement and commitment sustainable financial support for a project as outlined in system procedure 2.3.1 *Student Involvement in Decision-Making*.

Because of the financial liabilities associated with Revenue Fund projects, the impact of the Additional Considerations for 2024 outlined earlier are compounded.

Institutions remain responsible for the outstanding Revenue Fund debt of \$213 million from previous projects as well as ongoing program operating expenses. Fully appreciating the impacts of enrollment declines prior to and through the pandemic is a critical factor in taking on new projects and debt. In light of these factors, the system's Revenue Fund financial advisor has embarked on a debt capacity analysis, to include the lengthening of potential future debt terms

of repayment from 20 to 30 years. Results of this work at both the system and institutional level will weigh heavily on the potential for new projects and debt.

### **GUIDELINE DEVELOPMENT**

As part of the development process, input was sought from college and university representatives. This input informed original drafts of the guidelines. A draft of the considerations and proposed guidelines as then presented to Leadership Council in February 2022. The major themes of feedback included:

1. Creating flexible, adaptable space is more important than ever.
2. Support for including, within the Board’s capital budget request, initiatives for facilities improvements that would support workforce programs and other academic programs aimed at increasing employment.
3. Strengthening the guideline about Equity 2030 to increase the focus on closing equity gaps to address employment challenges in the state.

This feedback has been incorporated in the guidelines presented above.

### **RECOMMENDED COMMITTEE MOTION**

The Finance and Facilities Committees recommend that the Board of Trustees approve the 2024 Capital Program Guidelines:

1. Adapt and modernize academic and support spaces critical to student success.
2. Facilitate fulfilling the vision of Equity 2030.
3. Advance resilience and environmental sustainability.
4. No net increase in academic footprint.

These guidelines inform planning and development of capital investment recommendations for a request of the State of Minnesota in 2024 and potential Revenue Fund bond sales in 2023 and beyond. The Board may adjust these guidelines based on outcomes of the 2022 legislative session and other strategic factors.

### **RECOMMENDED BOARD MOTION**

Board of Trustees approves the 2024 Capital Program Guidelines:

1. Adapt and modernize academic and support spaces critical to student success.
2. Facilitate fulfilling the vision of Equity 2030.
3. Advance resilience and environmental sustainability.
4. No net increase in academic footprint.

These guidelines inform planning and development of capital investment recommendations for a request of the State of Minnesota in 2024 and potential Revenue Fund bond sales in 2023 and beyond. The Board may adjust these guidelines based on outcomes of the 2022 legislative session and other strategic factors.

*Date Presented to the Joint Finance and Facilities Committee:* 04/20/22

*Date Presented to the Board of Trustees:* 04/20/22

*Date of Implementation:* 04/20/22



**Finance Committee**  
**April 20, 2022**  
**9:15 a.m.**  
**McCormick Room, 4th Floor**

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*Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings.*

1. **Minutes of March 16, 2022**
2. **Contracts Requiring Board Approval:**
  - a. **Stadium Heights Apartments Lease Agreement, Minnesota State University, Mankato**
  - b. **Wiley Contract for Graduate OPM Services, Southwest Minnesota State University**
  - c. **Integration Platform Software: BOOMI, System Office**
  - d. **Software Agreement for Tutor.com, System Office**
3. **Board Policy 7.3 Financial Administration (First Reading)**

Committee Members

Roger Moe, Chair  
April Nishimura, Vice Chair  
Jerry Janezich  
Oballa Oballa  
Rudy Rodriguez  
Kathy Sheran  
George Soule

Presidents Liaisons

Joe Mulford  
Scott Olson



**Finance Committee  
Meeting Minutes  
March 16, 2022**

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A meeting of the Finance Committee of the Board of Trustees was held on March 16, 2022.

Committee members present: Roger Moe, Chair; Oballa Oballa, Rudy Rodriguez, Kathy Sheran, George Soule

Committee members absent: Jerry Janezich, April Nishimura

Other board members present: Jay Cowles

Staff present: Devinder Malhotra, Chancellor; Bill Maki, Vice Chancellor for Finance and Facilities; Brian Yolitz, Associate Vice Chancellor for Facilities

The meeting materials for this meeting are available [<here>](#), starting on page 45. An audio recording of the meeting is available [<here>](#).

Committee Chair Moe called the meeting to order at 9:18 a.m.

**Agenda Item 1: Approval of the Meeting Minutes for January 26, 2022**

Committee Chair Moe asked if there are any changes or amendments to the minutes then asked for a motion to approve. Trustee Sheran made the motion and Trustee Moe provided a second.

A roll call vote was conducted and the minutes were approved unanimously.

**Agenda Item 2: Contracts Requiring Board Approval**

Committee Chair Moe invited Vice Chancellor Bill Maki along with Associate Vice Chancellor Brian Yolitz to present the five contracts that required board approval as detailed in the meeting materials. The meeting materials for this item begin on page 51.

Committee Chair Moe asked committee members to consider the following recommended committee motion for **Agenda Item 2a: Campus Security Services-Anoka Ramsey Community College (Coon Rapids & Cambridge campuses) & Anoka Technical College:**

*The Finance Committee recommends that the Board of Trustees authorize the chancellor or the chancellor's designee to enter a contract for up to three years with the approved vendor for an amount not to exceed \$1,500,000. The Finance Committee further recommends that the Board of Trustees direct the chancellor or his designee to execute all necessary documents.*

Trustee Rodriguez made the motion and Trustee Oballa seconded. A roll call vote was conducted. The vote was as follows:

Trustee Janezich	Absent
Trustee Moe	Yes
Trustee Nishimura	Absent
Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Sheran	Yes
Trustee Soule	Yes

The committee voted to approve the recommended motion.

Committee Chair Moe asked committee members to consider the following recommended committee motion for **Agenda Item 2b: Flight Training Program, Minnesota State University, Mankato:**

*The Finance Committee recommends that the Board of Trustees authorize the chancellor or the chancellor's designee to enter a contract with the successful RFP bidder, for a total of up to \$120,055,000 over the 10 years of the contract if the additional 5-year option is exercised. The Finance Committee further recommends that the Board of Trustees direct the chancellor or his designee to execute all necessary documents.*

Trustee Sheran made the motion and Trustee Rodriguez seconded. A roll call vote was conducted. The vote was as follows:

Trustee Janezich	Absent
Trustee Moe	Yes
Trustee Nishimura	Absent
Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Sheran	Yes
Trustee Soule	Yes

The committee voted to approve the recommended motion.

Committee Chair Moe asked committee members to consider the following recommended committee motion for **Agenda Item 2c: Classroom Technology Upgrades—Phase 2, Rochester Community and Technical College:**

*The Finance Committee recommends that the Board of Trustees authorize the chancellor or the chancellor's designee to enter a contract with the qualified Vendor, not to exceed \$1,100,000. The Finance Committee further recommends that the Board of Trustees direct the chancellor or his designee to execute all necessary documents.*

Trustee Soule made the motion and Trustee Sheran seconded. A roll call vote was conducted. The vote was as follows:

Trustee Janezich	Absent
Trustee Moe	Yes
Trustee Nishimura	Absent
Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Sheran	Yes
Trustee Soule	Yes

The committee voted to approve the recommended motion.

Committee Chair Moe asked committee members to consider the following recommended committee motion for **Agenda Item 2d: Elsevier Testing & Review, Winona State University:**

*The Finance Committee recommends that the Board of Trustees authorizes the chancellor or his designee to execute a contract with the designated Winona State University bookstore vendor for a term up to 5 years for a maximum amount not to exceed \$3,000,000. The Finance Committee further recommends that the Board of Trustees direct the chancellor or his designee to execute all necessary documents.*

Trustee Sheran made the motion and Trustee Rodriguez seconded. A roll call vote was conducted. The vote was as follows:

Trustee Janezich	Absent
Trustee Moe	Yes
Trustee Nishimura	Absent
Trustee Oballa	Yes
Trustee Rodriguez	Yes

Trustee Sheran	Yes
Trustee Soule	Yes

The committee voted to approve the recommended motion.

Committee Chair Moe asked committee members to consider the following recommended committee motion for **Agenda Item 2e: On Campus Bookstore Services, Winona State University:**

*The Finance Committee recommends that the Board of Trustees authorizes the chancellor or his designee to execute a contract with the designated Winona State University bookstore vendor for a term up to 5 years for a maximum amount not to exceed \$3,000,000. The Finance Committee further recommends that the Board of Trustees direct the chancellor or his designee to execute all necessary documents.*

Trustee Sheran made the motion and Trustee Soule seconded. A roll call vote was conducted. The vote was as follows:

Trustee Janezich	Absent
Trustee Moe	Yes
Trustee Nishimura	Absent
Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Sheran	Yes
Trustee Soule	Yes

The committee voted to approve the recommended motion.

### **Agenda Item 3: FY2022 Operating Budget Update**

Committee Chair Moe invited Vice Chancellor Bill Maki along with System Director Steve Ernest to present the FY2022 Operating Budget Update as detailed in the meeting materials.

The meeting materials for this item begin on page 64.

This being an informational item, there was no vote taken.

### **Adjournment**

The committee chair adjourned the meeting at 10:44 a.m.

**MINNESOTA STATE  
BOARD OF TRUSTEES  
Agenda Item Summary Sheet**

**Name:** Finance Committee

**Date:** April 20, 2022

**Title: Contracts Requiring Board Approval:**

- a. Stadium Heights Apartments Lease Agreement, Minnesota State University, Mankato
- b. Wiley Contract for Graduate OPM Services, Southwest Minnesota State University
- c. Integration Platform Software: BOOMI, System Office
- d. Software Agreement for Tutor.com, System Office

**Purpose (check one):**

Proposed New Policy or  
Amendment to Existing Policy

Approvals Required  
by Policy

Other Approvals

Monitoring/Compliance

Information

**Brief Description:**

Board Policy 5.14, Contracts, Procurements, and Supplier Diversity, requires Board of Trustees approval of any procurement, lease agreement, or professional, technical, or consulting service contract with a value in excess of \$1,000,000 or contract amendment that would increase the total value of a contract to more than \$1,000,000.

**Scheduled Presenter(s):**

Bill Maki, Vice Chancellor for Finance and Facilities

Brian Yolitz, Associate Vice Chancellor for Facilities

Cindy Janney, Dean of Students and Residential Life Director, Minnesota State University, Mankato

Deb Kerkaert, Vice President for Finance and Administration, Southwest Minnesota State University

Jamie Nordstrom, System Director, Technology and Budget

Mark Malecek, Senior System Director, Information Technology Services

Tim Anderson, System Director for Student Success Technologies

**MINNESOTA STATE  
BOARD OF TRUSTEES**

**BOARD ACTION**

Contracts Requiring Board Approval: Stadium Heights Apartments Lease Agreement,  
Minnesota State University, Mankato

*Board Policy 5.14, Contracts, Procurements, and Supplier Diversity, requires Board of Trustees approval of any procurement, lease agreement, or professional, technical, or consulting service contract with a value in excess of \$1,000,000 or contract amendment that would increase the total value of a contract to more than \$1,000,000.*

**BACKGROUND**

This operating lease provides exclusive use of a 96-unit apartment complex near the Minnesota State University, Mankato campus, typically housing 250-480 students, dependent upon student demand. Each of the eight (8) buildings consists of twelve apartment units with four units on each floor. Individual units are 945 square feet and include three (3) bedrooms and bathroom, central air conditioning, range, refrigerator, dishwasher, living room, and are internet ready. Units may house three to five students. The university manages the facilities in a manner similar to an on campus residence hall with professional hall director, community advisor and full array of programs and services. The university offers these beds to students in the same manner as our legacy housing offerings and new semi-suite offerings: furnished spaces, with equivalent staffing, activities and policies, in an academic year contract.

In January 2021, the University published a Request for Information (RFI) in the Mankato Free Press seeking apartment buildings that could be made available during the 2022-2023 academic year, including four (4) annual options to renew. RFI submissions were followed by interviews and tours of two responding properties. A review committee of housing and facilities staff scored the submissions.

This is Minnesota State University, Mankato's third contract for lease agreement for an apartment complex (2012-2017, 2017-2022, and now 2022-2027). The lease was initially pursued to provide 250 beds, maintaining the size of the housing operation at the same level as prior to the construction of 900 new beds (Julia Sears, 2008 and Preska, 2012) and the decommissioning of 1150 beds (Gage, 2012). This lease follows two 5-year agreements at the same property.

The apartment lease has provided a great deal of flexibility to the Minnesota State University, Mankato housing program. In years of increased housing demand, the location has provided

surge space, as each unit may be occupied by up to five (5) students. During the pandemic, it allowed flexibility to house students in single rooms and to provide quarantine and isolation housing. In the event that student housing demand drops and remains low, the contract can be abandoned by non-renewal for the subsequent year.

The university offers these beds to students in the same manner as our legacy housing offerings and new semi-suite offerings: furnished spaces, with equivalent staffing, activities and policies, in an academic year contract.

**FINANCIAL TERMS**

Minnesota State University, Mankato operates the leased student housing in the same manner as on-campus owned and operated student housing. Student room revenues are paid to Minnesota State University, Mankato and are the source of funding for the lease. Proposed room rates for academic year (AY) 2022-2023 were developed in consultation with students are:

<b>Apartment Room Types</b>	<b>Proposed AY2022-2023 Rates</b>
Double Room in a 4 or 5-person Apartment	\$7,200
Single Room in a 4 or 5-person Apartment	\$7,920
Single Room in a 3-person Apartment	\$8,755

These rates are comparable to on-campus owned and operated student housing with similar configuration and amenities. The contract provides for annual renewal prior to the subsequent year’s leasing timeline.

**Terms and Costs** – This is one-year term lease with four (4) one-year optional extensions. The terms include an approximate 2% annual rate increase year over year:

<b>Year</b>	<b>Period</b>	<b>Annual Cost</b>
1	August 1, 2022 – July 31, 2023	\$1,624,320
2	August 1, 2023 – July 31, 2024	\$1,658,880
3	August 1, 2024 – July 31, 2025	\$1,693,440
4	August 1, 2025 – July 31, 2026	\$1,728,560
5	August 1, 2026 – July 31, 2027	\$1,762,560
	<b>Total All Years</b>	<b>\$8,467,760</b>

Total potential cost of the lease agreement is \$8,467,760 over five (5) possible years.

**RECOMMENDED COMMITTEE MOTION**

The Finance Committee recommends the Board of Trustees authorize the Chancellor or the Chancellor’s designee to enter into lease agreement with Stadium Heights Apartments, LLLP, not

to exceed \$8,467,760 over 5 years for the purposes of student housing at Minnesota State University, Mankato.

**RECOMMENDED BOARD MOTION**

The Board of Trustees authorizes the Chancellor or the Chancellor’s designee to enter into lease agreement with Stadium Heights Apartments, LLLP, not to exceed \$8,467,760 over 5 years for the purposes of student housing at Minnesota State University, Mankato.

*Date Presented to the Finance Committee:* 04/20/22

*Date Presented to the Board of Trustees:* 04/20/22

*Date of Implementation:* 04/20/22

**MINNESOTA STATE  
BOARD OF TRUSTEES**

**BOARD ACTION**

Contracts Requiring Board Approval: Wiley Contract for Graduate OPM Services, Southwest Minnesota State University

*Board Policy 5.14, Contracts, Procurements, and Supplier Diversity, requires Board of Trustees approval of any procurement, lease agreement, or professional, technical, or consulting service contract with a value in excess of \$1,000,000 or contract amendment that would increase the total value of a contract to more than \$1,000,000.*

**BACKGROUND**

Southwest Minnesota State University (SMSU) completed a Request for Proposal (RFP) in January 2022 to identify an online program development, marketing, enrollment and retention partner with the goals of increasing recruitment, enrollment and graduation of students in undergraduate and graduate online programs, and of assisting with the launch of new online programs.

Prior to taking this step, SMSU spent over a year researching the capabilities and services offered by online program management (OPM) providers. This process involved conversations with several providers currently supporting other institutions of higher education. As part of this process, SMSU also reviewed a tentative proposal from St. Cloud State University inviting system universities to join their OPM collaboration with Academic Partnerships. We chose not to pursue this opportunity further, however, due to restrictions on the programs that a given university would offer and for a cost sharing agreement that better aligned with SMSU's needs.

SMSU administration discussed results of this research with campus constituencies including all bargaining units at Meet and Confer sessions and in Town Hall meetings. The intent of this process has been to make all involved as knowledgeable as possible about the rationale, opportunities, and impact of entering into an OPM partnership.

The RFP proposal evaluation was completed in February 2022 by the Vice President for Finance and Administration, the Provost and Vice President for Academic and Student Affairs, and the President. Through this process, Wiley University Services was chosen as the successful applicant by virtue of meeting all requirements and of being positioned to provide high-quality services and support. Wiley brings over two decades of experience working as a strategic partner with institutions, including those similar to SMSU. Wiley stands out as having a focus on student support and engagement consistent with the priority SMSU places on this area; as taking a collaborative approach to all phases of program management; as being responsive,

personable, and accountable in all communications; and as providing a revenue-sharing arrangement favorable to SMSU.

Through this partnership, Wiley will provide SMSU with the following services:

- a. **Market Research:** Provide robust, technically sound analysis of prospective student markets for newly proposed online programs, as well as existing programs that the University is seeking to expand.
- b. **Marketing & Lead Generation:** Create messaging and branding aligned with the strategic marketing plan of the University and program-specific attributes to generate quality leads.
- c. **Recruitment & Enrollment Services:** Document contacts with students through a Customer Relationship Management system, qualify student prospects, and counsel students in completing application for admission, including providing financial support.
- d. **Student Success:** Provide engagement and retention processes and operational procedures to ensure student success.
- e. **24/7 Helpdesk and Technical Support:** Provide operational procedures and mechanisms for 24/7 student support.
- f. **Financial Support:** Provide investment capital to grow the University's online programs.
- g. **Institutional Partnership:** Participate in a partnership with the University to determine services to be provided, identify enrollment goals and assess online program readiness.

These services will enable SMSU to build on the current success of its online programs. Enrollment in these programs consists almost entirely of non-traditional students, and this population will continue to be the target audience for the marketing and recruiting provided. Because prospective students in this category are not otherwise likely to enroll as on-campus students at SMSU, successful recruiting through these services will expand rather than shift institutional enrollment.

SMSU sees the recruitment and retention of non-traditional students as an institutional priority. This goal has driven recent expansion of online programs and has shaped how we design and deliver student support services. We have been intentional in the development of online courses to provide high-quality and culturally-responsive pedagogy. We have opened student clubs and organizations to online student participation. We have expanded our Mustang Pathways program, which supports traditionally underserved students, to include online students. We have also explicitly included this population in the support we provide through the SUCCESS grant received from MDRC in partnership with three other Minnesota State institutions. Growth in this area will provide SMSU with additional resources to support strong academic and student support services for this population.

Partnership with Wiley will provide us with capacity and expertise beyond current levels, which we are not able to otherwise obtain due to current financial limitations. Table 1 below provides an overview of the complementary roles SMSU and Wiley have in providing services.

**Table 1. Comparison of University and Wiley Roles and Responsibilities**

SMSU	Wiley
<b>Marketing</b>	
SMSU brand and communications channels.	Marketing and advertising support with all communications approved by SMSU.
<b>Recruitment</b>	
SMSU admission process, people, and standards.	Customized student experiences, digital student engagement.
<b>Enrollment Management</b>	
SMSU policies, process, and oversight. SMSU financial aid advising and scholarship disbursement.	Enrollment coordination, database and registration management, transfer credit evaluation, transcript processing.
<b>Retention</b>	
SMSU academic advising and existing student support services.	Orientation, proactive monitoring and outreach, clinical placement assistance.
<b>Program Design and Development</b>	
SMSU control of curriculum and instruction.	Consultation on program planning.
<b>Technology Support</b>	
SMSU student data and privacy protected.	Student tech support, faculty tech support, issue resolution.

**FINANCIAL TERMS**

Using the estimated seven-year enrollment projections from Wiley for each of the agreed-upon programs, SMSU examined the estimated total tuition revenue and associated expenses. Additional appropriation was not taken into consideration for this study. Using a 50/50 blend of part-of-load instruction from current and newly-hired faculty, based on University average salary rates, along with using adjunct faculty at current rates, the revenue will be sufficient to cover the OPM costs from Wiley, faculty salaries and benefits as well as additional support staff and indirect costs. This blend of full-time and adjunct faculty has been discussed with the SMSU faculty leadership and determined to be a reasonable projection. If enrollments are lower than predicted, SMSU will make adjustments as to when additional faculty or support staff will need to be hired. The contract will allow for periodic assessment to evaluate the mix of programs supported by Wiley, how best to support those that may be struggling, and which additional programs, if any, to develop.

Over the seven years of the agreement, total revenue is estimated to be \$72.2 million. Additional faculty, staff and indirect costs are estimated at almost \$43 million. Estimated costs to be paid to Wiley for the OPM services listed above are approximately \$25.3 million. Table 2 below identifies projected annual enrollment and revenue for all programs supported. As shown, the estimated annual net revenue ranges from \$218,721 (year 2) to just over \$1 million (year 4). With enrollment growth come additional staffing costs, causing the annual variations as indicated.



The risk of entering into this agreement is minimal and consists of a scenario whereby enrollment drops after additional faculty/staff have been hired by SMSU to support enrollment growth to that point. The agreement with Wiley mitigates this risk, as it includes provisions to allow for termination of the partnership if certain agreed-upon criteria or metrics have not been met.

The risk of not entering into this agreement is that SMSU does not have sufficient capacity and expertise to achieve growth in the enrollment of online programs, which we have identified as a priority for the institution's mission and as an important component of overall institutional stability, or even to sustain current enrollment levels in an increasingly competitive market.

**RECOMMENDED COMMITTEE MOTION**

The Finance Committee recommends that the Board of Trustees authorize the chancellor or the chancellor's designee to enter a contract with Wiley University Services, for a total up to \$26,000,000 over the 7 years of the contract. The Finance Committee further recommends that the Board of Trustees direct the chancellor or his designee to execute all necessary documents.

**RECOMMENDED BOARD MOTION**

The Board of Trustees authorizes the chancellor or the chancellor's designee to enter a contract with Wiley University Services, for a total up to \$26,000,000 over the 7 years of the contract. The Board of Trustees directs the chancellor or his designee to execute all necessary documents.

*Date Presented to the Finance Committee:* 04/08/22

*Date Presented to the Board of Trustees:* 04/08/22

*Date of Implementation:* 04/08/22

**MINNESOTA STATE  
BOARD OF TRUSTEES**

**BOARD ACTION**

Contract Requiring Board Approval:  
Integration Platform Software: Boomi, System Office

*Board Policy 5.14, Contracts, Procurements, and Supplier Diversity, requires Board of Trustees approval of any procurement, lease agreement, or professional, technical, or consulting service contract with a value in excess of \$1,000,000 or contract amendment that would increase the total value of a contract to more than \$1,000,000.*

**BACKGROUND**

Boomi is an integration platform as a service, application program interface (API) management, and data preparation. Currently, Boomi software is the integration tool used to connect ISRS with D2L (Learning Management System), ExLibris (Library System), customer relationship management system (CRM) API'S, Office 365 Employee/Student data, Perkins Reporting Data, and SharePoint. This tool is also being used for integrations between Workday HCM/Finance and ISRS Student, and the State of Minnesota SEMA4 (payroll system) and statewide integrated financial tools (SWIFT) systems, along with D2L & other 3rd party systems. It will also be used for integrations with the Workday Student modules in the future. It is an important tool in our strategy for third party system integrations.

An RFP for this type of service was posted in January 2018 and Boomi was awarded the contract. At the time of the contract execution, it was expected that that contract total for five years would not exceed \$850,000. After fully implementing and better understanding Minnesota State's needs, the five-year total will likely exceed \$1,000,000 in year 5 as about \$830,000 has been expended in the first four years of this contract.

Additionally, this integration tool is integral to the successful implementation of NextGen. In order to maintain the current momentum as we prepare to go live with Workday HCM/Finance for fiscal year 2024, the system office is seeking a five-year extension with Boomi.

**FINANCIAL TERMS**

Minnesota State and Boomi have a current contract with a three-year term and an option to extend two one-year renewals. This approval would allow the system to accept the final one-year renewal under the existing contract and seek a five-year extension. The contract amount

with Boomi would be increased by \$1,550,000 to a total amount a ten-year period not to exceed \$2,400,000.

Funding for this contract is through the system office's information technology operating budget and the Enterprise Technology systemwide set aside budget.

**RECOMMENDED COMMITTEE MOTION**

The Finance Committee recommends that the Board of Trustees authorize the chancellor or the chancellor's designee to increase the contract amount with Boomi to an amount not to exceed \$2,400,000 and to extend the term up to ten (10) years for the purposes of providing integration platform software. The Finance Committee further recommends that the Board of Trustees direct the chancellor or his designee to execute all necessary documents.

**RECOMMENDED BOARD MOTION**

The Board of Trustees authorizes the chancellor or the chancellor's designee to increase the contract amount with Boomi to an amount not to exceed \$2,400,000 and to extend the term up to ten (10) years for the purposes of providing integration platform software. The Board of Trustees directs the chancellor or his designee to execute all necessary documents.

*Date Presented to the Finance Committee:* 04/20/22

*Date Presented to the Board of Trustees:* 04/20/22

*Date of Implementation:* 04/20/22

**MINNESOTA STATE  
BOARD OF TRUSTEES**

**BOARD ACTION**

Software Agreement for Tutor.com, System Office

*Board Policy 5.14, Contracts, Procurements, and Supplier Diversity, requires Board of Trustees approval of any procurement, lease agreement, or professional, technical, or consulting service contract with a value in excess of \$1,000,000 or contract amendment that would increase the total value of a contract to more than \$1,000,000.*

**BACKGROUND**

At its January 2018 meeting, the Board of Trustees approved a contract with Tutor.com for five years with a three- year option to extend for an amount not to exceed \$2.5 million. An RFP review committee consisting of tutoring professionals, system technology and leadership staff, and campus leadership developed a tutoring services RFP in FY2018 that ultimately resulted in the contract being awarded to Tutor.com.

Online Student Tutoring Services supports up to 15 hours per student for Tutor.com use. This contract supports the equitable access to services for those students who cannot make it to campus, or after hours when local tutoring services are not available to students. Many Minnesota State colleges and universities cannot offer the same equitable access to online tutoring services at the cost that a third party can. Third party tutoring vendors provide the tutors, technology platform, reporting, and early alert functionality for online services that most colleges cannot afford to provide. Having a system-wide solution allows all students the same access to online tutoring solutions.

As of March, 2022, Minnesota State has paid \$2.1 million to Tutor.com as student use of the services have greatly exceeded original projections The services offered by the current vendor have been proven to be of high quality and student use of these services increased to approximately \$625,000 annually in fiscal years 2020 and 2021. While some of the increase is due to quality of services offered by Tutor.com, some of the increase may have been a direct result of students moving to online courses, and restricted access to campus resources during COVID.

**FINANCIAL TERMS**

The contract approved in January 2018 was created with a not to exceed amount of \$2.5 million. However, that not to exceed amount is being approached and is expected to be met by end of fiscal year 2022. The original annual usage estimates were based on online tutoring use with the previous vendor, and were calculated at \$475,000 per year.

To ensure sufficient services are available to the end of the contract, June 30, 2026. Based on current projections the not to exceed amount of the contract needs to be increased by \$3.0 million to a new not to exceed amount of \$5.5 million.

These services are paid for through student online tuition differential revenue with the contract being administered by the Educational Innovations department of the Academic and Student Affairs Division.

By not increasing the contract's not-to-exceed amount, students would no longer have the equitable access to tutoring services that Tutor.com provides. Not only does Tutor.com provide services outside campus hours, but also offers many subjects that local campuses may not provide tutoring services.

**RECOMMENDED COMMITTEE MOTION**

The Finance Committee recommends that the Board of Trustees authorize the chancellor or the chancellor's designee to increase the existing contract amount by \$3,000,000 with Tutor.com, not to exceed a total amount of \$5,500,000 through the end of the contract on 6/30/2026. The Finance Committee further recommends that the Board of Trustees direct the chancellor or his designee to execute all necessary documents.

**RECOMMENDED BOARD MOTION**

The Board of Trustees authorizes the chancellor or the chancellor's designee to increase the existing contract amount by \$3,000,000 with Tutor.com, not to exceed a total amount of \$5,500,000 through the end of the contract on 6/30/2026. The Board of Trustees directs the chancellor or his designee to execute all necessary documents.

<i>Date Presented to the Finance Committee:</i>	<i>04.20/22</i>
<i>Date Presented to the Board of Trustees:</i>	<i>04.20/22</i>
<i>Date of Implementation:</i>	<i>04.20/22</i>

**MINNESOTA STATE  
BOARD OF TRUSTEES  
Agenda Item Summary Sheet**

**Name:** Finance Committee

**Date:** April 20, 2022

**Title:** Proposed Amendment to Board Policy 7.3 Financial Administration (First Reading)

**Purpose (check one):**

Proposed New Policy or  
Amendment to Existing Policy

Approvals Required  
by Policy

Other Approvals

Monitoring/Compliance

Information

**Brief Description:**

Reviewed as part of the five year review cycle pursuant to Board Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration, Part 6, Subpart H, Periodic review. The recommended amendments contain technical edits and the application of new formatting and writing standards.

**Scheduled Presenter(s):**

Bill Maki, Vice Chancellor for Finance and Facilities

Denise Kirkeby, System Director for Financial Reporting

MINNESOTA STATE  
BOARD OF TRUSTEES

BOARD POLICY – FIRST READING	
Chapter 7	Chapter Name General Finance Provisions
Section 3	Policy Name Financial Administration

1 **7.3 Financial Administration**

2

3 **Part 1. Policy Statement**

4 The Board of Trustees provides sound financial administration to safeguard the resources of the  
5 State of Minnesota, ~~the system, the colleges and universities~~ Minnesota State Colleges and  
6 Universities, the System Office, and the constituencies they serve ~~and to~~ preserve long term  
7 viability of the colleges, universities and system office as a whole. –Effective financial  
8 administration will facilitate planning, forecasting, monitoring, and improving managerial  
9 performance and ~~the evaluating-evaluation of~~ the financial effects of management decisions.

10

11 **Part 2. Responsibilities**

12 The ~~Board of Trustees~~board is responsible for overall ~~systemwide~~ financial management  
13 assurance. The chancellor, in consultation with the ~~Board~~board, is responsible for overall  
14 ~~systemwide~~ financial management. The president is responsible for assuring financial  
15 administration for a college or university in conformance with ~~Board~~board policies and system  
16 procedures.

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18 System procedures will provide ~~for the~~ assurance that:

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~~The system's Minnesota State~~ accounting guidelines will be based on the standards and  
guidelines of the Governmental Accounting Standards Board (GASB), the National Association  
of College and University Business Officers (NACUBO), Minnesota Statutes ~~and Board~~board  
policy, ~~and other applicable authorities such as, but not limited to, the Internal Revenue Service~~  
(IRS), and the United States Department of Education (USDOE);

Records will be subject to internal, legislative, and external audits as required by Minnesota  
Statutes ~~and Federal Law~~, ~~Board~~board policies, and as needed by universities and colleges in  
pursuit of their mission and goals.

The ~~Board of Trustees~~board delegates authority to the chancellor to develop guidelines for  
institutional scholarship and grant programs administered by the colleges, ~~and~~ universities, ~~and~~  
the system office.

38 **Part 3. Accountability/Reporting**

39 The ~~Board of Trustees~~board will be periodically updated on the administration and financial  
40 management of ~~the system~~Minnesota State on an exception based reporting basis and advised  
41 of any recommended policy changes.

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Related Documents:

- [Board Policy 1D.1 Office of Internal Auditing](#)
- [Board Policy 7.4 Financial Reporting](#)
- [System Procedure 7.3.1 Accounting and Payroll](#)
- [System Procedure 7.3.2 Auxiliary Operations](#)
- [System Procedure 7.3.3 Purchasing Cards](#)
- [System Procedure 7.3.4 Cost Allocation](#)
- [System Procedure 7.3.5 Revenue Fund Management](#)
- [System Procedure 7.3.6 Capital Assets](#)
- [System Procedure 7.3.7 Impairment of Capital Assets](#)
- [System Procedure 7.3.12 Scholarships](#)
- [System Procedure 7.3.13 Surplus Personal Property](#)
- [System Procedure 7.3.16 Finance Exception Reporting](#)
- [System Procedure 7.3.17 Electronic Payments](#)
- ~~[Guideline](#)~~[Operating Instruction 7.3.17.1](#) ~~[Guideline](#)~~[Operating Instructions for Payment Card Acceptance, Processing and Security](#)
- ~~[Policy 7.4 Financial Reporting](#)~~
- [Governmental Accounting Standards Board \(GASB\)](#)
- [National Association of College and University Business Officers \(NACUBO\)](#)

To view any of the following related statutes, go to the Revisor's Office website. You can conduct a search from this site by typing in the statute number.

- [Minnesota Statute 136F.526, Audits](#)
- [Minnesota Statute 136A.1313, Financial Aid Audits](#)
- [Minnesota Statute 135A.30, Minnesota Academic Excellence Scholarships](#)
- [Minnesota Statute 136F.72 Funds](#)

**Policy History**

Date of Adoption: 06/21/00  
Date of Implementation: 06/21/00  
Date of Last Review: ~~12/29/15~~xx/xx/xx

**Date and Subject of Amendments:**

~~12xx/xx/221 - Regular Five Year Review. XXXX XXXX XX XXX X XXX XXXX XX XXXX XXX XXX XX XX  
XXX XX XXX X XXX XXXX XX XXXX XXX XXX X X XX XXX XX XXX X XXX XXXX XX XXXX.~~ As part of the 5  
year review process, amendment contained technical edits and application of the new  
formatting and writing standards.

01/29/15 - Amended Part 1 to include preserving long term viability and planning and forecasting.

08/06/09 - policy was reviewed by Laura King's office. No amendments were made.

06/18/03 - changes "MnSCU" to "system", updates State Office of Technology's website address

Additional HISTORY.

**MINNESOTA STATE  
BOARD OF TRUSTEES**

<b>BOARD POLICY – FIRST READING</b>	
Chapter 7	Chapter Name General Finance Provisions
Section 3	Policy Name Financial Administration

**7.3 Financial Administration**

**Part 1. Policy Statement**

The Board of Trustees provides sound financial administration to safeguard the resources of the State of Minnesota, Minnesota State colleges and universities, the system office, and the constituencies they serve to preserve long term viability of the colleges, universities and system office as a whole. Effective financial administration will facilitate planning, forecasting, monitoring, and improving managerial performance and the evaluation of the financial effects of management decisions.

**Part 2. Responsibilities**

The board is responsible for overall financial management assurance. The chancellor, in consultation with the board, is responsible for overall financial management. The president is responsible for assuring financial administration for a college or university in conformance with board policies and system procedures.

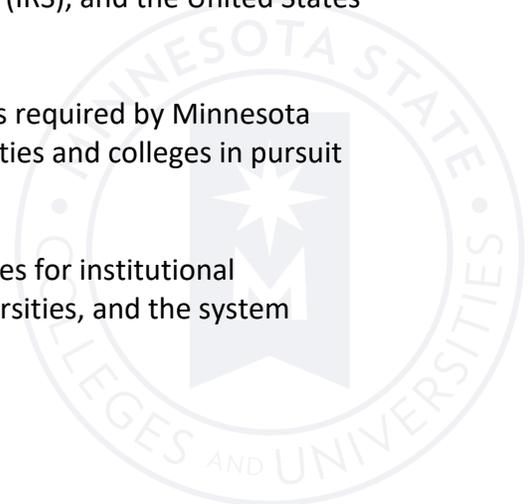
System procedures will provide assurance that:

- financial records are complete and safeguarded;
- financial information is accurate, reliable, and useful for management reporting; and
- financial management methods support short term and longer term college, university, and system strategic objectives.

Minnesota State accounting guidelines will be based on the standards and guidelines of the Governmental Accounting Standards Board (GASB), the National Association of College and University Business Officers (NACUBO), Minnesota Statutes board policy, and other applicable authorities such as, but not limited to, the Internal Revenue Service (IRS), and the United States Department of Education (USDOE)

Records will be subject to internal, legislative, and external audits as required by Minnesota Statutes and Federal Law, board policies, and as needed by universities and colleges in pursuit of their mission and goals.

The board delegates authority to the chancellor to develop guidelines for institutional scholarship and grant programs administered by the colleges, universities, and the system office.



### **Part 3. Accountability/Reporting**

The board will be periodically updated on the administration and financial management of Minnesota State and advised of any recommended policy changes.

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#### Related Documents:

- Board [Policy 1D.1](#) Office of Internal Auditing
- Board [Policy 7.4](#) Financial Reporting
- System [Procedure 7.3.1](#) Accounting and Payroll
- System [Procedure 7.3.2](#) Auxiliary Operations
- System [Procedure 7.3.3](#) Purchasing Cards
- System [Procedure 7.3.4](#) Cost Allocation
- System [Procedure 7.3.5](#) Revenue Fund Management
- System [Procedure 7.3.6](#) Capital Assets
- System [Procedure 7.3.7](#) Impairment of Capital Assets
- System [Procedure 7.3.12](#) Scholarships
- System [Procedure 7.3.13](#) Surplus Personal Property
- System [Procedure 7.3.16](#) Finance Exception Reporting
- System [Procedure 7.3.17](#) Electronic Payments
- [Operating Instruction 7.3.17.1](#) Operating Instructions for Payment Card Acceptance, Processing and Security
- [Governmental Accounting Standards Board \(GASB\)](#)
- [National Association of College and University Business Officers \(NACUBO\)](#)

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- Minnesota Statute 135A.30, Minnesota Academic Excellence Scholarships
- Minnesota Statute 136F.72 Funds

## Policy History

Date of Adoption: 06/21/00  
Date of Implementation: 06/21/00  
Date of Last Review: xx/xx/xx

### Date and Subject of Amendments:

xx/xx/xx - As part of the 5 year review process, amendment contained technical edits and application of the new formatting and writing standards.

*01/29/15 - Amended Part 1 to include preserving long term viability and planning and forecasting.*

*08/06/09 - policy was reviewed by Laura King's office. No amendments were made.*

*06/18/03 - changes "MnSCU" to "system", updates State Office of Technology's website address*

Additional HISTORY.



**Workforce and Organizational Effectiveness Committee**  
**April 20, 2022**  
**10:00 a.m.**  
**McCormick Room, 4<sup>th</sup> Floor**

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*Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings.*

- 1. Minutes of March 16, 2022**
- 2. Appointment of Interim President for Hennepin Technical College**

Committee Members

George Soule, Chair  
Rudy Rodriguez, Vice Chair  
Asani Ajogun  
Dawn Erlandson  
Roger Moe  
Kathy Sheran  
Cheryl Tefer

Presidents Liaisons

Anne Blackhurst  
Annette Parker

**Bolded items indicate action required.**





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**Workforce and Organizational Effectiveness Committee  
Meeting Minutes  
March 16, 2022**

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A meeting of the Workforce and Organizational Effectiveness Committee of the Board of Trustees was held on March 16, 2022.

Committee members present: George Soule, Chair; Rudy Rodriguez, Vice Chair; Asani Ajogun, Dawn Erlandson, Roger Moe, Kathy Sheran, Cheryl Tefer

Committee members absent: None

Other board members present: Victor Ayemobuwa, Jay Cowles, Javier Morillo, Oballa Oballa

Staff present: Devinder Malhotra, Chancellor; Eric Davis, Vice Chancellor for Human Resources

The meeting materials for this meeting are available [here](#), starting on page 86. An audio recording of the meeting is available [here](#).

Committee Chair Soule called the meeting to order at 10:52 a.m.

**Agenda Item 1: Approval of the Meeting Minutes for January 26, 2022**

Committee Chair Soule asked if there are any changes or amendments to the minutes then asked for a motion to approve. Trustee Moe made the motion and Trustee Rodriguez provided a second.

A roll call vote was conducted and the minutes were approved unanimously.

**Agenda Item 2: Appointment of Senior Vice Chancellor for Academic and Student Affairs**

Committee Chair Soule invited Vice Chancellor Davis to present the Appointment of Senior Vice Chancellor for Academic and Student Affairs, as detailed in the meeting materials. The meeting materials for this item begin on page 89.

Committee Chair Soule asked committee members to consider the following recommended committee motion:

*The Board of Trustees, upon recommendation of Chancellor Malhotra, appoints Satasha Green – Stephen as Senior Vice Chancellor for Academic and Student Affairs, with the anticipated*

*effective date of July 1, 2022, 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 Workforce and Organizational Effectiveness Committee, to negotiate and execute an employment agreement in accordance with the terms and conditions of the Minnesota State Colleges and Universities Personnel Plan for Administrators.*

Trustee Tefer made the motion and Trustee Ajogun seconded. A roll call vote was conducted. The vote was as follows:

Trustee Ajogun	Yes
Trustee Erlandson	Yes
Trustee Moe	Yes
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Tefer	Yes

The committee voted to approve the recommended motion.

### **Agenda Item 3: Appointment of President for Bemidji State University and Northwest Technical College**

Committee Chair Soule invited Vice Chancellor Davis to present the Appointment of President for Bemidji State University and Northwest Technical College, as detailed in the meeting materials.

The meeting materials for this item begin on page 91.

Committee Chair Soule asked committee members to consider the following recommended committee motion:

*The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoints John Hoffman as President of Bemidji State University / Northwest Technical College, with the anticipated effective date of July 1, 2022, 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 Workforce and Organizational Effectiveness Committee, to negotiate and execute an employment agreement in accordance with the terms and conditions of the Minnesota State Colleges and Universities Personnel Plan for Administrators.*

Trustee Moe made the motion and Trustee Tefer seconded. A roll call vote was conducted. The vote was as follows:

Trustee Ajogun	Yes
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Trustee Erlandson	Yes
Trustee Moe	Yes
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Tefer	Yes

The committee voted to approve the recommended motion.

**Agenda Item 4: Appointment of Interim President for St. Cloud Technical and Community College**

Committee Chair Soule invited Vice Chancellor Davis to present the Appointment of Interim President for St. Cloud Technical and Community College, as detailed in the meeting materials.

The meeting materials for this item begin on page 93.

Committee Chair Soule asked committee members to consider the following recommended committee motion:

*The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoints Lori Kloos as Interim President for St. Cloud Technical and Community College, with the anticipated effective date of July 1, 2022, 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 Workforce and Organizational Effectiveness Committee, to negotiate and execute and employment agreement in accordance with the terms and conditions of the Minnesota State Colleges and Universities Personnel Plan for Administrators.*

Trustee Erlandson made the motion and Trustee Moe seconded. A roll call vote was conducted. The vote was as follows:

Trustee Ajogun	Yes
Trustee Erlandson	Yes
Trustee Moe	Yes
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Tefer	Yes

The committee voted to approve the recommended motion.

**Adjournment**

The committee chair adjourned the meeting at 11:21 a.m.

**MINNESOTA STATE  
BOARD OF TRUSTEES  
Agenda Item Summary Sheet**

**Name:** Workforce and Organizational Effectiveness Committee      **Date:** April 20, 2022

**Title:** Appointment of Interim President for Hennepin Technical College

**Purpose (check one):**

Proposed New Policy or  
Amendment to Existing Policy

Approvals Required  
by Policy

Other Approvals

Monitoring/Compliance

Information

**Brief Description:**

It is anticipated that Chancellor Malhotra will recommend an individual to appoint as Interim President for Hennepin Technical College.

**Scheduled Presenter(s):**

Devinder Malhotra, Chancellor

**MINNESOTA STATE  
BOARD OF TRUSTEES**

**BOARD ACTION**

Appointment of Interim President for Hennepin Technical College

**BACKGROUND**

It is anticipated that Chancellor Malhotra will recommend a candidate for Appointment of Interim President for Hennepin Technical College.

**RECOMMENDED COMMITTEE MOTION**

The Workforce and Organizational Effectiveness Committee recommends that the Board of Trustees adopt the following motion to appoint \_\_\_\_\_ as the Interim President of Hennepin Technical College.

**RECOMMENDED BOARD MOTION**

The Board of Trustees, upon recommendation of Chancellor Malhotra, appoints \_\_\_\_\_ as Interim President for Hennepin Technical College, with the anticipated effective date of May 1, 2022, 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 Workforce and Organizational Effectiveness Committee, to negotiate and execute an employment agreement in accordance with the terms and conditions of the Minnesota State Colleges and Universities Personnel Plan for Administrators.

*Date Presented to the WOE Committee:* 04/20/22

*Date Presented to the Board of Trustees:* 04/20/22

*Date of Implementation:* 05/02/22

**Board of Trustees Meeting**  
**April 20, 2022**  
**10:30 a.m.**  
**McCormick Room, 4th Floor**

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*Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings. Interested parties can listen to the live stream of the proceedings from the [Board website](#).*

Convene and Call to Order, Jay Cowles, Chair

Chancellor’s Report, Devinder Malhotra

Chair’s Report, Jay Cowles

Consent Agenda

- 1. Minutes of the Committee of the Whole Meeting, March 15, 2022**
- 2. Minutes of the Board of Trustees Meeting, March 16, 2022**
- 3. Proposed Committee Charter Revisions**
  - a. Academic and Student Affairs Committee**
  - b. Audit Committee**
- 4. Proposed Combined Facilities and Finance Committee**
- 5. Contracts Requiring Board Approval**
  - a. Facilities Use Agreement with Anoka-Hennepin Schools (ISD-11), Anoka Technical College**
  - b. East Campus Air Handling Unit Replacement, Century College**
  - c. Entry Access Control and Door Hardware Upgrades, North Hennepin Community College**
  - d. Stadium Heights Apartments Lease Agreement, Minnesota State University, Mankato**
  - e. Wiley Contract for Graduate OPM Services, Southwest Minnesota State University**
  - f. Integration Platform Software: Boomi, System Office**
  - g. Software Agreement for Tutor.com, System Office**
- 6. FY2024 Capital Budget Guidelines (Second Reading)**

Workforce and Organizational Effectiveness Committee, George Soule, Chair

- 1. Appointment of Interim President for Hennepin Technical College**

Committee of the Whole, Jay Cowles, Chair

- NextGen Update

Audit Committee, Michael Vekich, Chair

- Report of the Committee

Diversity, Equity and Inclusion Committee, Rudy Rodriguez, Chair

- Report of the Committee

Joint Meeting: Diversity, Equity and Inclusion and Workforce and Organizational Effectiveness Committees, Co-Chairs Rudy Rodriguez and George Soule

- Report of the Committee

Joint Meeting: Facilities and Finance Committees, Co-Chairs Jerry Janezich and Roger Moe

- Report of the Committee

Finance Committee, Roger Moe, Chair

- Report of the Committee

Student Associations

1. Lead MN, Axel Kylander, President
2. Students United, Emma Zellmer, State Chair

Minnesota State Colleges and Universities Bargaining Units

1. American Federation of State, County, and Municipal Employees Council 5, Minnesota State Policy Committee, Jennifer Erwin, President
2. Inter Faculty Organization, Brent Jeffers, President
3. Middle Management Association, Gary Kloos, Executive Director
4. Minnesota Association of Professional Employees, Jerry Jeffries, Regional Director
5. Minnesota State College Faculty, Matt Williams, President
6. Minnesota State University Association of Administrative and Service Faculty, Tracy Rahim, President

Trustee Reports

Adjournment

**Bolded items indicate action is required.**



**Board of Trustees - Consent Agenda**  
**April 20, 2022**  
**10:30 a.m.**  
**McCormick Room, 4th Floor**

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Consent Agenda

- 1. Minutes of the Committee of the Whole Meeting, March 15, 2022**
- 2. Minutes of the Board of Trustees Meeting, March 16, 2022**
- 3. Proposed Committee Charter Revisions**
  - a. Academic and Student Affairs Committee Committee**
  - b. Audit Committee**
- 4. Proposed Combined Facilities and Finance Committee**
- 5. Contracts Requiring Board Approval**
  - a. Facilities Use Agreement with Anoka-Hennepin Schools (ISD-11), Anoka Technical College**
  - b. East Campus Air Handling Unit Replacement, Century College**
  - c. Entry Access Control and Door Hardware Upgrades, North Hennepin Community College**
  - d. Stadium Heights Apartments Lease Agreement, Minnesota State University, Mankato**
  - e. Wiley Contract for Graduate OPM Services, Southwest Minnesota State University**
  - f. Integration Platform Software: Boomi, System Office**
  - g. Software Agreement for Tutor.com, System Office**
- 6. FY2024 Capital Budget Guidelines (Second Reading)**

**Bolded items indicate action is required.**





**Committee of the Whole**  
**Meeting Minutes**  
**March 15, 2022**

---

A meeting of the Committee of the Whole of the Board of Trustees was held on March 15, 2022.

Trustees present: Jay Cowles, Chair; Rudy Rodriguez, Vice Chair; Asani Ajogun, Victor Ayemobuwa, Alex Cirillo, Dawn Erlandson, Roger Moe, Oballa Oballa, Kathy Sheran, George Soule, Cheryl Tefer, Michael Vekich

Trustees absent: Jerry Janezich, Javier Morillo, April Nishimura

Staff present: Devinder Malhotra, Chancellor; Satasha Green-Stephen, Associate Vice Chancellor for Academic Affairs

The meeting materials for this meeting are available [here](#), starting on page 29. An audio recording of the meeting is available [here](#).

Chair Cowles called the meeting to order at 2:11 p.m.

**Chair Cowles' Remarks**

This afternoon's meeting includes an update on a critical effort for our system - implementation of the Minnesota State Taskforce on Law Enforcement Education Reform's recommendations. This effort is part of a comprehensive approach in the system's efforts to directly address injustice and racism within our workplace, campus communities, and curricula. To remind trustees of the history of this effort, you'll recall that in March 2021, the board received and voted to accept the report from the taskforce which detailed a multi-pronged approach to the work. As part of ongoing updates on this work, the board received an update last October and will once again hear how work is progressing as part of today's presentation.

The board continues to take seriously the role that our system plays in this work and I look forward to this afternoon's update.

**Agenda Item 1: Law Enforcement Education Reform Update**

Chair Cowles invited Associate Vice Chancellor Satasha Green-Stephen to begin the presentation. The presentation also included campus perspectives from two faculty members

via Zoom: Greg Cady, Instructor, Criminal Justice, Minnesota State College Southeast; and Wade Lamirande, Professional Peace Officer Education (PPOE) Coordinator, Fond du Lac Tribal & Community College.

This being an informational item, there was no vote taken.

**Adjournment**

Chair Cowles adjourned the meeting at 3:38 p.m.



**Board of Trustees  
Meeting Minutes  
March 16, 2022**

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A meeting of the Board of Trustees was held on March 16, 2022.

Trustees present: Jay Cowles, Chair; Rudy Rodriguez, Vice Chair; Asani Ajogun, Victor Ayemobuwa, Alex Cirillo, Dawn Erlandson, Roger Moe, Javier Morillo, Oballa Oballa, Kathy Sheran, George Soule, Cheryl Tefer, Michael Vekich

Trustees absent: Jerry Janezich, April Nishimura

Staff present: Devinder Malhotra, Chancellor

The meeting materials for this meeting are available [here](#), starting on page 95. An audio recording of the meeting is available [here](#).

Chair Cowles called the meeting to order at 11:32 a.m.

**Chancellor's Report, Devinder Malhotra**

Chair Cowles, Vice Chair Rodriguez, and trustees,

I'd first like to say that I'm thrilled to see all of you in-person. We couldn't have known, back in March of 2020 that we would spend the next two years responding to a global pandemic, one that has affected us all both personally and professionally. I want to again recognize the creativity and resilience that our faculty and staff have shown in supporting our students. Minnesota State, and all our colleges and universities, have been able to shift in ways—and at a speed—that we could not have imagined prior to 2020. All through the pandemic we have closely monitored cases on our campuses and followed guidance from both the CDC and the Minnesota Department of Health regarding best practices for mitigating the risk of infection.

I am proud to report that the colleges and universities of Minnesota State have graduated 63,401 students into our state's workforce since the pandemic's onset. And we've got thousands more waiting to join them after May's graduations! Going forward, we will continue to monitor case levels, as well as CDC reports regarding community levels, and will respond as needed.

As I did for the Executive Committee, I want to provide the full board an on the Hennepin Technical College situation.

At the outset, I want to assure you, we take all complaints regarding violations of Board policies seriously and, if appropriate, they are investigated and all due processes are followed for all concerned. Sometimes this way falls short of getting the desired results. This was the case at HTC. As I conveyed to the HTC community last week when I visited them that I did not realize the breadth and depth of adverse impact which the actions underlying the complaints had on campus climate. HTC community was forthcoming in expressing their profound disappointment in me and the system office addressing the climate issues in a timely and responsive manner. They were understandably frustrated, angry, and hurt. They felt a lack of sense of safety and safe harbor where they could go to address their concerns.

Trustees, this is incongruent with our values and should never have happened. Again, I offer to the HTC community my deepest regrets and I am truly sorry for the frustration and hurt they have endured. I am also determined to work hard to make sure we listen and learn and put in place next steps that would enable us to be responsive and timely to address such concerns in the future.

First for HTC specifically, I will work with the HTC community to put in place leadership of the college that prioritizes sustaining a respectful and empowering workplace. In that regard, last week I shared with all leaders throughout Minnesota State a call for nominations for an Interim President for the college, and I intend to bring a recommendation for that role to the Board during its April meeting. In addition, last week I sent the Hennepin Technical College community a letter outlining the process for the search for a permanent president. I look forward to partnering with representatives from their campus communities for that search.

Second, we are in the process of reviewing the processes and structures of the 1B.1 policy so that we may understand and avoid such situations in the future. That committee work began in January, and I expect that recommended changes, after receiving feedback from the Minnesota State community, will be brought to the board for a first reading in May and second reading in June.

Third, we will finalize a campus climate framework that codifies the expectation and cadence of a systemwide process for assessing campus climate and the necessary consultative and support structures to assist campuses with activation plans.

Lastly, I wish to share some good news. Earlier this week Minnesota State was invited to participate in a news conference held by Senator Tina Smith that was held at Saint Paul College.

During that event the Senator outlined all the congressional-directed spending for this budget cycle that will benefit the citizens of Minnesota.

These investments were a part of the appropriation bill that was recently signed by President Biden. Also included was a \$400 increase to the Pell grant and additional resources for the TRIO programs for which both student organizations spent time lobbying last week when their delegations were in Washington DC.

The projects Senator Smith announced include six projects within the Minnesota State system totaling \$7,650,000, which will directly benefit our students and communities throughout the state.

The projects include:

- An advanced manufacturing partnership between Minnesota State College Southeast and South Central College
- The Minnesota State Commercial Driving Skills Center at Dakota County Technical College
- A nursing skills simulation lab at Minnesota State College Southeast
- Minnesota's Global Military Learning Network at Alexandria Technical College
- The Minnesota Meat Cutting and Butchery Program through the Minnesota State Northern Agricultural Center of Excellence
- And a program at Saint Paul College aimed at increasing postsecondary access and success for Indigenous students.

These investments are very strategic because they will not only benefit our students by providing increased access to equipment and training, but also allows us at Minnesota State to address employer and workforce needs in critical industries across the state. Along with Chair Cowles and Trustee Erlandson, we thanked Senator Smith and all of her colleagues, on behalf of our faculty, staff, and students for their support, as I know they worked tirelessly to negotiate the funding for these projects.

I also want to thank our presidents and their teams for all the work they did last year to prepare funding requests. As was expected, all of our requests did not receive funding, but we plan to retool for the fiscal year 2023 cycle and thank you, Trustee Erlandson, for your continued guidance.

#### **Chair's Report (continued after Chancellor Malhotra's comments)**

Thank you, Chancellor. I want to thank you for addressing the pain and frustration some of our colleagues endured at Hennepin Technical College. I'm thankful, and I think it was very appropriate, that you went to HTC to personally hear from those who were impacted by the former president.

It's imminently important that you listened to the points of view of faculty, staff, and students and have taken full responsibility. As we have discussed, it will continue to be important to pursue campus stakeholder input as you work towards identifying an interim president, and also their permanent leader. Taking responsibility, as you have, is the mark of a great leader – the exact kind of leader Minnesota State needs now and

into the future. I want you, and the entire Minnesota State community, to know that you have my full support. Trustees, as you are aware, the board has directed the Minnesota State Office of Internal Audit to review best practices for administrative contracts regarding severance and other benefits at peer institutions and systems. Our intent is to ensure our employment practices, with respect to administrators, enhance – rather than detract – recruitment of top talent to Minnesota State, while also ensuring strong stewardship of taxpayer dollars. As we’re also aware, Minnesota State periodically reviews all its policies, procedures, and practices. A systemwide committee review of the Minnesota State Equal Opportunity and Nondiscrimination in Employment and Education policy began in January 2022. In light of recent events, the board has emphasized the importance of this review, as we simply must have a safe, inclusive and welcoming environment for all employees. The chancellor and I have discussed these efforts, and I know we are both on the same page regarding the importance of this work that lies ahead of us.

I also want to express my thanks to the entire Minnesota State community for your steadfast fortitude to lead our system and our campus communities through what I hope is the worst of this pandemic. It is indeed something to celebrate that we have continued to deliver – uninterrupted – extraordinary education in communities across the state, as well as the graduates that talent-hungry employers need. I would also like to echo the Chancellor’s sentiments related to this week’s announcement by Senator Smith of the congressional-directed spending for this budget cycle that will benefit our state, including six projects within the Minnesota State system. Trustee Erlandson and I were delighted to join the Chancellor at Saint Paul College for this announcement. I want to express my gratitude to Senator Smith and her colleagues for their advocacy and to our presidents and their teams for their efforts to prepare funding requests.

I would like to share a couple updates related to the Board Office. This month’s meetings mark the first board meetings for our new Board Office Coordinator Amanda Muenzner who joined us in early February. Welcome Amanda...we are delighted to have you on board and look forward to working with you. I also want to share that Kari Campbell, who joined the Board Office in an interim role in May 2020 – at the beginning of the pandemic! – has, as of today, moved to the permanent position as Executive Director of the Office of the Board of Trustees. Congratulations, Kari! Holding board meetings in hybrid mode has been yet another adventure as we determine how to best approach meetings going forward. I want to thank everyone for their patience as we worked through the technology to make this month’s meeting possible, but in particular, I want to thank Kari and Amanda in the Board Office and our audio engineer Dan Rowbotham for their work to make this go as smoothly as it has. Lastly, I’d like to conclude my remarks on a forward-looking note: one of the highlights of trustee service is the opportunity to attend commencement ceremonies at our colleges and universities and join students as they celebrate their educational achievements. After two years of virtual commencements, I’m delighted to hear that plans for in-person commencements are well underway across our system and I believe I speak for every trustee when I say

we are eager to join these celebrations! Trustees – stay tuned for information over the coming weeks as we begin to arrange trustee attendance.

### **Consent Agenda**

Chair Cowles asked if anyone wanted to remove an item from the Consent Agenda.

Trustee Moe made the motion to approve the consent agenda and Trustee Erlandson seconded. A roll call vote was conducted. The vote was as follows:

Trustee Ajogun	Yes
Trustee Ayemobuwa	Yes
Trustee Cirillo	Yes
Trustee Cowles	Yes
Trustee Erlandson	Yes
Trustee Janezich	Absent
Trustee Moe	Yes
Trustee Morillo	Yes
Trustee Nishimura	Absent
Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Tefer	Yes
Trustee Vekich	Yes

The board voted to approve the consent agenda as follows:

- 1. Minutes of the Committee of the Whole Meeting, January 25, 2022**
- 2. Minutes of the Board of Trustees Meeting, January 26, 2022**
- 3. Proposed Committee Charter Revisions – Executive Committee**
- 4. Proposed Amendment to Board Policy 1A.2 Board of Trustees (Second Reading)**
- 5. Minnesota North College Merger Approval**
- 6. Contracts Requiring Board Approval**
  - a. Parking Lot 1 Improvements, Minnesota State University, Mankato**
  - b. Parking Lot Improvements, Saint Paul College**
  - c. Campus Security Services- Anoka Ramsey Community College (Coon Rapids & Cambridge campuses) & Anoka Technical College**
  - d. Flight Training Provider for Aviation Program, Minnesota State University, Mankato**
  - e. Classroom Technology Upgrades – Phase 2, Rochester Community and Technical College**
  - f. Elsevier Testing & Review, Winona State University**
  - g. On Campus Bookstore Services, Winona State University**

### **Board Standing Committee Reports**

Workforce and Organizational Effectiveness Committee, George Soule, Chair

Committee Chair Soule reported that the committee approved recommendations for three appointments.

The Workforce Organizational Effectiveness Committee recommends the Board of Trustees adopt the following motion:

*The Board of Trustees, upon the recommendation of Chancellor Malhotra, Satasha Green-Stephen as Senior Vice Chancellor for Academic and Student Affairs, effective July 1, 2022, 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 Workforce Organizational Effectiveness Committee, to negotiate and execute an employment agreement in accordance with the terms and conditions of the Minnesota State Colleges and Universities Personnel Plan for Administrators.*

Recommendations of a committee do not require a second. A roll call vote was conducted. The vote was as follows:

Trustee Ajogun	Yes
Trustee Ayemobuwa	Yes
Trustee Cirillo	Yes
Trustee Cowles	Yes
Trustee Erlandson	Yes
Trustee Janezich	Absent
Trustee Moe	Yes
Trustee Morillo	Yes
Trustee Nishimura	Absent
Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Tefer	Yes
Trustee Vekich	Yes

The board voted to approve the recommended motion. Satasha Green-Stephen was introduced to make remarks.

The Workforce Organizational Effectiveness Committee recommends the Board of Trustees adopt the following motion:

*The Board of Trustees, upon the recommendation of Chancellor Malhotra, John Hoffman as President for Bemidji State University/Northwest Technical College, effective July 1, 2022, 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 Workforce Organizational Effectiveness Committee, to negotiate and execute an employment agreement in accordance with the terms and conditions of the Minnesota State Colleges and Universities Personnel Plan for Administrators.*

Recommendations of a committee do not require a second. A roll call vote was conducted. The vote was as follows:

Trustee Ajogun	Yes
Trustee Ayemobuwa	Yes
Trustee Cirillo	Yes
Trustee Cowles	Yes
Trustee Erlandson	Yes
Trustee Janezich	Absent
Trustee Moe	Yes
Trustee Morillo	Yes
Trustee Nishimura	Absent
Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Tefer	Yes
Trustee Vekich	Yes

The board voted to approve the recommended motion. John Hoffman was introduced to make remarks.

The Workforce Organizational Effectiveness Committee recommends the Board of Trustees adopt the following motion:

*The Board of Trustees, upon the recommendation of Chancellor Malhotra, Lori Kloos as Interim President for St. Cloud Technical and Community College, effective July 1, 2022, 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 Workforce Organizational Effectiveness Committee, to negotiate and execute an employment agreement in accordance with the terms and conditions of the Minnesota State Colleges and Universities Personnel Plan for Administrators.*

Recommendations of a committee do not require a second. A roll call vote was conducted. The vote was as follows:

Trustee Ajogun	Yes
Trustee Ayemobuwa	Yes
Trustee Cirillo	Yes
Trustee Cowles	Yes
Trustee Erlandson	Yes
Trustee Janezich	Absent
Trustee Moe	Yes
Trustee Morillo	Yes
Trustee Nishimura	Absent

Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Tefer	Yes
Trustee Vekich	Yes

The board voted to approve the recommended motion. Lori Kloos was introduced to make remarks.

The board also received reports from March meetings of the following committees:

- Committee of the Whole, Jay Cowles, Chair
- Academic and Student Affairs Committee, Cheryl Tefer, Chair
- Diversity, Equity, and Inclusion Committee, Rudy Rodriguez, Chair
- Joint Meeting: Facilities and Finance Committees, Co-Chair Roger Moe
- Finance Committee, Roger Moe, Chair
- Outreach and Engagement Committee, Dawn Erlandson, Chair

### **Student Associations and Bargaining Units**

Student associations and bargaining units were invited to submit written remarks and were given the opportunity to address the board in person. Written remarks were provided by Students United and have been posted to the board website.

In person remarks were provided by:

- LeadMN President Axel Kylander and Vice President David Mesta
- Students United State Chair Emma Zellmer and State Vice Chair Arnavee Maltare
- American Federation of State, County, and Municipal Employees Council 5, Minnesota State Policy Committee President Jennifer Erwin
- Inter Faculty Organization, Brent Jeffers, President
- Minnesota State College Faculty, Matt Dempsey, Vice President
- Minnesota State University Association of Administrative and Service Faculty, Tracy Rahim, President

### **Trustee Reports**

Additional report and remarks were heard from Trustees Erlandson.

The next board meetings are scheduled for April 19-20, 2022.

### **Adjournment**

Chair Cowles adjourned the meeting at 1:34 p.m.

**MINNESOTA STATE  
BOARD OF TRUSTEES**

**BOARD ACTION – SECOND READING**

Proposed Committee Charter Revisions - Academic and Student Affairs Committee

**BACKGROUND**

The charter of the Academic and Student Affairs Committee has been reviewed as part of FY2022 review of all committee charters for clarity and accuracy. Committee chairs and vice chairs worked with staff leads to draft proposed revisions which were then reviewed by all committee members. Proposed revisions are included in the meeting materials.

**RECOMMENDED COMMITTEE MOTION**

The Executive Committee recommends the Board of Trustees adopt the revised charter for the Academic and Student Affairs Committee.

**RECOMMENDED BOARD MOTION**

The Board of Trustees approves the revised charter for the Academic and Student Affairs Committee.

*Date Presented to Executive Committee:* 4/6/2022  
*Date Presented to the Board of Trustees:* 4/20/2022  
*Date of Implementation:* 4/20/2022



**Academic and Student Affairs Committee Charter**

Approved ~~March 16, 2016~~ April x, 2022

**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 meet at the call of the committee chair.

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

**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 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:
  - Diversity and equity matters related to students and academic programs
  - Academic programs
  - Academic and program standards
  - Transfer policy
  - Student success programs and strategies
  - Monitoring progress toward educational equity
  - Strategic enrollment management
  - Institutional accreditation
  - Board recognition of instructional scholarship, teaching, and service excellence
  - Institutional names, missions, and visions
  - 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.



**MINNESOTA STATE  
BOARD OF TRUSTEES**

**BOARD ACTION – SECOND READING**

Proposed Committee Charter Revisions - Audit Committee

**BACKGROUND**

The charter of the Audit Committee has been reviewed as part of FY2022 review of all committee charters for clarity and accuracy. Committee chairs and vice chairs worked with staff leads to draft proposed revisions which were then reviewed by all committee members. Proposed revisions are included in the meeting materials.

**RECOMMENDED COMMITTEE MOTION**

The Executive Committee recommends the Board of Trustees adopt the revised charter for the Audit Committee.

**RECOMMENDED BOARD MOTION**

The Board of Trustees approves the revised charter for the Audit Committee.

*Date Presented to Executive Committee:* 4/6/2022  
*Date Presented to the Board of Trustees:* 4/20/2022  
*Date of Implementation:* 4/20/2022



### **Audit Committee Charter**

Approved ~~March 16, 2016~~ April x, 2022

#### **Purpose:**

The Audit Committee shall assist the board in fulfilling its oversight responsibility for ~~MnSCU's~~ Minnesota State's system of internal control, the audit process, risk management, 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 principal elements of the Charge of the Audit Committee shall be:

##### 1. Internal Auditing

- Approve decisions regarding the appointment and removal of the ~~executive director~~ chief audit officer -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~~ chief audit officer 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 internal auditing 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~~ Minnesota State'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~~ chief audit officer 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~~ chief audit officer to discuss any matters that they or the ~~executive director~~ chief audit officer 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.

**MINNESOTA STATE  
BOARD OF TRUSTEES**

**BOARD ACTION**

Proposed Combined Facilities and Finance Committee

**BACKGROUND**

In August 2018, the board voted to create a separate Facilities Committee to provide greater programmatic oversight of the significant resources invested in facilities across the system. Prior to this, oversight for facilities was included in the charter for the Finance Committee.

As part of FY2022 review of all committee charters, the charters of the Facilities Committee and Finance Committee were scheduled for a first reading at the April Executive Committee meeting. Facilities Committee Chair Janezich and Finance Committee Chair Moe, along with staff leads Associate Vice Chancellor Brian Yolitz and Vice Chancellor Maki, discussed whether separate committees were still necessary, given the interconnectedness of the work of each committee and the frequency of each committee taking up the same agenda items. Based on these discussions, Committee Chair Moe brought forward a proposal to combine the committees into a single Facilities and Finance Committee.

**RECOMMENDED COMMITTEE MOTION**

The Executive Committee recommends the Board of Trustees combine the Facilities Committee and Finance Committee into a single combined committee which would begin to convene in FY2023. The Executive Committee charges the chairs and staff leads of both committees to develop a revised charter for the new combined committee.

**RECOMMENDED BOARD MOTION**

The Board of Trustees approves the recommendation to combine the Facilities Committee and Finance Committee into a single combined committee which would begin to convene in FY2023 and to charge the chairs and staff leads of both committees to develop a revised charter for the new combined committee.

*Date Presented to Executive Committee:* 4/6/2022  
*Date Presented to the Board of Trustees:* 4/20/2022  
*Date of Implementation:* 4/20/2022