

MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD OF TRUSTEES MEETING MINUTES JUNE 22, 2011 WELLS FARGO PLACE ST. PAUL, MN

Trustees Present: Chair Scott Thiss, Duane Benson, Jacob Englund, Christopher Frederick, Clarence Hightower, Philip Krinkie, Alfredo Oliveira, Dan McElroy, David Paskach, Thomas Renier, Christine Rice, Louise Sundin, James Van Houten and Michael Vekich

Trustees Absent: Cheryl Dickson

1. Call to Order

Chair Scott Thiss called the meeting to order at 12:50 p.m. and reported that a quorum was present. Participating by conference call were Trustees Alfredo Oliveira and Michael Vekich.

2. Chair's Report

a. Minutes of Board of Trustees Meeting of May 18, 2011

The minutes of the Board of Trustees meeting of May 18, 2011, were approved as written.

b. Minutes of June 8, 2011 Emergency Meeting

The minutes of the Board of Trustees Emergency meeting of June 8, 2011, were approved as written.

c. Report of June 8, 2011 Closed Session on the Chancellor's Annual Performance Evaluation

Chair Thiss read the following report of the Chancellor's Annual Performance Evaluation.

The Board of Trustees' overall assessment of Chancellor McCormick is that his performance this past year has been outstanding. Chancellor McCormick has an impressive and extensive set of goals, and he accomplished virtually all of them. In this last year of his contract, it is difficult for the Board of Trustees to separate Chancellor McCormick's performance for the year from his overall performance as Chancellor of the system during the last ten years. Chancellor McCormick has accomplished much by bringing the system together and creating a culture of continuous improvement and high achievement, while always maintaining a focus on serving students.

The list of specific goals this year was extensive. Importantly, the goals were specific, measurable, achievable, realistic, and time sensitive. The Board of Trustees believes that the overall continuous improvement philosophy and measurable nature of the outcomes are more important than the specific achievements on each goal.

The Board of Trustees noted significant progress and completion in many areas. The board truly appreciates the work on restructuring the Office of the Chancellor as this helps prepare the office for the chancellor-designate. The progress on system goals related to STEM, online course offerings and underrepresented students are impressive. The Students First project represents not only significant technology enhancements, but also facilitates a culture change where all colleges and universities are working together as a system to better serve students. The Board of Trustees continues to appreciate the Chancellor's significant efforts to mentor system executives, particularly presidents. The board looks forward to continued progress in succession planning so that the system will always have first class leadership. The Chancellor also accomplished goals in the area of the executive search process and by delivering the resources for results model.

Chancellor McCormick has provided strong leadership to the system in the last year. It is noteworthy that in this, his last year, he took on difficult goals and worked diligently to exceed our expectations. It is clear that his intent is to continue to serve students until his final day as Chancellor. The board expresses its great appreciation for the work of the Chancellor this past year and during his entire tenure with the system. This system is what it is today because of Chancellor James McCormick.

d. Proposed FY12 Board Meeting Calendar (Second Reading)

Trustee Christopher Frederick moved that the Board of Trustees approves the FY2012 meeting calendar. Trustee Jacob Englund seconded and the motion carried.

e. Report of June 8, 2011, Executive Committee Meeting

The Executive Committee met on June 8 and reviewed the June Board meeting agenda, heard a report on the iPad Pilot study, discussed Chancellor-designate Rosenstone's installation, and heard from the Leadership Council.

The committee also decided to schedule a study session at the July meeting for the Board to discuss the "Connecting with Campus Initiative" and to evaluate the Board's performance over the past year.

f. Transition Update

Interim Vice Chancellor Scott Olson gave a brief update on the Chancellor-designate transition. The Transition Team is meeting on a bi-weekly basis. On October 19, 2011, Dr. Rosenstone will be sworn in at the State Capitol Rotunda. The Leadership Council has been briefed on the team meetings.

Vice Chancellor Olson thanked Janice Fitzgerald for her support with the transition and at the meetings. Chancellor McCormick hosted Dr. Rosenstone at a meeting with the Higher Education Advisory Council. Searches are in progress for the Chief of Staff and the Academic and Student Affairs Vice Chancellor positions. Applicants will be reviewed in July with the positions possibly filled by August 1. Chancellor McCormick reported that an Interim Vice Chancellor for Academic and Student Affairs may be considered.

g. Special Recognitions

Chair Thiss announced that the Board and Chancellor are hosting a reception to honor trustee, presidential and staff service following the meeting. Those who will be recognized are Trustee Christopher Frederick, whose appointment on the Board is scheduled to end on June 30, 2011; retiring Presidents David Danahar, Southwest Minnesota State University; Larry Litecky, Century College; and Donovan Schwichtenberg, Saint Paul College; and Ann Valentine, Minnesota State Community & Technical College; and Interim President Shari Olson, Anoka Technical College, who have accepted presidencies at other institutions.

h. Minnesota 2020 Report, MnSCU: Retooling Minnesota for Recovery

John Van Hecke, Executive Director, and Joe Sheeran, Communications Director

Trustee Louise Sundin introduced Mr. John Van Hecke, executive director, and Mr. Joe Sheeran, Communications Director of Minnesota 2020, who presented an overview of the MN2020 organization, and highlights from a report entitled, "MnSCU: Retooling Minnesota for Recovery." The report focused on the demand for workforce training with interviews of professors and students at Metropolitan State University and Minnesota West Community and Technical College.

3. Consent Agenda

(1) St. Cloud State University Bookstore Income Contract Over \$3M

(2) Online Student Support Center Intra-Agency Agreement

(3) Mission Approval: North Hennepin Community College

(4) Mission Approval: Inver Hills Community College

Trustee Christine Rice moved that the Board of Trustees approves the Consent Agenda. Trustee Frederick seconded and the motion carried.

4. Board Policy Decisions

(1) FY2012-2017 Capital Budget Request (Second Reading)

Committee Chair McElroy introduced a motion recommended by the Finance and Facilities Committee.

Committee Chair Dan McElroy moved that the Board of Trustees approves the FY2012-2017 Capital Budget as presented in the meeting materials on Attachment A, specifically the projects and priorities for FY2012.

The Chancellor is authorized to make cost and related adjustments to the budget as required, and to forward the Capital Budget to the Governor for consideration in the FY2012-2017 state capital budget. The Chancellor shall advise the Board of any subsequent changes in the Capital Budget prior to the 2012 legislative session.

Trustee Michael Vekich moved to amend the motion to include the following language after the first sentence: In approving funds for design, the Board stipulates that it reserves final approval of later construction spending and priority to such projects versus others that may later be considered.

Committee Chair McElroy moved the amendment to the motion. Trustee Benson seconded and the motion carried. Committee Chair McElroy moved the motion as amended, and it carried unanimously.

(2) FY2012 Operating Budget (Second Reading)

Committee Chair McElroy reviewed a revised motion from the Finance and Facilities Committee with changes in item h and removal of item i.

Trustee Jacob Englund stated colleges are becoming unaffordable for the students and that he would vote against the motion pertaining to item b. Discussion continued and Committee Chair McElroy called the question.

- a. Adopt the annual total operating budget and general fund budget for fiscal year 2012 in Tables 7 and 8. Per Board Policy 5.9, the Board of Trustees will be periodically provided systemwide budget updates for all funding sources on an exception reporting basis.*
- b. Approve the proposed tuition structure recommendations for fiscal year 2012 as detailed in the meeting materials on Attachments 1A through 1E.*
- c. All tuition increases are effective Summer Term or Fall Term 2011 at the discretion of the president. The Chancellor is authorized to approve tuition structures for new courses or programs proposed after this date, as well as any required technical adjustments, and is requested to incorporate any approvals at the time fiscal year 2013 tuition recommendations are presented to the Board of Trustees.*
- d. The Board of Trustees continues the policy of market-driven tuition for closed enrollment courses, customized training, non-credit instruction, continuing education, and contract postsecondary enrollment option programs.*
- e. Approve the Revenue Fund fiscal year 2012 fees for room and board, student union, wellness and recreation facilities, and parking ramps/surface lots as detailed in the meeting materials on Attachments 2A and 2C through 2E, including any housing fees that the campuses may charge for occupancy outside the academic year. The Chancellor is authorized to approve fee structures for any new revenue fund programs as well as any technical adjustments, and is requested to incorporate any approvals at the time fiscal year 2013 recommendations are presented to the Board of Trustees.*
- f. Approve the fiscal year 2012 fees structure for room and board for colleges **that** either own or manage student housing as detailed in the meeting materials on Attachment 2B.*

- g. Approve the \$3.85/credit facility fee for the St. Cloud State University Revenue Fund Guarantee project.
- h. Authorize the Chancellor to approve **technical or minor adjustments and return to the Board of Trustees with substantial adjustments** to the fiscal year 2012 operating budget including tuition and fees based on the final outcome of the 2011 legislative session.

The motion carried with one opposed (Trustee Englund).

**(3) Revenue Fund Sale - Normandale Community College Parking Ramp
(Second Reading)**

Committee Chair McElroy moved that the Board of Trustees authorizes a Revenue Bond sale for not more than \$12,500,000 subject to the sale parameters as presented in the meeting materials on Attachment B. The Board of Trustees approves the Series Resolution as described in the meeting materials on Attachment C. The motion was seconded and carried.

**(4) Proposed Amendments to Board Policy 4.8 - Emeritus Status
(Second Reading)**

Committee Chair Clarence Hightower moved that the Board of Trustees adopts the amendments to Board Policy 4.8 – Emeritus Status. The motion was seconded and carried.

5. Board Standing Committee Reports

a. Finance and Facilities Committee

Dan McElroy, Chair

(1) Finance and Facilities Update

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

(2) 2011 Office of the Chancellor Performance Report – Finance and Facilities Division

Committee Chair McElroy reported that the committee heard the division's report which is part of a larger report on the 2011 Office of the Chancellor Performance Report. The performance report includes four sections: the current and projected budget of the division; the functions of the division; major goals and accomplishments; and the division's goals for FY2012.

(3) Progress on Committee Goals

Committee Chair McElroy reported that the committee heard a report on the progress of the Committee's Goals. The report outlines the outcome of the goals adopted by the committee in September 2010.

b. Advancement Committee

Cheryl Dickson, Chair

(1) Advancement Update

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

(2) State and Federal Legislative Update

Committee Vice Chair Englund reported that the committee heard the state and federal legislative updates. The legislative session ended May 23, with no budget resolution in place.

(3) 2011 Office of the Chancellor Performance Reports –

Development, Government Relations and Public Affairs Divisions

Committee Vice Chair Englund reported that the committee heard the division's report, which is part of a larger report on the 2011 Office of the Chancellor Performance Report.

(4) Board Goal Progress

Committee Vice Chair Englund reported that the committee heard a report on the progress of the Committee's Goals. The report outlines the outcome of the goals adopted by the committee in September 2010.

c. Diversity and Multiculturalism Committee

Louise Sundin, Chair

(1) Diversity and Multiculturalism Division Update

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

(2) Progress on Committee Goals

Committee Chair Sundin reported that the committee heard a report on the progress of the Committee's Goals. The report outlines the outcome of the goals adopted by the committee in September 2010.

(3) 2011 Office of the Chancellor Performance Report – Diversity and Multiculturalism Division

Committee Chair Sundin reported that the committee heard the division's report, which is part of a larger report on the 2011 Office of the Chancellor Performance Report.

d. Human Resources Committee

Clarence Hightower, Chair

(1) Human Resources Update

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

(2) **Appointment of Interim President of Minnesota State Community and Technical College**

Upon the announcement of President Ann Valentine's resignation, Chancellor McCormick initiated the process to hire an interim president of Minnesota State Community and Technical College. Chancellor McCormick is recommending Dr. Peggy D. Kennedy as interim president for one year.

Committee Chair Hightower moved that the Board of Trustees, upon the recommendation of Chancellor James H. McCormick, appoints Peggy D. Kennedy as interim president of Minnesota State Community and Technical College, effective July 1, 2011, subject to the completion of an employment agreement. The Board authorized the Chancellor, in consultation with the Chair of the Board and the Chair of the Human Resources Committee, to negotiate and execute an employment agreement in accordance with the terms and conditions of the Personnel Plan for Minnesota State Colleges and Universities Administrators. The motion was seconded and carried unanimously.

Dr. Kennedy thanked Chancellor McCormick and the Board for selecting her as interim president of Minnesota State Community and Technical College. She recognized and thanked Trustee Cheryl Dickson and President Donovan Schwichtenberg for their support.

(3) Report on Board Goals - Succession Planning and Negotiations

Committee Chair Hightower reported that the committee heard a report on the Board Goals – Succession Planning and Negotiations. The report outlines the outcome of the goals adopted by the committee in September, 2010.

(4) 2011 Office of the Chancellor Performance Report –
Human Resources Division

Committee Chair Hightower reported that the committee heard the division's report, which is part of a larger report on the 2011 Office of the Chancellor Performance Report.

e. Academic and Student Affairs Committee

Christine Rice, Chair

- (1) Academic and Student Affairs Update
Committee Chair Rice reported that the committee heard an update from Interim Vice Chancellor Scott Olson on the activities of the Academic and Student Affairs division.
- (2) 2011 Office of the Chancellor Performance Report –
Academic and Student Affairs Division
Committee Chair Rice reported that the committee heard the division’s report, which is part of a larger report on the 2011 Office of the Chancellor Performance Report.
- (3) Board Committee Goals
Committee Chair Rice reported that the committee heard a report on the progress of the Committee’s Goals. The report outlines the outcome of the goals adopted by the committee in September 2010.
- (4) Proposed Amendment to Policy 3.4 - Undergraduate Admission (First Reading)
Committee Chair Rice reported that the committee heard a first reading of a proposed amendment to Policy 3.4 – Undergraduate Admission. This will be a second reading at the July meeting.
- (5) Proposed Amendment to Policy 3.8 - Student Complaints and Grievances (First Reading)
Committee Chair Rice reported that the committee heard a first reading of a proposed amendment to Policy 3.8 - Student Complaints and Grievances. This will be a second reading at the July meeting.
- (6) Charter School Report
Committee Chair Rice reported that the committee heard a Charter School Report. Three charter schools within the system have been sponsored through the 2009-2010 academic year.

f. Technology Committee

David Paskach, Chair

- (1) Information Technology Update
Committee Chair David Paskach reported that the committee heard an update from Vice Chancellor Darrel Huish on the Information Technology division.
- (2) Information Security Program Review
Committee Chair Paskach reported that the committee heard a presentation on the Information Security Program review.

- (3) 2011 Office of the Chancellor Performance Report – Technology Division
Committee Chair Paskach reported that the committee heard the division’s report, which is part of a larger report on the 2011 Office of the Chancellor Performance Report.
- (4) Students First Report
Committee Chair Paskach reported that the committee heard a report on Students First. The report provided information on the student loan acceptance automated project. The project will deliver much needed relief for both students and the financial aid offices that provide service.
- (5) Report on Committee Goals
Committee Chair Paskach reported that the committee heard a report on the progress of the Committee’s Goals. The report outlines the outcome of the goals adopted by the committee in September 2010.
- (6) Technology Committee Goal - Service Delivery Strategy**
Committee Chair Paskach reported that the committee approved the Technology Committee Goal – Service Delivery Strategy. The goal is to sponsor the development of a strategy for delivery of technology services, so that the services can be provided efficiently while also sustaining an institution’s ability to innovate and differentiate student and community services.

g. Audit Committee

James Van Houten, Chair

- (1) 2011 Office of the Chancellor Performance Report –
Internal Auditing Division
Committee Chair James Van Houten reported that the committee heard the division’s report, which is part of a larger report on the 2011 Office of the Chancellor Performance Report.
- (2) Report on Committee Goals
Committee Chair Van Houten reported that the committee heard a report on the progress of the Committee’s Goals. The report outlines the outcome of the goals adopted by the committee in September 2010.
- (3) Audit Finding Resolution Update: Northeast Higher Education
District and Fond du Lac Tribal and Community College
Committee Chair Van Houten reported that the committee heard a follow-up report on the audit findings at Northeast Higher Education District and Fond du Lac Tribal and Community College. All but thirty-two audit findings at Northeast Higher Education District have been resolved. At Fond du Lac Tribal and Community College, all but one audit finding has been resolved.

(4) **Audit Planning Related to Systemwide Risk Assessment**

Committee Chair Van Houten reported that the committee heard a presentation on Audit Planning Related to Systemwide Risk Assessment. The presentation showed information and context for the committee to continue reevaluating the audit approach for the system.

6. Joint Council of Student Associations

a. **Minnesota State College Student Association (MSCSA)**

Mr. Travis Johnson, President, addressed the Board of Trustees.

b. **Minnesota State University Student Association (MSUSA)**

Ms. Amanda Bardonner, State Chair, addressed the Board of Trustees.

7. Minnesota State Colleges and Universities' Bargaining Units

a. **American Federation of State, County and Municipal Employees**

Ms. Karen Foreman, State Representative, Local 638, addressed the Board of Trustees.

b. **Administrative and Service Faculty**

Ms. Barbara Oertel, President, addressed the Board of Trustees.

c. **Inter Faculty Organization**

Dr. Donald Larsson, President, addressed the Board of Trustees.

8. Trustees' Reports

Trustee Alfredo Oliveira commented that he has now completed one year of service on the Board. He thanked everyone for their support during the past year. Trustee Frederick commented that his term expires on the Board as of June 30, 2011. He expressed his thanks to the Board and Chancellor McCormick.

9. Chancellor's Comments

Chancellor McCormick reflected on his service in higher education, noting that he has been reporting to a governing board for the past thirty-seven years. He commented that he was pleased with the attention given to the performance reports. Chancellor McCormick complimented the committee chairs on their goals. He also complimented the General Counsel Office with the expert work on the legal issues of the system. He added that he is pleased with the succession planning and leadership development. He complimented the Foundation Board and its Chair, John Schweers, for its work.

Chancellor McCormick reported that President Larry Lundblad will be the new vice chair of the Leadership Council. Chancellor McCormick concluded that he will offer his reflections on the past ten years at his final meeting on July 22, 2011.

10. Other Business

• **Election of Officers**

Chair Thiss announced that the chair, vice chair and treasurer positions would be elected. He called upon Vice Chair Clarence Hightower to preside over the election of the chair.

Chair

Vice Chair Hightower announced that Scott Thiss was the candidate for the position of Chair. He called for other nominations and there were none.

Vice Chair Hightower moved the nomination for Trustee Thiss for the position of Chair. The motion carried unanimously.

Vice Chair

Chair Thiss announced that Trustee Clarence Hightower was the candidate for the position of Vice Chair. He called for other nominations and there were none.

Chair Thiss moved the nomination for Trustee Hightower for the position of Vice Chair. The motion carried unanimously.

Treasurer

Chair Thiss announced that Trustee Duane Benson was the candidate for the position of Treasurer. He called for other nominations and there were none.

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

12. Adjournment

Chair Thiss announced that the next meeting of the Board of Trustees is on July 19 and 20, 2011. He invited everyone to the recognition reception following the meeting. He adjourned the meeting at 3:15 p.m.

Ingeborg K. Chapin
Secretary to the Board