

# MINNESOTA STATE COLLEGES AND UNIVERSITIES

## BOARD OF TRUSTEES MEETING MINUTES

MARCH 16, 2011

WELLS FARGO PLACE

ST. PAUL, MN

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

**Trustees Absent:** Philip Krinkie

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### 1. Call to Order

Chair Scott Thiss called the meeting to order at 1:05 p.m. and reported that a quorum was present. Mr. Joe Buhain, program director and instructor in the Respiratory Care Program at Saint Paul College, led the assembly in the Pledge of Allegiance. Mr. Buhain, a member of the U.S. Army Reserves, was awarded one of our nation's highest honors while serving as a medic in Iraq and Afghanistan. He also was named one of "50 Heroes from 50 States" by the United States Department of Defense.

### 2. Chair's Report

#### a. Minutes of Board of Trustees Meeting of January 19, 2011

The minutes of the Board of Trustees meeting of January 19, 2011, were approved as written.

#### b. Minutes of Board of Trustees Study Session of January 19, 2011

The minutes of the Board of Trustees Study Session were approved as written.

#### c. Minutes of Board of Trustees Meeting of January 31, 2011

The minutes of the Board of Trustees meeting of January 31, 2011, were approved as written.

#### d. Minutes of Board of Trustees Meeting of February 1-2, 2011

The minutes of the Board of Trustees meeting of February 1-2, 2011, were approved as written.

#### e. Report of the Executive Committee Meeting of March 2, 2011

Chair Thiss reported that he was out of the country on March 2, and that Vice Chair Clarence Hightower presided over the meeting. Vice Chair Hightower reported that the committee reviewed the Board's Operating Budget for the second quarter of FY2011. The committee also received updates on the presidential searches at Saint Paul College and Century College and for one president of both Anoka Technical College and Anoka-Ramsey Community College.

An interim president will be named for Southwest Minnesota State University. All four appointments may come before the Board in April. The committee also reviewed the March Board meeting schedule and agenda, and heard a report from Chancellor James McCormick and President Richard Davenport on the Leadership Council meeting of March 1.

f. Transition Update

Chair Thiss announced that an advisory transition team to Chancellor-designate Steven Rosenstone was formed. The team is convened by Interim Vice Chancellor Scott Olson, who reports to Chair Thiss and Chancellor McCormick. The team will meet bi-weekly until August 1. Interim Vice Chancellor Olson reported that the goal of the transition team is to assure a smooth transition. Some of the meeting topics include campus visits, expectations of media, and responses to invitations to events.

3. Consent Agenda

- (1) **Minnesota State College - Southeast Technical Property Disposition**
- (2) **Winona State University Revenue Fund Projects Approval**
- (3) **Mission Approval: Winona State University**
- (4) **Retirement Program Contract**

*Chair Thiss moved approval of the Consent Agenda. The motion was seconded and carried unanimously.*

4. Board Policy Decisions

- (1) **Select External Auditors for Institutional Financial Statement Audits**  
*Trustee James Van Houten moved that the Board of Trustees approves the appointment of Kern, DeWenter, Viere, Ltd., and Baker Tilly Virchow Krause, LLP to serve as external auditors for six colleges and universities. The firm of Kern, DeWenter, Viere, Ltd. will serve as external auditor for Minnesota State University, Mankato, Minnesota State University Moorhead, St. Cloud State University, and Winona State University. The firm of Baker Tilly Virchow Krause, LLP will serve as external auditor for Bemidji State University and Minnesota State Community & Technical College. The scope of these audit services shall include an annual audit of the general financial statements of the above mentioned colleges and universities. The term of these appointments begins upon execution of contracts and shall continue to fulfill external auditing needs for fiscal years 2011 to 2013.*

*The Board of Trustees authorizes the Executive Director of Internal Auditing and the Vice Chancellor/Chief Financial Officer to negotiate contracts with Kern DeWenter, Viere, Ltd., consistent with the terms contained in its proposal dated February 22, 2011, and Baker Tilly Virchow Krause, LLP, consistent with the terms contained in its proposal dated February 24, 2011. The motion was seconded and carried unanimously.*

## 5. Board Standing Committee Reports

### a. Finance and Facilities Committee

*Dan McElroy, Chair*

(1) Finance and Facilities Update

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

(2) Proposed Amendment to Board Policy 5.9 Biennial and Operating Budget Planning and Administration Including Revenue Fund (First Reading)

Committee Chair McElroy reported that the committee heard a first reading of the Proposed Amendment to Board Policy 5.9 Biennial and Operating Budget Planning and Administration Including Revenue Fund. A second reading is scheduled for the April meeting.

(3) Proposed Amendment to Board Policy 5.11 Tuition and Fees (First Reading)

Committee Chair McElroy reported that the committee heard a first reading of the Proposed Amendment to Board Policy 5.11 Tuition and Fees. A second reading is scheduled for the April meeting.

(4) Campus Service Cooperative

Committee Chair McElroy reported that the committee heard a report on the Campus Service Cooperative. The initiative is to bring efficiencies to select campus and system office activities, allowing colleges and universities to focus on serving and educating students.

(5) Enterprise Risk Management Strategy

Committee Chair McElroy reported that the committee heard an update on the Enterprise Risk Management Strategy. Current activities were outlined with new areas of focus.

(6) Minnesota State Colleges and Universities System and State Economic Outlook for FY2012-2013

Committee Chair McElroy reported that the committee had a discussion on the Minnesota State Colleges and Universities System and State Economic Outlook for FY2012-2013. The system is continuing with multi-year budget planning consulting with campus communities and making reduction decisions. Strong actions have been made over the past few years with reductions and closures. The FY2012-2013 operating budget will be presented at the May and June 2011 meetings.

**b. 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) The Power of YOU Update  
Committee Chair Sundin reported that the committee heard a presentation on the Power of YOU. The program covers cost of tuition and fees for two years, or up to 72 credits through state and federal grants and private scholarships at Minneapolis Community and Technical College or Saint Paul College. Over 75 percent of participants are students of color, and 70 percent are from low-income families.
- (3) Demographic Characteristics of College and University Graduates  
Committee Chair Sundin reported that due to time constraints, this item was deferred to the April meeting.

**c. 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) 2012-2014 System Action Plan  
Committee Chair Rice reported that the committee heard a report on the 2012-2014 System Action Plan. The intent for the plan is to develop a multi-year agenda which is in place prior to the start of the academic year. This will enable institutions to incorporate features of the System Action Plan into campus planning.
- (3) Proposed Amendment to Policy 3.28 Charter School Sponsorship (First Reading)  
Committee Chair Rice reported that the committee heard a first reading of the Proposed Amendment to Policy 3.28 Charter School Sponsorship. This will be a second reading at the April meeting.
- (4) Update on Remedial and Developmental Education  
Committee Chair Rice stated that the committee has had several discussions and a study session on Remedial and Developmental Education. She presented two proposed motions A and B for the Board's consideration. General Counsel Gail Olson explained that Motion A and Motion B are for the Board's consideration from the Academic and Student Affairs committee along with a possible amendment if offered, but first the Board would need to suspend its rules in order to consider an action item not on the agenda.

**MOTION A:**

The Board directs the Chancellor to take appropriate steps to seek legislation that requires every high school student in Grade 11 to participate in a uniform assessment identified by the Department of Education or other appropriate entity for the purpose of assessing the student's readiness for college-level math and English.

**MOTION B:**

The Board directs the Chancellor to take appropriate steps to seek legislation that requires every high school student in Grade 12 to complete an application to a post-secondary institution.

*Trustee Cheryl Dickson moved to suspend the rules to consider items not marked for action. The motion was seconded and carried on a roll call vote with 11 ayes (Trustees Dickson, Englund, Frederick, Hightower, McElroy, Oliveira, Renier, Rice, Sundin, Thiss and Vekich ) and two nays (Trustees David Paskach and James Van Houten).*

*Committee Chair Rice moved that the committee recommends the following motions A and B. The motion was seconded.*

Chair Thiss asked if there was further discussion.

*Trustee Paskach moved to table Motion A. The motion was seconded and failed on a roll call vote of two ayes (Trustees Paskach and Van Houten) and ten nays (Trustees Dickson, Englund, Frederick, Hightower, McElroy, Oliveira, Renier, Rice, Sundin and Vekich.)*

*Trustee Van Houten moved to recommit the recommended motion to the Academic and Student Affairs Committee for further review and deliberation. The motion was seconded.*

Vice Chair Hightower inquired what the outcome would be to send the motions back to the Academic and Student Affairs committee? Committee Chair Rice stated that it is the committee's intention to move forward with the motion. The committee has had discussions, study sessions and heard presentations. The timing seems right to provide the Chancellor with support to go forward and work collaboratively with others to seek a solution. Vice Chair Hightower stated that his concern is that uniform testing can be problematic in some arenas. He added that if it went back to the committee it would allow for questions and further discussion before the Board went forward with the motion.

Trustee Paskach commented that the motions were presented without notice and that Trustees were unprepared for the discussion. He recommended that they be referred back to the Academic and Student Affairs Committee. Trustee Dickson remarked that she supported the motions. The cost would be minimal. The Chancellor meets with legislators regularly. In addition, there is an urgency to taking action.

Trustee Van Houten noted that the motions would incur significant cost to P-12, and he favored feedback from staff on the returns before taking any action. Further, he was not sure if this was a role of the Board. Trustee Sundin noted that there is a role as a policy body to advance and ask our leader to take an idea to a larger body for discussion.

*Trustee Van Houten called the question on the motion to recommit. The motion failed on a vote of four ayes (Trustees Hightower, Paskach, Van Houten and Vekich) and eight nays ( Trustees Dickson, Englund, Frederick, McElroy, Oliveira, Renier, Rice and Sundin).*

*Trustee Sundin moved the amendment to Motion A as follows:*

*The Board directs the Chancellor to work collaboratively with P-20 partners and to take appropriate steps to seek legislation that requires every high school student in Grade 11 to participate in a uniform assessment identified by the Department of Education or other appropriate entity for the purpose of assessing the student's readiness for college-level math and English. Trustee Alfredo Oliveira seconded.*

Trustee Hightower inquired about the intent of the amendment. Trustee Sundin explained that the goal is to seek an assessment rather than a test that will assist students and their families prepare early enough in their high school years for college readiness. Trustee Dickson stated that this would offer a great chance and provides the best and highest service to the students.

*Vice Chair Hightower called the question to the amendment to Motion A. The motion carried with eight ayes (Trustees Benson, Dickson, Englund, Frederick, Oliveira, Renier, Rice, and Sundin) and five nays (Trustees Hightower, McElroy, Paskach, Van Houten and Vekich).*

*Trustee Benson moved to amend Motion B by substituting the phrase "work collaboratively with P-20 partners" for the phrase "take appropriate steps" and change Grade 12 to Grade 11. The amended motion would read:  
The Board directs the Chancellor to work collaboratively with P-20 partners to seek legislation that requires every high school student in Grade 11 to complete an application to a post-secondary institution.*

*Trustee Van Houten moved to amend the amendment to change “directs” to “asks.” The amendment to the motion was seconded and it carried.*

*Vice Chair Hightower called the question on the amendment to Motion B.*

*The motion carried. Vice Chair Hightower called the question on the original motion as amended. The motion carried with two nays (Trustees Paskach and Van Houten).*

Trustee Van Houten expressed that he was concerned about the process and that members were not given the opportunity for discussion. Trustee Dickson commented that once a decision has been made, the Board comes together to support it. Trustee Benson explained that no rules were changed and that he thought it beneficial for a Board to have diverse opinions. Trustee Renier commented he favored the motions because of their intent to start a conversation. Vice Chair Hightower concluded the discussion stating that once a decision is made that it is the decision of the entire Board.

**d. Advancement Committee**

*Cheryl Dickson, Chair*

(1) Advancement Update

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

(2) Report on College-University-and System-Related Foundations

Committee Chair Dickson reported that the committee heard a report on College-University-and System-Related Foundations. The report showed that the costs for supporting foundations increased, charitable giving surpassed the support received and projected goals were met. Benefits returned from the foundation go mostly to scholarships and programs.

(3) State and Federal Legislative Update

Committee Chair Dickson reported that the committee heard an update on the 2011 State and Federal anticipated legislative issues. Governor Dayton presented his proposed budget for FY 2012-2013, which includes a 6 percent reduction to higher education. The House and Senate budget targets include nearly a 16 percent budget reduction to higher education.

(4) Commencement Greetings

Committee Chair Dickson reported that the committee had a discussion on commencement greetings given by Trustees. A draft with key messages was shared with the committee for suggestions and ideas.

(5) Progress on Committee Goals: Connecting with Campuses, Legislative Activity

Committee Chair Dickson reported that the committee heard an update on the Board’s goal of connecting with the campuses. She reported that visits have been made to twelve campuses thus far with another seven scheduled.

**e. Human Resources Committee**

*Clarence Hightower, Chair*

(1) Human Resources Update

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

(2) Update on Searches

Committee Chair Hightower reported that the committee heard an update on searches for an interim president at Southwest Minnesota State University, and presidents for the aligned Anoka-Ramsey Community College and Anoka Technical College, Century College; and Saint Paul College. Committee Chair Hightower continued that he will participate in one of finalists' interviews, and that there will be opportunities for Trustees to participate in the others. He also asked Trustees to let Board Secretary Chapin know of their interest and availability, and he will make the assignments.

(3) Demographic Report

Committee Chair Hightower reported that the committee received the Demographic Report.

(4) Chancellor Search Process Debriefing

Committee Chair Hightower reported that the committee debriefed on the Chancellor Search Process. Suggestions were made to improve the process for future searches.

**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) Students First Report

Committee Chair Paskach reported that the committee heard a report on Students First. Students First embodies several projects in key areas to better serve the students. This item will continue to be reported as a top priority for the committee.

(3) Information Security Program Review

Committee Chair Paskach reported that the committee heard a presentation on the Information Security Program. Seventeen security training courses for campus technical staff have been developed to address security issues.



**g. Audit Committee**

*James Van Houten, Chair*

(1) Status Report on Audit Findings

Committee Chair James Van Houten reported that the committee heard a status report on Audit Findings. The majority of colleges and universities are making satisfactory progress on resolving outstanding findings. Two institutions had significant findings where satisfactory progress will continue to be made.

**6. Joint Council of Student Associations**

- a. Minnesota State College Student Association (MSCSA)
- b. Minnesota State University Student Association (MSUSA)

No representatives were present.

**7. Minnesota State Colleges and Universities' Bargaining Units**

- a. Administrative and Service Faculty  
Ms. Barbara Oertel, President, addressed the Board of Trustees.
- b. Minnesota Association of Professional Employees  
Mr. Russell Raczkowski, Meet and Confer Chair, addressed the Board of Trustees.

**8. Trustees' Reports**

Trustee Oliveira reported on a campus visit to Anoka Technical College and provided a written report. Trustee Englund reported he also attended a campus visit to Minnesota West Community and Technical College in Worthington and provided a written report. Trustee Benson reported that he and Trustees Krinkie, Oliveira, Renier and Vekich were confirmed at the Senate Confirmation Hearing. Trustee Louise Sundin reported that she attended Career Exploration Day at Central Lakes College. Trustee McElroy reported that he attended Gold Color Career Day at Pine Technical College.

**9. Chancellor's Comments**

Chancellor McCormick was not present due to his departure earlier in the meeting along with Chair Thiss for an off-site meeting. Written remarks would be provided to the Board.

**10. Requests by Individuals to Address the Board**

There were no requests to address the Board.

**11. Other Business**

**12. Adjournment**

Vice Chair Hightower adjourned the meeting at 3:12 p.m.