

MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
MEETING MINUTES
MARCH 20, 2013

Present: Chair Clarence Hightower, Trustees Ann Anaya, Brett Anderson, Margaret Anderson Kelliher, Duane Benson, Alexander Cirillo, Cheryl Dickson, Dawn Erlandson, Philip Krinkie, Alfredo Oliveira, David Paskach, Thomas Renier, Louise Sundin, Michael Vekich and Chancellor Steven Rosenstone

Absent: Maria Peluso

1. Call to Order

Chair Clarence Hightower called the meeting to order at 2:05 PM and announced that a quorum was present.

2. Chair's Report

(1) Minutes of Board of Trustees Study Session, Finance 101, November 14, 2012

(2) Minutes of Board of Trustees Study Session, Campus Service Cooperative, January 16, 2013

(3) Minutes of Board of Trustees Special Meeting, February 26, 2013

The minutes of the above-referenced meetings were approved as written.

3. Chancellor's Report: Steven Rosenstone

Chancellor Steven Rosenstone commented that the hearings at the legislature have concluded, targets have been announced, and now it is down to working collaboratively with the committee personnel, leadership and governor's office on the final bill. The governor brought forward a recommendation of a new investment of \$240 million in higher education. The House of Representatives announced its targets yesterday of \$150 million for higher education. The Senate announced their targets of \$262.7 million for higher education.

Chancellor Rosenstone continued that on Monday the system concluded seven sessions before the House Higher Education Policy Committee. Joining him at the sessions were Vice Chancellor Laura King and System Director for Research Craig Schoenecker, along with support from many, many people both in the system office and on the colleges and universities. The chancellor participated in five of the seven sessions. The system concluded two sessions before the Senate Higher Education Committee. The system has also participated in testimony on the alignment of K-12 and higher education before the K-12 committees. Many others from the system office and the colleges and universities have testified in other committees on various issues important to the system. Chair Hightower and Trustee Benson have testified, as did Presidents Jim Johnson and Larry Lundblad. Chancellor Rosenstone thanked many trustees who attended the various committees in support of the system.

The system provided the House Higher Education Committee with 1,100 pages of documentation in response to every single question that was posed by the chair of the committee who requested data over a six-year period; in many cases, data for every college and university. Follow-up questions resulted in an additional 100 pages of documentation.

The teams under Vice Chancellors King and Dougherty, government relations, institutional research and workforce development, have all done extraordinary work. Much of the data that was requested was not available in the system office and was provided by the institutional research and finance staff at the colleges and universities. The information has been posted on the system's website.

Chancellor Rosenstone shared the concluding comments that he made to the House Higher Education Committee on March 18, 2013. He began by reminding committee members of the tremendous resource that the colleges and universities are to the state of Minnesota, and of MnSCU's commitment to control costs to protect access and affordability. By any measure, MnSCU has been on a steady trajectory of reduced administrative overhead and increased efficiency. Higher education has endured historic cuts over the past four years, and during the first hearing we documented how the system dealt with those cuts.

- Fifty-eight percent of the solutions were handled through efficiencies, cost reductions, reallocations, layoffs and program closures through hard and painful work by presidents, academic leadership and the board. Students and families carried 42 percent of the burden. This board and its predecessors did not just cavalierly pass off tuition increases to the students without doing a lot of hard work themselves. The faculty and staff bore a lot of the responsibility and burden of the solutions to the cuts.
- Faculty productivity over the last decade is up over 12 percent.
- The system office base budget is 24 percent smaller than it was four years ago.
- There are fewer administrators in the system than a decade ago (administrators comprise only three percent of the total employee headcount).
- The cost of educating a MnSCU student in real dollars is down 12.5 percent over the past decade.
- Looking at comparable state higher education systems, MnSCU is the 40th lowest out of 50 in the United States in overall administrative spending per student.

Chancellor Rosenstone recounted that he tried to remind the committee that these are real accomplishments, such as the Campus Service Cooperative and the commitment to an additional \$44 million in efficiencies over the next biennium to continue to improve quality, hold down tuition, and provide pay increases to our faculty and staff who have borne more than their fair share over the past four years. He reminded them that it was the outstanding work of faculty, staff, and academic leaders that has enabled the system to maintain by significant margins our position as the state's most affordable, highest value, higher education option. The chancellor also reminded the committee that he, the board, and the presidents are very concerned about student debt, but compared to any other available option for higher education in the state of Minnesota, much higher percentages of MnSCU students graduate with absolutely no debt than any alternative they can turn to. And, the median debt is still lower than that of students graduating from other Minnesota colleges and universities.

The chancellor observed that there were thoughtful exchanges with the House Higher Education Committee over the seven days, and there is no doubt that every member of the committee is committed, as we are, to:

- Advancing the competitiveness of Minnesota's workforce;
- Increasing access and affordability; and
- Accelerating completion.

He added that in the face of a 45 percent reduction in the real dollars available per student we educate, -- reductions since the year 2000 -- we have had to make tough choices between affordability on the one hand and excellence and quality on the other. It is that balance that is absolutely crucial to protecting the strength of the system in providing graduates with the skills Minnesota businesses, industries and communities need to succeed. Achieving the right balance is exactly the challenge before the House and Senate Committees.

Chancellor Rosenstone continued that he believes the state is committed to the notion that Minnesota should have the world's best workforce and a Minnesota economy that is strong. He reminded the committee that it means an investment in the quality of the education that our colleges and universities provide.

- We can make real progress towards building the world's best workforce if students are trained on state-of-the art equipment, and if we can make investments that are proven to increase student retention and completion.
- We will make progress if we equip our faculty with the tools necessary for student success and collaborative work in a networked world, and if we have the resources to attract and retain talented faculty, academic advisors and technology specialists.
- We will make progress in building the world's best workforce if we make the investments to ensure that we can deliver graduates in the fields that are high-growth professions like health and life sciences, advanced manufacturing and energy.

Every member of the committees, and indeed the entire legislature, will play an important role in deciding whether this is the year that the state of Minnesota starts reinvesting in Minnesota's state colleges and universities and in the quality of the education we provide our students. The decision that the legislature and the House and Senate Higher Education Committees will make over the weeks ahead will affect:

- The quality of the entrepreneurs, accountants, teachers, construction workers, nurses, and mechanics that we graduate.
- The quality of the education we provide the 17,000 firefighters and first responders that we train every single year.
- How well we are able to keep the 120,000 workers that we serve each year in our customized training programs on the leading edge of their professions.
- The quality of the education that we provide to the 26,636 PSEO students and 10,600 veterans that we were serving each year.
- The quality of our 42,000 certificates, diplomas and degrees we award each year and how well our graduates will meet the critical jobs that need to be filled in Minnesota.
- The 47 communities around the state that depend on our colleges and universities for their economic vitality.

Our colleges and universities serve:

- more students of color;
- more students from families of modest financial means; and
- more first generation students than all of Minnesota's other higher education options combined.

Chancellor Rosenstone informed the committee that he is deeply concerned about the

quality of the education that these students receive and whether our faculty will have the tools they need to ensure the success of these students. Chancellor Rosenstone shared his closing comments to the committee with a quotation from Tom Stinson, the State Economist:

“Minnesota’s been very successful . . . education has been a key contributor to the state’s success. But, a portfolio, not just a single program, a portfolio of world-class workforce development and education programs will be essential if we are going to continue to be as successful as we all want to be.”

Chancellor Rosenstone commented that the system’s proposal is not about helping just a few. It is about serving more than 430,000 students every year. It’s about serving communities and businesses and families throughout our state. These are the people that are counting on our legislature and us to continue to deliver cost-effective, quality education. They are depending on the legislature to prioritize investment in our human capital and higher education. They are depending on the legislature to help us meet the challenge of balancing access and affordability with the investments necessary to provide the quality education required for Minnesota to have the world’s best workforce. Chancellor Rosenstone concluded that he was confident that if we work together with the committees in the House and Senate and the governor’s office, then we can meet this challenge and together fulfill the high expectations that Minnesotans have rightly entrusted all of us, the board, our colleges, and universities, to deliver.

Chair Hightower commented that he was with Chancellor Rosenstone at two of the hearings. The chancellor presented thorough documentation in support of the system’s legislative request. He thanked Chancellor Rosenstone for his effective advocacy for the system.

4. Consent Agenda

(1) Minnesota State University Moorhead Property Surplus Declaration

(2) Lake Superior College Approval of Contract Exceeding \$3 Million for Aviation Program

Trustee Michael Vekich moved approval of the Consent Agenda. The motion was seconded and carried.

5. Board Policy Decisions

There were no Board Policy decisions.

6. Board Standing Committee Reports

a. Finance and Facilities Committee

Michael Vekich, Chair

(1) Proposed Board Policy 5.24 Safety and Security Compliance (First Reading)

Committee Chair Michael Vekich reported that the committee reviewed a first reading of a proposed policy on safety and security compliance. The proposed policy will be presented for a second reading and approval in April.

b. Human Resources Committee

Thomas Renier, Chair

Committee Chair Thomas Renier reported that the Human Resources Committee recommended approval of several action items.

(1) Appointment of President of Riverland Community College

Committee Chair Renier read the following motion:

The Board of Trustees, upon the recommendation of Chancellor Rosenstone, appointed Dr. Adenuga Atewologun as president of Riverland Community College effective July 1, 2013, 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 MnSCU Personnel Plan for Administrators.

Chair Hightower called the question and the motion carried unanimously.

Dr. Atewologun thanked everyone for the warm welcome. He thanked Chancellor Rosenstone and the Board of Trustees for placing their trust in him as the president of Riverland Community College. He added that today is a memorable day because it is also a day of pause, reflection, deliberation and jubilation and he is looking forward to joining the Riverland Community College.

(2) Appointment of President of South Central College

Committee Chair Renier read the following motion:

The Board of Trustees, upon the recommendation of Chancellor Rosenstone, appointed Dr. Annette Parker as president of South Central College effective July 1, 2013, 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 MnSCU Personnel Plan for Administrators.

Chair Hightower called the question and the motion carried unanimously.

Dr. Parker thanked Chancellor Rosenstone and the Board of Trustees. She added that it is a tremendous honor to be selected as the next leader for South Central College. She will work with all members of the community to enhance student access, promote success, fuel innovation and enhance institutional effectiveness.

(3) Appointment of Interim President of Rochester Community and Technical College

Committee Chair Renier read the following motion:

The Board of Trustees, upon the recommendation of Chancellor Rosenstone, appointed Dr. Gail O'Kane as interim president of Rochester Community and Technical College effective July 1, 2013, 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 MnSCU Personnel Plan for Administrators.

Chair Hightower called the question and the motion carried unanimously.

Dr. O'Kane thanked the Board of Trustees and Chancellor Rosenstone for the

opportunity to shepherd Rochester Community and Technical College through a transition period. She added that she is looking forward to working with the outstanding faculty, staff, administrators and students at the college and with the community in Rochester to advance the legacy that President Don Supalla is leaving behind.

(4) Approval of Minnesota State University Association of Administrative and Service Faculty Contract

Committee Chair Renier read the following motion:

The Board of Trustees approved the terms of the 2011-2013 labor agreement between Minnesota State Colleges and Universities and the Minnesota State University Association of Administrative and Service Faculty and authorized Chancellor Steven Rosenstone to sign the agreement on behalf of the Board of Trustees.

Chair Hightower called the question and the motion carried unanimously.

(5) Vice Chancellor for Human Resources – Overview and First Impressions

Committee Chair Renier reported that Mark Carlson, vice chancellor, Human Resources, presented an overview of Human Resources.

7. Trustees' Reports

Trustee Oliveira reported that he attended the Association of Community Colleges National Legislative Summit with Trustee Anaya. They had the opportunity to meet with Senators Franken and Klobuchar and others. Trustee Anaya added that the conference was a good networking opportunity.

Trustee Anderson reported that he visited Inver Hills Community College and he toured the Computer Science area which has exciting news. The college was one of only 15 selected by the U.S. Department of Homeland Security to be a CyberCenter. The center will offer advanced technical training, internships and jobs to meet the emerging needs of computer security for government and businesses.

Trustee Benson reminded the trustees that the Board of Trustees Awards for Excellence in Teaching will be awarded during a luncheon on April 17, 2013.

Trustee Sundin announced that the 26th Nellie Stone Johnson Scholarship dinner is on March 21, 2013.

Chair Hightower announced that members will receive the spring commencement dates in the next couple of weeks.

8. Joint Council of Student Associations

a. Minnesota State University Student Association (MSUSA)
Moriah Miles, state chair, addressed the Board of Trustees.

b. Minnesota State College Student Association (MSCSA)
There was no report from the Minnesota State College Student Association.

9. Minnesota State Colleges and Universities' Bargaining Units

a. Inter Faculty Organization

Dr. Nancy Black, president, addressed the Board of Trustees.

b. Administrative and Service Faculty

Adam Klepetar, president, addressed the Board of Trustees.

c. Minnesota State College Faculty

There was no report from the Minnesota State College Faculty.

d. Minnesota Association of Professional Employees

There was no report from the Minnesota Association of Professional Employees.

e. American Federation of State, County and Municipal Employees

There was no report from the American Federation of State, County and Municipal Employees.

10. Other Business

- Rules of Engagement: Connecting with Campus v.2.0

Chair Hightower commented that at the board's retreat last September, there was a conversation about how board members can better connect with our college and university campuses. A year or so ago the board had an initiative to encourage trustees to visit campuses. Since the retreat, Trustees Brett Anderson and Cheryl Dickson developed some ideas which they agreed to present today.

Trustee Dickson explained that the board had a program in 2010 and 2011 for trustees to visit campuses, as a way to become more familiar with campuses and people so that the trustees are more informed when making decisions. The earlier program had some flaws. Board Secretary Inge Chapin helped develop the recommendations. Trustee Anderson commented that this is probably one of the most important things trustees can do to engage with the campuses. The three main objectives are arranged around the strategic framework.

- Learn more about individual colleges and universities, including unique program offerings;
- Learn how the college or university is advancing the strategic framework in areas of ensuring access to extraordinary education, meeting workforce and community needs and delivering high value and affordable education options, and
- Engage and build relations with one another and the campus communities.

Trustee Anderson continued that visits are optional. The framework is intentional but effective. For example, visits could be scheduled to tour a capital project or during a ribbon-cutting ceremony. There is a recommended three-hour time limit for the visits. Duplicate visits by trustees to the same campus are not encouraged. The point is to visit as many different campuses as possible. Two trustees will provide oversight and help organize them. Last, more announcements of systemwide events would be appreciated.

Trustee Oliveira thanked Trustees Anderson and Dickson for their proposal and commented that the campus visits are one of his favorite activities. He added three-hour limits on visits

may not allow sufficient time.

Chair Hightower thanked Trustees Dickson and Anderson for taking the lead, and invited them to serve as the oversight team. They agreed to serve in this capacity, which is more of a cheerleading effort. They will work with the Board Office to coordinate the visits.

11. Adjournment

Chair Hightower announced that the next regular meeting of the Board of Trustees will be on April 16 and 17, 2013. Two meetings of the Executive Committee have been added to the calendar. One is on May 2 at 8:00 am and the other one is on June 3 also at 8:00 am. Meeting notices will be distributed.

Chair Hightower adjourned the meeting at 2:25 pm.

Ingeborg K. Chapin
Secretary to the Board