Executive Committee Members Present: David Olson, Chair, Duane Benson, Ruth Grendahl, Thomas Renier, Christine Rice and Scott Thiss

Executive Committee Members Absent: David Paskach

Other Members Present: Jacob Englund and James Van Houten

The Minnesota State Colleges and Universities Board of Trustees Executive Committee met at Wells Fargo Place, 30 7th Street E., Saint Paul, on Wednesday, March 18, 2009, at 2:52 p.m. Chair David Olson convened the meeting.

(1) Minutes of January 21, 2009, Meeting
The minutes of the Executive Committee meeting on January 21, 2009, were accepted as written.

(2) Proposed Amendment to Board Policy 1A.2 Board of Trustees (First Reading)
Chair David Olson reviewed the proposed amendment to Board Policy 1A.2, Part Four, Officers of the Board. The amendment would change the number of consecutive terms a board officer may serve from two to three years, and allow a newly elected officer to take office immediately if his or her successor is no longer in the position.

The Executive Committee recommended that the proposed amendment be forwarded for approval as a second reading to the Board of Trustees at their meeting on May 20, 2009.

(3) 2010 Meeting Calendar Discussion
Chair Olson reviewed the current year’s calendar of two-day meetings every other month, with special meetings added as needed and noted that the format is working well. A draft calendar for FY 2010 was distributed with the following dates.

- September 8-9, 2009
- October 20-21, 2009
- November 17-18, 2009
- January 19-20, 2010
- March 16-17, 2010
- April 20-21, 2010
- May 18-19, 2010
- June 15-16, 2010

Chair Olson proposed that the Board of Trustees hold its fall retreat at Rochester Community and Technical College on October 20-21, 2009. He requested that the Board members review the proposed dates and let him or staff know if they have any concerns. The calendar will be presented in May for action.
(4) FY 2010 Board Operating Budget.
Treasurer Scott Thiss began a discussion on the Board of Trustees operating budget for FY 2010. For the current fiscal year 2009, the Board approved an operating budget of $233,000. In the third quarter, the governor unallotted state agencies’ budgets, including the Minnesota State Colleges and Universities system, resulting in systemwide reductions. The Board’s operating budget was reduced to $229,266. To plan for a reduction to the system’s base in the coming biennium, the Vice Chancellor – Chief Financial Officer Laura King has recommended a budget of $212,448 for both FY 2010 and 2011. Trustee Thiss asked for the Executive Committee’s input on the 2010 budget, and commented that he will return with a proposal for approval in May.

Trustee Thiss reported that the current year’s budget is on track. Chair Olson suggested a discussion on the number of attendees at national conferences. The Board has budgeted for up to six Trustees to attend three national higher education conferences. A freeze on travel was discussed. Chancellor McCormick spoke about the benefits gained when Trustees attend national higher education conferences. The Board has memberships in the Association of Governing Boards of Universities and Colleges and the Association of Community College Trustees (ACCT). Trustee Grendahl serves as a representative to ACCT. Trustee James Van Houten recommended including the annual meeting of the American Council on Trustees and Alumni.

Trustee Thiss offered that the proposed FY 2010 budget will plan for up to two people to attend the national conferences. Attendance will be based on the agenda and the Trustee attending conference will provide a report to the Board. Trustee Ruth Grendahl explained that the Board’s presence at these conferences has reflected favorably in the system’s ability to recruit new presidents. Chair Olson proposed budgeting $15,000 for conference travel. In addition, he asked staff to obtain more information on the American Council on Trustees and Alumni and its annual meeting.

(5) Review May 19-20, 2009 Board Meetings
Chair Olson announced that there will be a luncheon for the Board of Trustees Awards for Excellence in Teaching on May 20. All of the standing committees are expected to meet in May. In addition, the committee and Board meetings will be audio streamed starting in May. The presidents will be surveyed in about six months to see if the audio streaming has been helpful. Responding to a question, Vice Chancellor Ken Niemi commented that the cost for audio streaming, including archiving the record, has not yet been fully determined.

(6) Leadership Council Comments
President Pat Johns, Leadership Council co-chair with Chancellor McCormick, reported that the campuses are busy as they work budget assumptions for the coming biennium. Trustee Benson commented that the Board is sensitive to the challenges the presidents are facing and he asked if there was something that the Board can do to help them. President Johns replied that the presidents would appreciate the Board’s support as they make difficult decisions in the coming days.

(6) Other
Vice Chair Grendahl reported that the Board had a lively discussion during the study session on MN Online. The Board felt that online learning needs to be more visible with
committee oversight. Online learning crosses the lines of the Work Group on Technology, the Finance, Facilities and Technology and the Academic and Student Affairs Committees. Some Board members felt that the issue is important enough to have its own standing committee. Senior Vice Chancellor Linda Baer suggested that the existing task force could be broadened to include Board members. Chair Olson asked staff to draft a recommendation.

Adjournment
The meeting adjourned at 3:45 p.m.
BOARD OF TRUSTEES  
MINNESOTA STATE COLLEGES AND UNIVERSITIES

INFORMATION ITEM

FY 2009 THIRD QUARTER BOARD OPERATING BUDGET

BACKGROUND
The Board of Trustees Operating Budget for FY 2009 was $240,000. In December 2008, the governor unallotted state agencies’ budgets, including the Minnesota State Colleges and Universities, to address a projected budget shortfall in the current fiscal year. In January, the Board of Trustees Operating Budget was reduced 0.4 percent, from $240,000 to $236,266.

As shown on Attachment A, at the end of the third quarter on March 31, 2009, the Board had expended $124,465, or 53 percent of its budget, encumbered $73,030, resulting in an available balance of $38,771.

For comparison purposes, and as shown on Attachment B, in FY 2008, the Board's Operating Budget was $267,913. At the end of the third quarter on March 31, 2008, the Board had expended $119,345, or 45 percent of its budget, encumbered $83,761, resulting in an available balance of $64,807.

Date presented to the Executive Committee: May 20, 2009
Minnesota State Colleges and Universities Board of Trustees  
Approved FY 2009 Operating Budget

<table>
<thead>
<tr>
<th></th>
<th>Approved FY 2009 Budget</th>
<th>First Quarter 9/30/08 Cash</th>
<th>Second Quarter 12/31/08 Cash</th>
<th>Third Quarter 3/31/09 Cash</th>
<th>Year-to-date Year-to-date</th>
<th>Third Quarter Third Quarter Percent Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Diem</td>
<td>$30,000</td>
<td>$4,510</td>
<td>$6,270</td>
<td>$5,115</td>
<td>$15,895</td>
<td>$14,105</td>
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<td>Meeting Expense (1)</td>
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<td>$13,222</td>
<td>$11,209</td>
<td>$33,708</td>
<td>$31,840</td>
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<tr>
<td>Travel in-state (2)</td>
<td>$35,000</td>
<td>$4,370</td>
<td>$8,760</td>
<td>$10,749</td>
<td>$23,879</td>
<td>$9,334</td>
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<tr>
<td>Development/National</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conferences (3)</td>
<td>$45,000</td>
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<td>$8,306</td>
<td>$2,751</td>
<td>$21,569</td>
<td>$15,248</td>
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<tr>
<td>Consultants</td>
<td>$10,000</td>
<td>$0</td>
<td>$5,565</td>
<td>$0</td>
<td>$5,565</td>
<td>$0</td>
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<tr>
<td>Miscellaneous (4)</td>
<td>$33,000</td>
<td>$8,812</td>
<td>$2,342</td>
<td>$12,286</td>
<td>$23,440</td>
<td>$1,998</td>
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<tr>
<td>Chair Expense</td>
<td>$7,000</td>
<td>$45</td>
<td>$214</td>
<td>$150</td>
<td>$409</td>
<td>$505</td>
</tr>
<tr>
<td>Total</td>
<td>$240,000</td>
<td>$37,526</td>
<td>$44,679</td>
<td>$42,260</td>
<td>$124,465</td>
<td>$73,030</td>
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<tr>
<td>Unallotment (5)</td>
<td>($3,734)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td>$236,266</td>
<td>$37,526</td>
<td>$44,679</td>
<td>$42,260</td>
<td>$124,465</td>
<td>$73,030</td>
</tr>
</tbody>
</table>

Notes:
1. Meeting expense includes rent, printing, food, postal/delivery, audio services.
2. Travel in-state includes mileage, meals, lodging, parking, in-state registration fees.
3. Development/national conferences includes registration fees, airfares, lodging, mileage, etc.
4. Miscellaneous includes copier, insurance, long distance, memberships, supplies, equipment and subscriptions.
5. Governor's unallotment in third quarter resulted in 0.4% reduction to base.

The Board of Trustees approved the FY 2009 Operating Budget on May 21, 2008.
Minnesota State Colleges and Universities Board of Trustees  
Approved FY 2008 Operating Budget

<table>
<thead>
<tr>
<th>Expenses:</th>
<th>Approved FY 2008 Budget</th>
<th>First Quarter 9/30/07 Cash</th>
<th>Second Quarter 12/31/07 Cash</th>
<th>Third Quarter 3/31/08 Cash</th>
<th>Year-to-date 3/31/08 Encumbered</th>
<th>Year-to-date 3/31/08 Balance</th>
<th>Third Quarter 3/31/08</th>
<th>Percent Used</th>
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</thead>
<tbody>
<tr>
<td>Per Diem</td>
<td>$33,000</td>
<td>$4,345</td>
<td>$6,875</td>
<td>$5,335</td>
<td>$16,555</td>
<td>$16,445</td>
<td>$0</td>
<td>50%</td>
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<tr>
<td>Meeting Expense (1)</td>
<td>$85,000</td>
<td>$10,710</td>
<td>$13,860</td>
<td>$17,751</td>
<td>$42,321</td>
<td>$32,502</td>
<td>$10,177</td>
<td>50%</td>
</tr>
<tr>
<td>Travel in-state (2)</td>
<td>$45,000</td>
<td>$3,570</td>
<td>$9,141</td>
<td>$5,448</td>
<td>$18,159</td>
<td>$11,409</td>
<td>$15,432</td>
<td>40%</td>
</tr>
<tr>
<td>Development/National Conferences (3)</td>
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<td>$0</td>
<td>$11,490</td>
<td>$7,140</td>
<td>$18,630</td>
<td>$16,542</td>
<td>$16,828</td>
<td>36%</td>
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<tr>
<td>Consultants</td>
<td>$2,500</td>
<td>$0</td>
<td>$2,500</td>
<td>$0</td>
<td>$2,500</td>
<td>$1,600</td>
<td>-$1,600</td>
<td>100%</td>
</tr>
<tr>
<td>Miscellaneous (4)</td>
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<td>$6,230</td>
<td>$12,891</td>
<td>$1,553</td>
<td>$20,674</td>
<td>$3,839</td>
<td>$18,900</td>
<td>48%</td>
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<tr>
<td>Chair Expense</td>
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<td>$0</td>
<td>$40</td>
<td>$466</td>
<td>$506</td>
<td>$1,424</td>
<td>$5,070</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$267,913</strong></td>
<td><strong>$24,855</strong></td>
<td><strong>$56,797</strong></td>
<td><strong>$37,693</strong></td>
<td><strong>$119,345</strong></td>
<td><strong>$83,761</strong></td>
<td><strong>$64,807</strong></td>
<td><strong>45%</strong></td>
</tr>
</tbody>
</table>

**Total:**  
$267,913  
$24,855  
$56,797  
$37,693  
$119,345  
$83,761  
$64,807  
45%

Notes:  
(1) Meeting expense includes rent, printing, food, postal/delivery, audio services.  
(2) Travel in-state includes mileage, meals, lodging, parking, in-state registration fees.  
(3) Development/national conferences includes registration fees, airfares, lodging, mileage, etc.  
(4) Miscellaneous includes copier, insurance, long distance, memberships, supplies, equipment and subscriptions.

*The Board of Trustees approved the FY 2008 Operating Budget on June 20, 2007.*
The Executive Committee will review a proposal for the Board of Trustees FY 2010 Operating Budget at their meeting on May 20, 2009. The proposal will be distributed at the meeting. The Executive Committee’s recommendation will be forwarded to the Board of Trustees for approval.