

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
BOARD OF TRUSTEES**

**Agenda Item Summary Sheet**

**Committee:** Finance, Facilities and Technology    **Date of Meeting:** July 21, 2009

**Agenda Item:** Update on Legislative and Policy Barriers

- Proposed Policy Change       Approvals Required by Policy       Other Approvals       Monitoring
- Information

**Cite policy requirement, or explain why item is on the Board agenda:** At the time the 2010-2011 biennial operating budget request was approved, the Board of Trustees expressed its commitment to seeking the removal of all possible legal and policy barriers that hamper the goal of colleges and universities providing a quality and competitive education to the learners of today. The purpose of this report is to provide the Finance, Facilities and Technology Committee with an update on the barriers discussions that have occurred over the past few months.

**Scheduled Presenter(s):**    Laura King, Vice Chancellor/Chief Financial Officer

**Outline of Key Points/Policy Issues:** A number of the identified barriers were addressed through the 2010-2011 operating budget decisions process. The Chancellor’s Cabinet is having discussions regarding other barriers such as reporting requirements/information requests; meeting venues; system leveraging such as purchasing, security, libraries; regional service centers; acceleration of processes such as new program approval and hiring; and credentialing.

**Background Information:** Each Leadership Council committee participated in a series of focused discussions to identify specific law, policy or contractual barriers that should be changed or eliminated. Each identified barrier was assigned to either a Leadership Council “lead” committee or to the Office of the Chancellor’s Cabinet to determine the course of action or resolution.

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MINNESOTA STATE COLLEGES AND UNIVERSITIES**

<b>INFORMATION ITEM</b>
<b>Update on Legislative and Policy Barriers</b>

**BACKGROUND**

At the time the 2010-2011 biennial operating budget request was approved, the Board of Trustees expressed its commitment to seeking the removal of all possible legal and policy barriers that hamper the goal of colleges and universities providing a quality and competitive education to the learners of today. The purpose of this report is to provide the Finance, Facilities and Technology Committee with an update on the barriers discussions that have occurred over the past few months.

**PROCESS**

A framework for 2010-2011 budget decisions was developed in late fall 2008 which provided guidance to the Chancellor, Cabinet, and Leadership Council as the System proceeded through the budget development process. Each Leadership Council committee participated in a series of focused discussions to identify specific law, policy or contractual barriers that should be changed or eliminated. Each identified barrier was assigned to either a Leadership Council “lead” committee or to the Office of the Chancellor’s Cabinet to determine the course of action or resolution.

**IDENTIFIED BARRIERS AND COURSE OF ACTION**

A number of the identified barriers were addressed through the 2010-2011 operating budget decisions process. Those barriers included:

- Reserves
  - Clarified when reserves can be utilized.
  - Guidance obtained from Board and Chancellor on the level of reserve usage.
- Tuition policy
  - Developed course/program differential tuition guidelines which provide basic requirements to be considered by colleges and universities when implementing differential course or program tuition rates.
  - Implemented a maximum dollar per student tuition rate change to begin to address the disparity that results in setting a maximum percentage increase.

- Allocation of state resources (“green sheet”)
  - On numerous occasions guidance and input were obtained from the Leadership Council and the Finance, Facilities, and Technology Committee of the Board regarding distribution of limited resources to the System’s priorities.
  - The Chancellor’s recommendation to the Board for the distribution of state resources generally followed the input and guidance received.
- 60/120 credit length limit
  - The Higher Education Omnibus Bill included language that temporarily exempts an associate of applied science degree from the 60-semester credit length limit.
- Early separation incentives
  - Legislation was enacted that allows the Board to develop and implement an early separation incentive program.

The Chancellor’s Cabinet is having discussions around the following barriers:

- Reporting requirements/information requests: review reporting requirements and timelines will the goal of streamlining, suspending, or eliminating reports/requests.
- Meeting venues: use of alternative meeting venues (i.e., conference calls, ITV, etc.).
- System leveraging such as purchasing, security, libraries, etc.
- Regional service centers: determine level of interest and identify functions/services that could be provided resulting in cost savings.
- Acceleration of processes such as new program approval and hiring.
- Credentialing: centralization versus decentralization of the activity

A number of identified barriers are tied to the collective bargaining process. Given the statutory requirement to bargain in good faith with the labor organizations who are the exclusive representatives of the various groups of employees, the process will require thoughtful preparation with a greater nexus between academic affairs and labor relations to address the changing methods of delivery and related efficiencies in higher education. While some significant strides were made in language changes in the 2007-2009 faculty collective bargaining agreements, other changes will take place over time as opposed to in any one bargaining session. With that in mind, long term strategic planning and resources to make technological strides in measuring total compensation and to increase the availability of training for campuses resulting in a greater understanding of the contractual language will move the System towards those goals.

*Date Presented to the Board: July 22, 2009*