

# MINNESOTA STATE COLLEGES AND UNIVERSITIES

## BOARD OF TRUSTEES MEETING MINUTES DECEMBER 7, 2005 WELLS FARGO PLACE ST. PAUL, MINNESOTA

**Trustees Present:** Robert Hoffman, Chair, Will Antell, Duane Benson, Michael Boulton, Cheryl Dickson, Ivan Dusek, Ruth Grendahl, Clarence Hightower, Carol Ley, Lew Moran, David Olson, Thomas Renier, Christopher Schultz and Ann Curme Shaw

**Trustees Absent:** David Paskach

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**1. Call to Order**

Chair Robert Hoffman called the meeting to order at 9:40 a.m.

**2. Chair's Report**

**a. Minutes of Board of Trustees Meeting of October 19, 2005**

As there were no corrections to the minutes, Chair Hoffman announced that the minutes stand approved as written.

**b. Minutes of Board of Trustees Retreat of November 8-9, 2005**

As there were no corrections to the minutes of the Board of Trustees Retreat, Chair Hoffman announced that the minutes stand approved as written.

**c. Presentation of Minnesota State Colleges and Universities Flag**

Chancellor McCormick reported that in October he attended the Minnesota State College Student Association's fall general assembly. At the meeting he was presented with a Minnesota State Colleges and Universities flag that was created by the students of Lake Superior College in cooperation with the student association.

Kathleen Nelson, president, Roger Johnson, student senate advisor, and Jori Davis, student senate president, Lake Superior College and Patrick Christner, president, Minnesota State College Student Association formally presented the flag to the Board of Trustees. Chair Hoffman accepted the flag on behalf of the Board of Trustees.

**d. State of Minnesota China Mission: Education Delegation**

Chair Hoffman reported that he and Trustee Ruth Grendahl, Senior Vice Chancellor Linda Baer, Presidents Kevin Kopishke and Richard Davenport and Chunsheng Zhang, Associate Vice President of International Studies, St. Cloud State University, were members of Governor Pawlenty's State of Minnesota China Mission Education Delegation. He stated that there is a sense of urgency to develop a partnership and to collaborate with China, whether it is with programs, faculty or students. He added that the technical education infrastructure in China is not developed and there are several opportunities to collaborate with China.

Trustee Grendahl noted that she had traveled to China nearly thirty years ago and remarked that there were not many significant changes since then. She stated that the interchange with China will be important to the United States economy in the future. She added that education is a primary concern to the people of China and that offers several opportunities for the system.

Senior Vice Chancellor Baer reported that she had traveled to China ten years ago and noted the number of automobiles versus bicycles. She added that the quality of life and development was noticeably higher. She stated that there was a meeting with the ministry of education in Beijing as well as the Vice Mayor of Beijing, who is responsible for education. She noted that there are three topical efforts: Mandarin as a second language, programs for aviation, auto mechanics and health care. She continued that there is a growing interest in manufacturing and environmental issues and that education and student/faculty exchange programs will continue to be a focus.

Chunsheng Zhang, Associate Vice President of International Studies, St. Cloud State University, thanked Chancellor McCormick and President Roy Saigo for the opportunity to participate in the delegation. He stated that educational opportunities are global wide and there is a need to deliver education to developing countries. He remarked that the system could become a leader in the State of Minnesota and possibly the country and be strategically positioned in the education market. He commented that China is a starting point with many global opportunities. He emphasized the need for collaboration of curriculum integration between the two and four year institutions.

Trustee Grendahl and Chair Hoffman commended Associate Vice President Zhang for his outstanding work and participation in the mission. Chair Hoffman commented that China faces several issues and for the system to be on the cutting edge it needs to maintain focus and resources. He remarked that intellectual property and visa processing are a few of the problems that need resolution. He complimented Governor Pawlenty and his staff for establishing the mission.

**e. Other**

Chair Hoffman reported that Vice Chair Ann Curme Shaw will lead an initiative to review and recommend changes to the Board's processes and structure, and to plan for a board assessment in November of next year. In addition to Vice Chair Shaw, the members of the Ad Hoc Committee on Board Development are Trustees Cheryl Dickson, Carol Ley, David Olson, David Paskach and Tom Renier. The first meeting will be on January 4, following the Executive Committee meeting.

Chair Hoffman thanked the Trustees who brought greetings to the students graduating in December. He congratulated Trustee Lew Moran and Vice Chancellor Ken Niemi on the acceptance of their roundtable proposal on "Information Technology for the 21<sup>st</sup> Century Learner" by the Association of Governing Board of Universities (AGB) and Colleges.

**3. Trustees' Reports**

Trustee Ivan Dusek reported that he attended Southwest Minnesota State University's production of *Macbeth*. He also attended a performance by Bemidji State University's Madrigal Singers. He remarked on the rich performing arts programs within the system.

Trustee Michael Boulton reported that he attended the Minnesota State University Student Association's (MSUSA) conference on December 2-4, in St. Cloud. At the conference he heard the perspective of several students in an extensive discussion regarding tuition and that the students would express their concerns at the upcoming Finance/Facilities FY 2007 Operating Budget Including Tuition and Fees hearing on December 7.

**4. Chancellor's Comments**

Chancellor McCormick welcomed and thanked the Board members, presidents, faculty and staff for their assistance and support.

Chancellor commented on the passing of Dr. Gerald Christenson, former Chair of the Minnesota Community College System and a Minnesota educator and leader. One of many of his legacies is the Alliss Grant. The Allis Grant provides a cost-free college class to Minnesota residents over age of 25 who have never attended college.

Chancellor McCormick recognized the contributions made by system representatives to the education delegation for the China Trade Mission. He thanked Chair Hoffman, Trustee Grendahl, Vice Chancellor Baer, Presidents Davenport and Kopishke, and Dr. Zhang of St. Cloud State University for representing the system. He noted that that the system presence was well recognized.

Chancellor reported that Trustee Antell and he have visited with six tribal chairs and plan to see all eleven bands in Minnesota as part of the American Indian higher education initiative to better serve underserved populations. He added that a team of office and college or university staff will follow-up with a visit to the educational leaders of each band. Implementation of the initiative will be primarily through the campuses, and he added that there are plans to convene a meeting of American Indian employees of the Minnesota State Colleges and Universities System.

Chancellor reported that Catherine McGlinch and he have completed visits to the Grotto Foundation, UPS, US Bank, Blandin Foundation, and the Minnesota Community Foundation. He noted the value of establishing relationships with the corporate and foundation leaders.

Chancellor reported that he attended the annual meeting of the Midwestern Higher Education Compact (MHEC) which marked the completion of his one-year term as Chair. MHEC is one of four regional state compacts designed to provide state policymakers and higher education leaders with information about the region and offers us opportunities to engage in collaborative purchasing of goods and services.

The meeting was also attended by Trustee Ruth Grendahl and over 100 Midwest delegates of legislators, governors, educators and business leaders. He stated that the need to continue to generate a thriving twenty-first century economy in the Midwest by linking P-16 education systems to workforce development efforts was addressed. This three-year collaborative policy initiative is being undertaken by MHEC, the Council of State Governments' Midwestern Legislative Conference, and the Midwestern Governors Association.

Chancellor commented that he had been reading about the life of Peter Drucker, who recently passed away. He commented that he had an incredible philosophy on life, the business world and organizational management. He quoted Mr. Drucker noting that his observations about organizations were that human beings tend to close out the outside. "Effective organizations should exist not to satisfy themselves, but to fill a customer need. Leaders have the duty to focus an organization on the outside in a way that continually refreshes what everyone is doing inside the company. Organizations should articulate a clear purpose with specific, measurable goals." Chancellor concluded his remarks thanking the Board members for their continued support.

**5. Joint Council of Student Associations**

**a. Minnesota State College Student Association**

Mr. Justin Klander, Executive Director and Mr. Patrick Christner, President, Minnesota State College Student Association (MSCSA), addressed the Board of Trustees.

**b. Minnesota State University Student Association**

Mr. Hal Kimball, State Chair, Minnesota State University Student Association (MSUSA), addressed the Board of Trustees.

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

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

Ms. Karen Foreman, President, American Federation of State, County, and Municipal Employees (AFSCME), addressed the Board of Trustees.

**b. Minnesota Association of Professional Employees**

Mr. Rick Nelson, Business Agent, Minnesota Association of Professional Employees (MAPE) addressed the Board of Trustees.

**c. Inter Faculty Organization**

Dr. Nancy Johnson Black, President, Inter Faculty Organization (IFO), addressed the Board of Trustees.

**7. Consent Agenda**

*All matters listed under Consent Agenda will be enacted by one motion in the form listed below. Any trustee may request that an item or items be removed from the Consent Agenda for independent consideration.*

There were no items for the Consent Agenda.

**8. Board Standing Committee Reports**

**a. Finance/Facilities Policy Committee, Clarence Hightower, Chair**

**(1) Finance/Facilities Division Update**

Committee Chair Clarence Hightower reported that the committee heard an update from Vice Chancellor Laura King on the Finance/Facilities Division.

**\* (2) Governor's Executive Order on Energy Conservation Measures**

Committee Chair Hightower reported that the Governor issued an executive order for conservation measures for state-owned buildings. This measure did not include the University of Minnesota or Minnesota State Colleges and Universities. The Finance/Facilities Committee is proposing that Minnesota State Colleges and Universities voluntarily comply.

*Committee Chair Hightower moved that Minnesota State Colleges and Universities and the student associations voluntarily agree to abide by the Governor's executive order providing for energy conservation measures for state-owned buildings. Trustee Grendahl seconded the motion.*

Trustee Duane Benson inquired as to whether the word "voluntarily" is appropriate. Committee Chair Hightower stated that as the Governor's order excluded Minnesota State Colleges and Universities the system would choose to voluntarily comply with the order. General Counsel Gail Olson commented that it is a matter of emphasis but the motion could state that the system is simply complying with the order.

Vice Chair Ann Curme Shaw requested clarification of the Governor's order. Associate Vice Chancellor Allan Johnson stated that the Governor's order directs state agencies to lower thermostats to 68 degrees fahrenheit and reduce consumption by ten percent over the next year. The order encouraged the University of Minnesota and the Minnesota State Colleges and Universities to establish strategies to lower energy consumption. He continued that the system could not adopt the order as far as temperature controls nor a specific energy reduction goal, but it could follow the intent and spirit of it to reduce energy consumption. He added that it would not be possible to adjust temperatures in residential halls due to temperature variances throughout the buildings.

General Counsel Olson advised the Board to state their intent in the motion. Trustee David Olson stated that in order to request supplemental funds for energy fuel costs from the legislature the Board should abide by the order and approve the motion as read. Vice Chair Shaw questioned the impact on classrooms and dormitories. Associate Vice Chancellor Johnson replied that it would difficult as the buildings do not have separate thermostats in each room. Trustee Dusek clarified that in the Governor's order the system is encouraged to lower energy costs not comply with the specifics directed to state agencies.

*Trustee Cheryl Dickson moved an amendment to the motion to remove the word "voluntarily." Trustee Benson seconded the amendment to the motion. The amendment to the motion carried unanimously.*

*Committee Chair Hightower moved that the Board of Trustees approves the following amended motion: Minnesota State Colleges and Universities and the student associations agree to abide by the Governor's executive order providing for energy conservation measures for state-owned buildings. The motion was seconded and carried unanimously.*

\* (3) **2006 Supplemental Operating Budget Request**

*Committee Chair Hightower moved that the Board of Trustees approves the 2006 Minnesota State Colleges and Universities supplemental operating budget request of \$28 million (\$10 million for significant fuel increases, \$15 million for critical infrastructure and security technologies, and \$3 million for Centers of Excellence in Biosciences) for transmittal to the Department of Finance and strongly urges the State of Minnesota to support the request. The Chancellor is requested to provide periodic updates on the progress of the budget through the executive and legislative branch review and approval process. Trustee Michael Boulton seconded.*

*Trustee Ruth Grendahl offered an amendment to the motion that the Board of Trustees approves a request of \$3.5 million dollars to launch a Center of Excellence for global innovation and a China initiative. Committee Chair Hightower seconded the amendment.*

Trustee Grendahl stated that the strategic priorities of the request are: to build the capacity and infrastructure to develop and deliver Chinese language instruction; to teach Chinese history and culture in the state colleges and universities and k-12 schools; position the system to become the global leader in customized training and targeted priority areas of curricular needed in the areas of aviation management and repair, automotive technology, home health care and manufacturing; to develop China exchange programs for students and faculty; and to build similar initiatives with strategic international partners and other countries critical to the future of Minnesota and other countries such as

Turkey and India.

Vice Chair Shaw questioned why this request was not presented at the time of the Centers of Excellence selection process. She noted that partnerships between two-year and four-year institutions are criteria for the approved Centers of Excellence, and she expressed concern that if the funding is approved who would make the allocation decisions and should there be another selection process for allocation of those funds? Trustee Grendahl stated that although it may not fit into the centers criteria, the request for funding is a high priority, and she offered to revise her amendment so that the funds would be for a global initiative.

Trustee Will Antell stated that he would not support the amendment. He commented that the initiative is worthy of consideration but he does not agree with acting on the request with such little time. Chair Hoffman stated that there is a point of precedence in moving forward with the initiative as the supplemental budget request must be submitted by December 7, to the Governor.

*Chair Hoffman called the question on the amendment to the motion as follows: The Board of Trustees approves a request for 3.5 million dollars to launch a global initiative. The motion carried with eight in favor (Trustees Benson, Boulton, Grendahl, Hightower, Ley, Moran, Olson and Renier) five opposed (Trustees Antell, Dickson, Dusek, Schultz and Vice Chair Shaw) and one absent (Trustee Paskach).*

*Chair Hoffman called the question on the main motion with the amendment. The motion carried with ten in favor: (Trustees: Benson, Boulton, Ivan Dusek, Grendahl, Hightower, Ley, Moran, Olson, Renier and Vice Chair Shaw) three opposed (Trustees Antell, Dickson and Schultz) and one absent (Trustee Paskach).*

- \* (4) **Amendments to Board Policies: 5.14 – Procurement and Contracts: 6.5 – Capital Program and 6.7 – Real Estate Transactions (Second Reading)**  
*Committee Chair Hightower moved that the Board of Trustees approves amending Board Policy 5.14, Procurement and Contracts, Board Policy 6.5, Capital Program Planning, and Board Policy 6.7, Real Estate Transactions. Trustee Grendahl seconded and the motion carried unanimously.*
- (5) **FY 2005 and FY 2004 Audited Financial Statements**  
Committee Chair Hightower reported that due to time constraints the FY 2005 and FY 2004 Audited Financial Statements were deferred to a future meeting.
- (6) **FY 2006 Capital Budget Update**  
Committee Chair Hightower reported that due to time constraints the FY 2006 Capital Budget Update was deferred to a future meeting.

**b. Diversity and Multiculturalism Committee, Will Antell, Chair**

**(1) Work Plan**

Committee Chair Antell reported that the committee heard a presentation on the work plan by Executive Director Whitney Harris that focused on data pertaining to recruitment, retention and success of underserved students.

**(2) Students' Demographic Report**

Committee Chair Antell reported that the committee heard a report on student demographics that illustrated changes in the percentage of students reported as race or ethnicity "unknown."

**(3) Report on American Indian Initiative**

Committee Chair Antell reported that he and Chancellor McCormick have met with leaders of the White Earth, Red Lake, Grand Portage, Mille Lacs Band of Ojibwe, Bois Forte and Upper Sioux tribal communities. He added that a proposed initiative will be presented to the Board in the winter of 2006.

**c. Technology Committee, Lew Moran, Chair**

**(1) Information Technology Update**

Committee member Michael Boulton reported that the committee heard an update from Vice Chancellor Ken Niemi on the Information Technology Division.

**(2) Minnesota Online Update**

Committee member Boulton reported that the committee heard an update on Minnesota Online that focused on the activities involved in the Digital Learning Project.

**(3) Enterprise IT Planning Update**

Committee member Boulton reported that the committee heard an update on the Enterprise IT Planning project activities and added that a draft report will be presented at the January meeting.

**d. Advancement Committee, Cheryl Dickson, Chair**

**(1) Advancement Update**

Committee Chair Cheryl Dickson reported that the committee heard an update by Executive Director Catherine McGlinch on notable new grants received.

- (2) **2005-2006 Marketing and Communications Plan**  
Committee Chair Dickson reported that the committee heard a presentation by Associate Vice Chancellor Linda Kohl on the 2005-2006 Marketing and Communications Plan. It is a detailed plan for the first year of the three-year integrated strategic communications plan.
  - (3) **Three-Year Integrated Strategic Marketing and Communications Plan**  
Committee Chair Dickson reported that the committee heard a presentation by Associate Vice Chancellor Manuel López on the Three-Year Integrated Strategic Marketing and Communications Plan. The plan was developed by the system's communications team and reviewed by the Leadership Council Advancement Committee.
  - (4) **Federal appropriations Agenda for Federal Fiscal Year 2007**  
Committee Chair Dickson reported that the committee heard a report by Director of Government Relations Mary Jacquart on the Federal Appropriations for Fiscal Year 2007. Twenty-eight initiatives were considered with a total of \$46.2 million dollars requested from the 2007 federal fiscal year budget.
  - (5) **State and Federal Updates**  
Committee Chair Dickson reported that the committee heard an update on State and Federal legislative issues. The information is in the board packet.
- e. **Educational Policy Committee, David Paskach, Chair**
- (1) **Academic and Student Affairs Update**  
Committee Vice Chair Duane Benson reported that the committee heard an update from Senior Vice Chancellor Linda Baer on the Academic and Student Affairs Division.
  - (2) **Strategic Plan Update**  
Committee Vice Chair Benson reported that the committee heard an update on the Strategic Plan. He thanked Senior Vice Chancellor Baer and everyone involved in the work of revising the system's strategic plan that is being finalized for adoption by the Board. He remarked that the plan will not only direct the Board but create a delivery system to the students.
  - \* (3) **Proposed Policy 3.32 College Faculty Credentialing to include repeal of Policies 3.9 Licensure of Faculty Requiring a License and 4.3 Designation of Assigned Fields/Designated Assignments and Minimum Qualifications for Faculty (Second Reading)**  
*Committee Vice Chair Benson moved that the Board of Trustees approves the Proposed Policy 3.32 College Faculty Credentialing effective July 1, 2006*

*and the repeal of Policies 3.9 Licensure of Faculty Requiring a License and the repeal of 4.3 Designation of Assigned Fields/Designated Assignments and Minimum Qualifications for Faculty effective July 1, 2006. Trustee Boulton seconded and the motion carried unanimously.*

- \* **(4) Proposed Amendment to Policy 3.1, Student Rights and Responsibilities (Second Reading)**  
*Committee Vice Chair Benson moved that the Board of Trustees approves the proposed amendment to Policy 3.1 Student Rights and Responsibilities. Vice Chair Shaw seconded and the motion carried unanimously.*
- \* **(5) Proposed Amendment to Policy 3.6, Student Conduct (Second Reading)**  
*Committee Vice Chair Benson moved that the Board of Trustees approves the proposed amendment to Policy 3.6 Student Conduct. Vice Chair Shaw seconded and the motion carried unanimously.*
- \* **(6) Proposed Amendment to Policy 3.8, Student Grievance (Second Reading)**  
*Committee Vice Chair Benson moved that the Board of Trustees approves the proposed amendment to Policy 3.8 Student Grievance. Vice Chair Shaw seconded and the motion carried unanimously.*
- (7) Centers of Excellence Update**  
Committee Vice Chair Benson reported that the committee heard an update on the Centers of Excellence that provided criteria and directions to identify and measure the goals for the Centers. The 2005 Minnesota Legislature designated \$10 million dollars over two years to the system to develop the Centers.

**f. Human Resources Policy Committee, Ivan Dusek, Chair**

- (1) Human Resources Update**  
Committee Chair Ivan Dusek reported that the committee heard an update from Vice Chancellor William Tschida on the Human Resources division.
- \* **(2) Approval of Inter Faculty Organization Bargaining Agreement**  
*Committee Chair Dusek moved that the Board of Trustees approve the terms of the 2005-2007 labor agreement with Minnesota State Colleges and Universities and the Inter Faculty Organization (IFO), and authorizes the Chancellor to sign the agreement on behalf of the Board. Trustee Grendahl seconded and the motion carried unanimously.*
- \* **(3) Approval of the Minnesota State University Association of Administrative and Service Faculty Bargaining Agreement**  
*Committee Chair Dusek moved that the Board of Trustees approves the terms of the 2005-2007 labor agreement with Minnesota State University*

*Association of Administrative and Service Faculty (MSUAASF), and authorizes the Chancellor to sign the agreement on behalf of the Board. Trustee Antell seconded and the motion carried unanimously.*

\* **(4) Approval of Chancellor's Salary**

*Committee Chair Dusek moved that the Board of Trustees approves a base salary increase of 3.75 percent for Chancellor James H. McCormick effective July 1, 2005, and authorizes the Board Chair to renegotiate the Employment Agreement with the Chancellor to: Extend his employment agreement for a period of up to 12 months beyond its current end date of July 31, 2008. Effective for the extension period in #1, above, provide a resignation notice period of not less than nine months nor greater than 12 months.*

*The Chancellor shall be eligible for severance benefits in accordance with the current agreement regardless of whether he chooses to extend his employment beyond July 31, 2008. Make modifications needed to implement the authorized changes. Trustee Benson seconded and the motion carried with one abstention: (Trustee Hightower).*

**(5) Demographic Report**

Committee Chair Dusek reported that the Demographic Report was included in the board packet as information.

**(6) Progress Report on Productivity**

Committee Chair Dusek reported that the committee heard a report on productivity from Lake Superior College President Kathleen Nelson, Dean of Planning and Institutional Effectiveness Sue Stenerson, System Director for Research Craig Schoenecker and Associate Vice Chancellor for Finance Judy Borgen. The report included a general overview of the types of data and productivity decisions engaged in by institutions representing the members of the Human Resources Committee of the Leadership Council, namely Riverland Community College, Minnesota State University Moorhead, Central Lakes College, Minnesota State College-Southeast Technical and Lake Superior College.

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

**10. Other Business**

**11. Adjournment**

Chair Hoffman adjourned the meeting by consensus at 12:08 p.m.

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Ingeborg K. Chapin  
Secretary to the Board