

MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD OF TRUSTEES MEETING MINUTES THURSDAY, JANUARY 20, 2005 WELLS FARGO PLACE ST. PAUL, MINNESOTA

Trustees Present: Robert Hoffman, Chair, Duane Benson, Tyler Despina, Cheryl Dickson, Ivan Dusek, Clarence Hightower, Vincent Ijioma, Lew Moran, David Olson, David Paskach, Ann Curme Shaw and Christopher Schultz

Trustees Absent: Will Antell, Mary Choate and Thomas Renier

1. Call to Order

Chair Robert Hoffman called the meeting to order at 12:50 p.m.

2. Chair's Report

a. Minutes of Board of Trustees Meeting - Major Topic Discussion of Wednesday, December 15, 2004

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

b. Minutes of Board of Trustees Meeting of Wednesday, December 15, 2004

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

c. Draft Minutes of Executive Committee Meeting of January 5, 2005

Chair Hoffman reported that the draft minutes of the Executive Committee meeting are included for information in the board packet.

d. Other

Chair Hoffman reported that he and Trustee Clarence Hightower, along with Chancellor McCormick and Vice Chancellor Laura King, testified at the House Higher Education Finance Committee meeting on Wednesday, January 19. An overview of the system and the Biennial Budget request were presented to the committee.

Chair Hoffman reminded the Board members that there were no regularly scheduled Board meetings in February. Instead, a Board Study Session will take place on February 8, at Metropolitan State University.

Chair Hoffman announced that the first of three public hearings on the FY 2006 Capital Budget is on February 23, at Anoka-Ramsey Community College in Cambridge.

3. Trustee Reports

Trustee Tyler Despina began a discussion regarding Governor Pawlenty's State of the State address. He requested that the Board and Chancellor McCormick pursue the idea of a proposed four-year university in Rochester. Following discussion, Trustee Clarence Hightower suggested that the issue be assigned to the Educational Policy and Finance/Facilities Committees for further insight.

Trustee Cheryl Dickson reported that she attended the Metro East and South Area Friends of MnSCU Breakfast at Inver Hills Community College on January 18. She commented on the good relationships and support between the presidents and the legislators.

Trustee Vincent Ijioma reported that he attended a grant signing ceremony between Normandale Community College and Hitchcock Industries at Normandale Community College on January 4. Chair Hoffman added that he also attended a grant signing ceremony between Normandale Community College and Taylor Corporation for a partnership project at the Taylor Corporation in Mankato on January 13.

4. Chancellor's Comments

a. Biannual Work Plan Progress Report

Chancellor McCormick reported on the Biannual Work Plan report of 2004-2005. An eight-page report was provided at the meeting, and he noted that the full in-depth report of the institutional responses is available upon request. Chancellor highlighted some of the points of the report.

- Enrollment of students of color increased 7.4 percent in the fall of 2004, compared to the fall of 2003.
- Students of color comprise 12.7 percent of the total system students.
- Enrollment of foreign national students decreased 10.7 percent for a variety of reasons.
- Gains have occurred among employees. Faculty and staff of color increased 7.7 percent.
- Colleges and universities have increased overall fundraising levels. Several examples are contained in the report.
- Online course offerings have increased over 286 percent and enrollments by 590 percent from fall of 2000 through fall of 2004.
- The number of programs available through online offering, from certificates to masters degrees, has increased 11 to 80 since fall of 2001. Thirty-four percent of the courses and 28 percent of the enrollment have occurred in the last year.
- Information Technology Services preliminary survey of 109 students at Minnesota West found that 85 percent of the students was comfortable with using Minnesota Online, and 84 percent would take another online course in the future.

Chancellor reported that the House Higher Education Committee met on Tuesday, January 19. He thanked Chair Hoffman and Trustee Hightower for their participation and also Vice Chancellor Laura King and Presidents Ken Peeders and Anne Weyandt. The proposed Biennial Budget was presented to the committee.

Chancellor noted several items in the Governor's State of the System address that relate to higher education for the State of Minnesota: the concept for Centers of Excellence; a board to develop a university in Rochester; an initiative to allow high school students to earn college credits in high school; and; he assigned the Director of the Higher Education Services Office (HESO) to create a plan to move Minnesota toward funding public higher education students, rather than the institutions.

Chancellor commented on the 2004 Citizens League Report on Higher Education in Minnesota. The Board of Trustees Major Topic was a discussion with the Citizens League Co-Chairs Rondi Erickson and Vance Opperman. He added that several recommendations of the report along with recommendations from Governor Pawlenty will be considered for the system's next work plan.

Chancellor stated that visits with the new legislators will resume. Individual meetings with the trustees and presidents have been completed, and planning has begun for the next system work plan.

5. Joint Council of Student Associations

a. Minnesota State College Student Association

Mr. Justin Pahl, President, Minnesota State College Student Association (MSCSA), addressed the Board of Trustees.

b. Minnesota State University Student Association

Mr. Brad Krasaway, 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, Local 638, 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, and Mr. Russ Stanton, Director of Government Relations, 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

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

*** (2) Office of the Chancellor Location Planning**

Committee Chair Hightower moved that the Board of Trustees authorizes the Chancellor or his designee to execute a lease agreement with Zeller Realty Group consistent with the terms outlined in the letter of intent between the two parties dated January 17, 2005, as summarized on Attachments A and B. Trustee Ivan Dusek seconded and the motion carried unanimously.

(3) FY 2004 Audited Financial Statements

Committee Chair Hightower reported that the committee heard an update on the FY 2004 Audited Financial Statements. He stated that the system's overall financial position improved slightly due to continued capital assets investments. Total improvement in capital net assets was approximately \$63 million dollars.

(4) College and University Operating Budget Trends

Committee Chair Hightower reported that the committee heard a report on College and University Budget Trends. With the current biennial budget, several scenarios were considered. The scenarios provided a basis for considering changes in revenue levels and the impact on funding per student. The purpose for the report was to initiate discussions on developing general budget parameters for the FY 2006 institutional operating budgets, including tuition.

(5) FY 2006-2011 Capital Budget Update

Committee Chair Hightower reported that due to time constraints the FY 2006-2011 Capital Budget Update was deferred. A technical advisory team has been established to score projects based on the capital budget guidelines. The FY 2006-2011 Capital Budget will be presented to the Board of Trustees in May for consideration and for approval at the June meeting. He announced that the Finance/Facilities Policy Committee's Capital Budget Public Hearings are on February 23, at Anoka-Ramsey Community College in Cambridge; March 2, at Minnesota State Colleges and Universities, Wells Fargo Place; and March 9 at Minnesota West Community and Technical College in Worthington.

b. Educational Policy Committee, David Paskach, Chair

(1) Academic and Student Affairs Update

Committee Chair David Paskach reported that the committee heard an update from Senior Vice Chancellor Linda Baer on the activities of the Academic and Student Affairs Division.

* **(2) Proposed Amendment to Policy 2.1, Campus Student Associations (Second Reading)**

Committee Chair Paskach moved that the Board of Trustees approves the amendment to Policy 2.1 Campus Student Associations. Trustee Ivan Dusek seconded and the motion carried unanimously.

* **(3) Proposed Amendment to Policy 3.7, Statewide Student Association (Second Reading)**

Committee Chair Paskach moved that the Board of Trustees approves the amendment to Policy 3.7, Statewide Student Association. Trustee Vincent Ijioma seconded and the motion carried unanimously.

* **(4) Proposed Policy 3.29, and Proposed Procedure 3.29.1 College and University Transcripts (Second Reading)**

Committee Chair Paskach moved that the Board of Trustees approves the new Policy 3.29, College and University Transcripts. Trustee Ivan Dusek seconded and the motion carried unanimously.

(5) Joint Report with the University of Minnesota on Metro Planning

Committee Chair Paskach reported that the committee heard a report by Senior Vice Chancellor Baer on the Joint Report with the University of Minnesota on Metro Planning. The report is submitted to the legislature as required by the Omnibus Higher Education Bill (S.F. 675), Article 1, Section 7, Subdivision 1. Topics on the report are: Coordination and duplication of programs; remedial and developmental education; credit transfer; and planning and delivery of coordinated programs. He noted that an in-depth report is available upon request.

(6) Course Redesign Initiative

Committee Chair Paskach reported that the committee heard a report from Senior Vice Chancellor Baer on the Course Redesign Initiative, an outgrowth of Dr. Carol A. Twigg's presentation on transformational learning to the Board at the December 15, 2004, meeting. Steps were outlined to develop and draft a preliminary "pilot" project and model for consideration by Minnesota State Colleges and Universities constituents.

(7) Course Applicability System (CAS) Report

Committee Chair Paskach reported that the committee heard a report from Senior Vice Chancellor Baer on the Course Applicability System (CAS). The report provides a review of the progress made to improve transfer information given to students and provides a new approach to learning taking into consideration technology.

(8) System Level Accountability Framework: Report to the Legislature

Committee Chair Paskach reported that the committee heard a report from Senior Vice Chancellor Baer on the System Level Accountability Framework: Report to the Legislature. The report was the first to include the Board's accountability measures in addition to the five legislative measures.

c. Advancement Committee, Cheryl Dickson, Chair

(1) Communications Plan Update

Committee Chair Cheryl Dickson reported that the committee heard an update from Associate Vice Chancellor Manuel López on the integrated communications plan. She noted that several meetings have occurred and communications within the system have improved.

(2) Overview of Systemwide Development

Committee Chair Dickson reported that the committee heard an overview of systemwide development from Executive Director Catherine McGlinch. The report featured fundraising and alumni activity throughout the system. Committee Chair Dickson noted the progress made by the colleges and universities.

(3) Gifts and Grants Report FY 2004

Committee Chair Dickson reported that the committee heard a report on gifts and grants for fiscal year 2004 from Executive Director McGlinch. The report included all gifts and grants received with a value in excess of \$5000. Foundation reports also were included in the report. Gifts and grants increased by 9.3 percent compared to fiscal year 2003.

(4) State and Federal Legislative Update

Committee Chair Dickson reported that the committee heard a State and Federal legislative update from Deputy to the Chancellor John Ostrem. The update provided a progress report on the early activities at the state legislature and congress. She noted that several Trustees would attend the Association of Community College Trustees (ACCT) National Legislative Summit in Washington, DC, February 13-16.

(5) 2005 Session Presentation

Committee Chair Dickson reported that the committee heard a communications update on the 2005 session from Associate Vice Chancellor Linda Kohl. The 2004-2005 communication plan calls for establishing a speakers' bureau of trustees, presidents and others who are willing to make presentations to various associations and organizations across Minnesota. A toolkit, available for trustees and others to use in making presentations to groups, includes talking points on several issues, fact sheets and the system's key messages.

d. Audit Committee, Ann Curme Shaw, Chair

*** (1) Plan to Contract with Certified Public Accounting Firms and the Legislative Auditor for Fiscal Year 2005 Audits**

Committee Chair Ann Curme moved that the Board of Trustees endorses the recommendations offered by the Executive Director of Internal Auditing and Vice Chancellor – Chief Financial Officer regarding a strategic plan for external audits. It further authorizes the Executive Director of Internal Auditing and Vice Chancellor – Chief Financial Officer to take the following steps:

- *Initiate a competitive bidding process to select external auditors for Bemidji State University, Minnesota State University, Mankato, Minnesota State University Moorhead, St. Cloud State University, Winona State University, Minnesota State Community and Technical College and Northwest Technical College – Bemidji for fiscal years 2005 to 2007.*
- *Contract with the Legislative Auditor to test internal controls and finance-related legal compliance at two-year colleges, perform information technology audits, and conduct the assurance work on state systems that is necessary to support the external auditors responsible for the fiscal year 2005 financial statement audits.*

Trustee Cheryl Dickson seconded and the motion carried unanimously.

*** (2) Audit Committee Implications from the Sarbanes-Oxley Act**

Committee Chair Shaw reported that the committee heard a report from Executive Director John Asmussen on the Sarbanes-Oxley Act. The report highlighted potential changes to board policies that the Audit Committee may choose to pursue. Recommendations will be presented to the committee at future meetings.

e. Technology Committee, Lew Moran, Chair

(1) Information Technology Update

Committee Chair Lew Moran reported that the committee heard an update from Vice Chancellor Ken Niemi on the current issues and work related to Information Technology.

(2) Information Technology Services Accountability Overview

Committee Chair Moran reported that the committee heard an overview from Associate Vice Chancellor John O'Brien on the Information Technology Services Accountability. A user satisfaction survey of over 400 people showed results of satisfaction.

9. Requests by Individuals to Address the Board

10. Other Business

There was no other business to come before the Board.

11. Adjournment

Chair Hoffman adjourned the meeting by consensus at 2:40 p.m.

Ingeborg K. Chapin
Board Secretary