

# MINNESOTA STATE COLLEGES AND UNIVERSITIES

## BOARD OF TRUSTEES MEETING MINUTES

JULY 20, 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, David Paskach, Thomas Renier and Christopher Schultz

**Trustees Absent:** Ann Curme Shaw

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### 1. Call to Order

Chair Robert Hoffman called the meeting to order at 1:05 p.m.

Chair Hoffman introduced and welcomed newly appointed Trustee Michael Boulton to the meeting. Trustee Boulton replaces Tyler Despins as a State University student representative on the Board of Trustees.

Chair Hoffman welcomed Mr. Rod Searle and his spouse Ruth, to the meeting. Mr. Searle is a past chair of the Higher Education Board and a past president of the State University Board. He served on the Minnesota House of Representatives from 1957 through 1980 and was Speaker of the House in 1979. Altogether, Mr. Searle served twelve terms in the House of Representatives. He was selected by Governor Arne Carlson to the Higher Education Board and was elected Chair at the first meeting. He implemented a process to select the system's first acting interim chancellor, Dr. Mary Reider of Winona State University.

He authored a best selling book entitled *Minnesota Standoff: The Politics of Deadlock* in 1990. Mr. Searle is an active supporter of Minnesota State University, Mankato; he is a board member of the Waseca County Historical Society; and he is well known in the Waseca community as a "tree farmer."

Mr. Searle spoke of his career in the legislature and reflected on his experiences in education. He remarked on the several individuals he had the opportunity to work with throughout his career. He concluded his comments with a quote by William Shakespeare: "The friends thou hast, and their adoption tried, grapple them to thy soul with hoops of steel, but do not dull thy palm with entertainment of each new-hatched unfledged comrade."

### 2. Chair's Report

#### a. Minutes of Board of Trustees Meeting of June 15, 2005

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

**b. Draft Minutes of Executive Committee Meeting of July 6, 2005**

Chair Hoffman reported that the draft minutes of the Executive Committee meeting are presented as information.

\* **c. Election of Officers**

The three offices up for election were chair, vice chair and treasurer. In addition to the slate of candidates, nominations could be made from the floor. Nominations do not require a second.

**Chair**

Trustee Cheryl Dickson announced that the candidate for the position of chair is Trustee Robert Hoffman. Trustee Dickson called for any other nominations. There were none. Trustee Dickson declared that the nominations were closed.

*Trustee Dickson moved to elect Trustee Robert Hoffman as chair. The motion carried unanimously, and Trustee Dickson declared that Trustee Hoffman was re-elected as chair, effective August 1, 2005.*

**Vice Chair**

Chair Hoffman announced that the candidate for the position of vice chair is Trustee Ann Curme Shaw. Chair Hoffman called for any other nominations. There were none. Chair Hoffman declared that the nominations were closed.

*Chair Hoffman moved to elect Trustee Ann Curme Shaw as vice chair. The motion carried unanimously, and Chair Hoffman declared that Trustee Curme Shaw was re-elected as vice chair, effective August 1, 2005.*

**Treasurer**

Chair Hoffman announced that the candidate for the position of treasurer is Trustee Cheryl Dickson. Chair Hoffman called for any other nominations. There were none. Chair Hoffman declared that the nominations were closed.

*Chair Hoffman moved to elect Trustee Cheryl Dickson as treasurer. The motion carried unanimously, and Chair Hoffman declared that Trustee Dickson was re-elected as treasurer, effective August 1, 2005.*

\* **d. Proposed FY 2006-2007 Board Meeting Calendar**

Chair Hoffman reviewed the calendar dates and announced that a Board retreat is scheduled on November 8-9, 2005. The December 2005, meeting dates were changed to December 6-7, with a hearing on the Fiscal Year 2007 Operating Budget following the Board meeting on December 7. The annual meeting is scheduled on July 18-19, 2006.

*Trustee David Olson moved that the Board of Trustees adopts the Fiscal Year 2006-2007 Board Meeting Calendar as presented. Trustee Ruth Grendahl seconded and the motion carried unanimously.*

**3. Trustees' Reports**

There were no Trustee reports.

**4. Chancellor's Comments**

Chancellor McCormick welcomed Trustee Michael Boulton to the meeting. He recognized Mr. and Mrs. Searle, noting their contributions to public education. He also recognized the following individuals present at the meeting: President Judith Ramaley, Winona State University; President Ann Valentine, Minnesota State Community and Technical College; Interim President Ronald Kraft, Hennepin Technical College; and Dr. Whitney Harris, Executive Director, Diversity and Multiculturalism.

Chancellor congratulated Chair Hoffman for his appointment by Governor Pawlenty to the Rochester Higher Education Development Committee. He added that Trustee *Emeritus* Michael Vekich also was appointed to the committee.

**a. Biannual Work Plan Progress Report**

Chancellor referred to pages 17 through 29 of the 2004-2005 Biannual Work Plan Progress Report and summarized a few of the on-going commitments listed in the report.

- *Enhancing diversity*

As noted in the Chancellor's progress report to the Board of Trustees at the June 15, 2004, meeting, the number of students of color increased by a larger percentage (47.5 percent) than total enrollment (10.1 percent) between fall 2000 and fall 2004.

Overall, the percentage of students of color increased from 9.7 percent in fall 2000, to 12.5 percent in fall 2004. The reported increase is the result of an increase in the number of students of color enrolled and in the number of students of color reporting their race-ethnicity.

As indicated in the June progress report, the diversity of faculty and staff has increased slightly in the past year.

- *Enhancing educational programs and services*

The colleges and universities are engaged in educational innovation and change to improve educational quality and to respond to new needs and expectations. These innovations range from revisions to Web sites in order to meet the extensive learning support needs of students to formal plans for student learning assessment to tribal college collaborations to enhanced learning opportunities to incorporating civic engagement activities to the curriculum.

Chancellor McCormick reviewed some of the results of the Priorities for Academic Year 2004-2005.

- *Strengthen the system's ability to respond to the changing needs of students and Minnesota communities*  
The system's educational offerings continue to be dynamic. Over the past two years, the system has created 527 new programs to meet demand, redesigned 1,401 programs and closed or suspended 603 programs to reallocate resources to higher priority programs.
- *Fully develop and launch Minnesota Online*  
The system has continued growth in online programs and services. More than 3,500 course sections, approximately 100 programs, are now offered predominately online. In 2004, more than 25,000 students took online courses, a two-thousand fold increase. By the end of 2005, the *Desire 2Learn* Web site had over one billion hits.
- *Building community relationships*  
The system continues to be the major recipient of the Minnesota Job Skills Partnership training grants. In early July, an announcement was made that thirteen institutions were awarded twenty-three grants amounting to approximately \$4 million dollars. A total of \$13 million dollars has been awarded to the system totaling 93 percent of the total grant dollars awarded.

The Business Practices Alignment Committee continued progress, evaluating approximately thirty accounts receivable and billing issues that effect existing policies and procedures or required new procedures. The committee proposed revisions to multiple policies and procedures and were distributed to the student organizations.

- *Strengthening communications*  
There has been significant progress toward the objectives of the communications plan. Chancellor recognized and thanked Committee Chair Dickson and the presidents involved for their commitment to the objectives of the plan.

\* **b. Minnesota State Colleges and Universities Annual Work Plan 2005-2006 (Second Reading)**

Chancellor McCormick reported that he met individually with the Trustees for their ideas and thoughts related to the 2005-2006 Work Plan. He also met with the presidents, leadership of the faculty, staff and student organizations. Emerging from the discussions is a draft plan that was presented as a first reading at the June meeting.

Chancellor commented that the plan is significantly different from the previous plans and repositions the initiatives for success into the next three years. The five focus areas of the plan and the goals that have been established for each area follow:

Focus Area 1: Revenue

- Develop a sustainable financial model that will allow the system to meet the educational needs of the state, maintain quality and accessibility and advance the system's strategic directions.
- Begin to implement strategies to expand support from the legislature, corporations and business, foundations and citizen groups.

Focus Area 2: Productivity

- Examine goals, objectives and strategies to assure better management of expenses and increased productivity.
- Focus further attention on the development of key measures in the System-level Accountability Framework.
- Make significant progress to create a seamless system on the basis of Business Practice Alignment improvements.

Focus Area 3: Centers of Excellence

- Initiate a process to identify distinct programs and partnerships among colleges and universities.
- Position the system to attract faculty, respond to business and industry needs, and define and develop exceptional programs.
- Develop a process to select three to eight centers.

Focus Area 4: Strategic Planning

- Support the ad hoc work group of the Board of Trustees to review the existing strategic plan; reaffirm/revise the system's vision, mission and purpose statements; and assess the system's and institutions' roles in economic development.

Focus Area 5: Serving the Underrepresented

- As demographics change, Minnesota State Colleges and Universities must affirm its mission and commitment to serve underrepresented populations and maintain educational access for Minnesotans.
- Implement the Diversity Task Force plan to assure access and maximize opportunities for students in underrepresented populations.

- Create a standing committee on diversity in the Leadership Council.

*Trustee Will Antell moved that the Board of Trustees approve the Minnesota State Colleges and Universities Annual Work Plan 2005-2006 submitted by Chancellor James H. McCormick. Trustee Thomas Renier seconded and the motion carried unanimously.*

**5. Joint Council of Student Associations**

**a. Minnesota State College Student Association**

Ms. Amy Bothun, Treasurer, Mr. Patrick Christener, President, and Mr. Brent Glass, Executive Director, Minnesota State College Student Association (MSCSA), addressed the Board of Trustees.

**b. Minnesota State University Student Association**

Mr. Hal Kimball, State Chair, and Mr. Travis Reese, Vice 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 State University Association of Administrative and Service Faculty**

Mr. John Ferden, President, Minnesota State University Association of Administrative and Service Faculty (MSUAASF), provided a written update to the Board of Trustees.

**c. Inter Faculty Organization**

Dr. Nancy Johnson Black, President, and Mr. Russ Stanton, Legislative 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 agenda items on 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) **FY 2006 Operating Budget and FY 2007 Outlook (Second Reading)**

*Committee Chair Hightower moved that the Board of Trustees*

*1. Adopt the annual total operating budget and general fund budget for FY 2006 in revised tables 3 and 4, attached.*

*2. Approve the proposed tuition structure recommendations for FY 2006 as detailed on revised attachment 1A through 1D. The percentage impact of resident tuition rates represents the maximum amount that can be applied to other tuition rates charged by the institution not impacted by reciprocity agreements such as nonresident and off campus rates.*

*The tuition increase is effective Summer Session or Fall Semester, 2005 at the discretion of the president. The chancellor is authorized to approve tuition structures for new courses or programs proposed after this date and is requested to incorporate any approvals at the time FY 2007 tuition recommendations are presented to the Board. The Board continues the policy of market-driven tuition for closed enrollment courses, customized training, non-credit instruction, continuing education, distance learning and contract postsecondary enrollment option programs.*

*3. Approve the colleges' and universities' participation in the non-resident tuition waiver pilot program as outlined in attachment 2.*

*4. Approve the distribution of the legislative initiative funds as outlined in the recommendation contained in attachment 3.*

*Trustee Will Antell seconded the motion.*

Committee Chair Hightower stated two public hearings were held for the Board to hear testimonies regarding the Fiscal Year 2006 Operating Budget. He added that the committee had a lengthy discussion and that there are continued differences of opinion. He noted that he feels the motion is the best possible solution and that it would increase tuition across the system 6.1 percent. He commented that the increase sends a powerful message across the state acknowledging the \$107 million dollars appropriated by the legislature.

He continued that it would also acknowledge sacrifices made by the students for past tuition increases and expressed that it places the presidents in difficult financial circumstances. He added that they will need to possibly shelve projects and dig deeper into their reserves.

Committee Chair Hightower stated that with inflation in the 2 to 3 percent range, the 6.1 percent tuition increase is fair. He noted that during the committee meeting several Trustees voiced their opinion and suggestions. He commented that Trustee Cheryl Dickson reminded the Board to focus on the absolute

numbers as opposed to focusing on the percentages. He added that Trustee Duane Benson requested that the Board not view the increase as a discourager of innovation and creativity, and he additionally challenged the Board to not let it encourage mediocrity or complacency. Committee Chair Hightower concluded his comments stating that the motion is the right one for the Board to consider at this time.

Trustee Lew Moran questioned if the motion would allow each institution to set tuition based on its needs. Committee Chair Hightower clarified, stating that each institution is allowed to set tuition up to seven percent.

*Chair Hoffman called the question. The motion carried unanimously.*

*Trustee Benson offered a motion to allow Winona State University to increase FY 2006 tuition by up to 9 % over FY 2005 approved rates. Trustee Clarence Hightower seconded.*

Trustee Benson thanked Committee Chair Hightower for his patience and discussions regarding the FY 2006 Operating Budget. He explained that an additional two percent would allow Winona State University a healthier start for the “New University” and it would encourage innovation and creativity. Trustee Benson stated that there is a system-wide responsibility for higher education and autonomy for the individual institutions.

Trustee Benson quoted Chair Hoffman from a speaking engagement at Winona State University stating that “knowledge doubles every sixteen months.” Trustee Benson commented that the system may not be ready for those changes and to encourage creativity there must be self autonomy to the institutions. He stated that Winona State University has done much research and development but needs the venture capital. He acknowledged that there should have been clearer definition and a better consultation process with the students. He added that there is a risk with market forces and some students may leave, but with that, others may be interested in coming to the institution.

Committee Chair Hightower thanked Trustee Benson for keeping the motion separate from the tuition vote as they are two separate issues. He expressed that he has tremendous concerns after listening to the many testimonies at the public hearings and he commented that Winona State University did not have a good process in place and that was it was not collaborative, nor inclusive of the students.

Trustee Lew Moran added that to single out an institution opens the opportunity of singling out each institution. He expressed that he would be opposed the motion.

Trustee Benson stated that he hoped that the outcome would be to have a baseline followed by a series of proposals from the institutions.

Trustee Will Antell spoke against the motion adding that the Board has given two percent beyond what was asked for, and it places the burden back onto the students.

Trustee David Paskach stated that he supports innovation and creativity; however, in a time of shrinking financial support from the government and with the competing need for dollars, he would not define innovation and creativity by spending ten percent additional tuition dollars on top of the \$107 million dollars appropriated by the legislature. He added that innovation is finding ways to deliver the products and services at a much lower cost and that the \$107 million plus the tuition increase is more than enough.

Trustee Thomas Renier stated that approving the additional two percent would send a message to the other institutions, adding that they also have several innovative ideas and are extremely entrepreneurial. He added that he would not support the amendment, and commented that with the seven percent, they will reach their goal if there is a will of the community, the institution and its students.

Trustee Michael Boulton commented that allowing an additional two percent to one institution is contradictory as the Board is not approving the concept of the "New University" and yet would approve an additional increase to fund it. He added that he would not support the amendment.

Trustee David Olson stated that it does not inhibit the presidents of the other institutions but sends a message that they have autonomy. He stated that he would prefer to hear from President Ramaley as to how the additional dollars would be spent. Chair Hoffman explained that the issue of the objectives and how the dollars are to be spent is a separate issue that should have previously been addressed and discussed at the committee and that the Board is to vote on the policy.

Trustee Moran agreed adding that it is an issue about the policy and that he is more interested in the deviation from the policy. He added that he would not be swayed by the information of how it would be spent as each and every institution could also make a compelling case.

Trustee Ivan Dusek stated that although he is in favor of a fund that encourages innovation, he would not support such a fund that would increase the tuition of the students.

Trustee Boulton added that the Board is voting whether to allow the additional appropriation to the university and not how it shall be applied.

Trustee Dickson stated that she would vote against the motion and added that there have been several presentations of remarkable innovations by the institutions and that deviating from the agreed upon cap to allow more to one university would be a mistake.

Trustee Benson questioned whether there should be an innovation fund noting that with no additional dollars from the legislature, an initiative fund may be a good idea.

*Chair Hoffman called the question and the motion failed with three in favor, (Trustees Duane Benson, David Olson and Christopher Schultz), and ten opposed (Trustees Will Antell, Michael Boulton, Cheryl Dickson, Ivan Dusek, Ruth Grendahl, Clarence Hightower, Carol Ley, Lew Moran, David Paskach and Thomas Renier), and one absent: (Trustee Ann Curme Shaw.)*

\* **(3) Proposed Amendments to Board Policy 5.11 Tuition and Fees and Board Policy 5.12 Refunds, Withdrawals and Waivers (Second Reading)**

*Trustee Thomas Renier moved that the Board of Trustees approves the amendments in Board Policies 5.11 and 5.12 as noted in revised Attachment A, attached. Trustee Duane Benson seconded.*

Committee Chair Hightower noted that there are issues concerning procedures and requested the Board approve the motion noting that the Vice Chancellor King will guide the committee through the procedures.

Trustee Antell inquired if there is a conflict between the proposed policy and the action that has occurred and asked for clarification. General Counsel Gail Olson replied that the students were concerned about changes in three fees, and that the proposed policy change would shift two optional fees into mandatory fees. She added that it is not inconsistent or required in the statutes. Vice Chancellor King replied that there is no change from the first reading of the proposed policy changes. Committee Chair Hightower stated that the issue is to understand the procedures as they develop.

Trustee Antell inquired if the policy is adopted and the procedures are established, will there still be a tension with the position of the students? Vice Chancellor King stated that the students concern is not with the policy but at the procedure level and the students, as well as the Board, would be kept abreast of the procedures as they develop.

Chancellor McCormick stated that thirty items have been identified with the business practices group and that there has been much consultation. He added that the change involved has been difficult and becoming efficient is the goal. He added that in the provisions there is an opportunity for the students with special circumstances and added that to accommodate the students concerns allows an opportunity to bring to the students again.

*The motion carried with one opposed (Trustee Michael Boulton.)*

*Committee Chair Clarence Hightower moved that the Board of Trustees approves the changes in Board Policies 5.11 and 5.12 to be effective in FY 2006 and 2007 as noted below:*

*Effective August 15, 2007, Policy 5.11 Part 3, Subpart A, line 2 is amended by deleting “three” and inserting “five”; line 3 is amended by inserting “late fee, payment plan fee” after “parking fee”.*

*Effective August 15, 2007, Policy 5.11 Part 3, Subpart B is amended by deleting “late fee and payment plan fee” from the list of authorized Optional Fees.*

*Effective August 15, 2006, Policy 5.12 Part 2, Subpart A, line 14 is amended by deleting “may” after “universities” and inserting “shall”.*

*Effective August 15, 2006, Policy 5.12 Part 2, Subpart B, line 31 is amended by inserting after “date” the phrase “provided the minimum first payment amount is paid as defined in procedure 5.12.5”.*

*Effective August 15, 2007, Policy 5.12 Part 2, Subpart B, line 33 is amended by deleting “may” after “universities” and inserting “shall”; on line 34 after “fee” inserting “for internal payment plans”.*

*Trustee Duane Benson seconded and the motion carried with one opposed (Trustee Michael Boulton.)*

**(4) Revenue Fund Bond Sale**

Committee Chair Hightower reported that the committee heard a report from Associate Vice Chancellor Allan Johnson on the Revenue Fund Bond Sale. He stated that bonds would be sold in October for project requests for Minnesota State University, Mankato, St. Cloud State University and Winona State University. This will be an action item at the September meeting.

**(5) Revenue Model Project Update**

Committee Chair Hightower reported that the committee heard an update from System Budget Director Patrick Opatz on the Revenue Model Project. He added that this will be an item for discussion in September.

**b. 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) Appointment of Interim President of Central Lakes College**

Chancellor McCormick stated that Joseph C. Birmingham, president of Central Lakes College, submitted his resignation as president of Central Lakes College on June 16, 2005, to become the next president of Weatherford College in Weatherford, Texas. His last day of employment with Minnesota State Colleges and Universities will be July 22, 2005. A presidential search will begin this fall. Chancellor McCormick and Vice Chancellor Tschida have conferred with the president and others to get feedback for possible candidates to serve as interim president. Chancellor McCormick recommends Dr. Joseph P. Opatz as interim president of Central Lakes College.

*Committee Chair Dusek moved that the Board of Trustees approves the recommendation of Chancellor McCormick to appoint Joseph P. Opatz as interim president of Central Lakes College effective July 23, 2005, and authorizes the Chancellor to negotiate an employment agreement in consultation with the Chair of the Board and Chair of the Human Resources Policy Committee in accordance with the terms and conditions of the Personnel Plan for Minnesota State Colleges and Universities Administrators. Trustee Ruth Grendahl seconded and the motion carried unanimously.*

Dr. Opatz stated that he was honored to accept the position as Interim President and recognized his spouse Pamela for her support. He added that much of his interest is in higher education and that he is excited for the opportunity to serve Chancellor McCormick and the Board and to begin his new role as Interim President of Central Lakes College.

**(3) Recognition of Years of Service as President**

Committee Chair Dusek reported that the committee heard a presentation from Vice Chancellor Tschida on the Recognition of Years of Service as President. Certificates were presented in recognition for their service as president to: Sharon Grossbach, recently retired with ten years at Hennepin Technical College; Orley Gunderson for 25 years at Northland Community and Technical College; Donovan Schwichtenberg for 15 years at Saint Paul College; Joseph Sertich for ten years in the Northeast Higher Education District; and Donald Supalla for ten years at Rochester Community and Technical College.

**(4) Demographic Report**

Committee Chair Dusek reported that the committee heard a demographic report from Vice Chancellor Tschida. The report showed that Minnesota State Colleges and Universities is the largest employer with thirty-six percent of the State of Minnesota's workforce.

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

**(1) Advancement Update**

Committee Chair Cheryl Dickson reported that the committee heard an update from Associate Vice Chancellor Linda Kohl on several new publications, and she provided information regarding the exhibit at the State Fair. Committee Chair Dickson also reported on a \$250,000 grant from The Schwan Food Company to Southwest Minnesota State University.

**(2) Display Areas in Wells Fargo Place**

Committee Chair Dickson reported that the committee heard a report on the new display areas within Wells Fargo Place to make the system more visible.

**(3) 2006 Capital Budget Request - Legislative Planning**

Committee Chair Dickson reported that the committee heard a report from Deputy to the Chancellor John Ostrem and Associate Vice Chancellor Allan Johnson on the 2006 Capital Budget legislative strategy.

**(4) Promotion of Minnesota Online**

Committee Chair Dickson reported that the committee heard a report from Associate Vice Chancellor Kohl on the efforts to promote Minnesota Online.

**(5) Leadership Council Advancement Committee Plans for 2006**

Committee Chair Dickson reported that the committee heard a report from President Jon Quistgaard on the Leadership Council Advancement Committee work plan for the 2005-2006 academic year.

**d. 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 Academic and Student Affairs Division.

**(2) Centers of Excellence**

Committee Chair Paskach reported that the committee heard a report from Senior Vice Chancellor Baer on the Centers of Excellence. He stated that the process began before the legislation was finalized with the requests for interest. Fifty-three requests were submitted on a broad range of subject areas.

The top subject areas were healthcare, bio-science, manufacturing and business and technology. The legislature awarded \$10 million dollars for two years at \$5 million per year and did not specify particular areas for the Centers, but did specify criteria for the initiative funding to the institutions.

Committee Chair Paskach stated that the Board received additional guidance in a letter from Governor Pawlenty recognizing that the system had received one-half of the Governor's proposal, which necessitated keeping the total number of Centers to no more than four.

Committee Chair Paskach stated that through the consultation process which included the Leadership Council, four areas were recommended in the areas of manufacturing and engineering, bioscience, healthcare and business technology. He added that a request for a proposal process will begin to move forward as early as October, 2005. He stated that the committee had a lengthy discussion on the selection of the center areas. He added that the committee agreed to seek proposals on five subject areas that will include a teacher center as a possible center of excellence. He added that if a teacher center is not funded as a center other funding will be sought.

**(3) Campus Profile: Minnesota State University Moorhead**

Committee Chair Paskach reported that the committee heard a presentation from President Roland Barden and Senior Vice Chancellor Baer on Minnesota State University Moorhead's campus profile.

Committee Chair Paskach reported that the focus on collaboration makes the university a great success. He added that the Board needs a better understanding of collaboration among the regional institutions. Committee Chair Paskach wished to publicly thank President Barden and his staff on the excellent presentation and their work at the institution.

**e. Joint Meeting of the Educational Policy and Technology Committees,**

*David Paskach and Lew Moran, Co-Chairs*

**(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) 21<sup>st</sup> Century Learner Discussion**

Committee Chair Moran reported that the committee heard a presentation from Senior Vice Chancellor Baer on the 21<sup>st</sup> Century Learner. He stated that the presentation highlighted the current and future needs of students and how the system is responding. He added that ten percent of the student population now takes courses online.

The presentation complements some of the planning initiatives that are being pursued by the Minnesota Online. Committee Chair Moran reported that a new effort has been established to better understand the implications of technology in terms of curriculum, integration in the business practices and the cost model. Vice Chancellor King and Vice Chancellor Niemi will lead a taskforce and a report will be presented to the committee that will address the technology demands of the future within the next six months.

**(3) MN Online Update**

Committee Chair Moran reported that due to time constraints, the committee deferred the MN Online Update to the September meeting.

**f. Ad Hoc Work Group on Strategic Planning, David Paskach, Chair**

**(1) Choose Final Vision and Mission Statements, Discuss Foundational Process and Key Strategic Goals**

David Paskach, chair of the Ad Hoc Work Group on Strategic Planning, reviewed the Strategic Plan and stated that the plan is on schedule and that a draft plan will be presented in the fall, with final approval to the Board in early 2006. The group also reviewed the mission which will not change considerably from the current mission. He added that the group also began a process of combining guiding principals and a fundamental process that will become one set of guiding principals which will be part of goal setting and annual planning.

The work group also reviewed the strategic direction and environmental assumptions. The group identified several key assumptions that will be consolidated into five general assumptions as a guide in moving forward. He noted that the group will focus on the strategic directions and goals at the September meeting. He stated that the Board will review a full draft at the November retreat, and a new plan will be presented for approval at the January meeting.

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

**10. Other Business**

Chancellor McCormick thanked the Board for their commitment, dedication and work on the difficult issues facing the system. Chair Hoffman agreed and also thanked the Board for the good discussions.

**11. Adjournment**

Chair Hoffman adjourned the meeting by consensus at 3:40 p.m.

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Ingeborg K. Chapin  
Board Secretary