

MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD OF TRUSTEES MEETING MINUTES OCTOBER 19, 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, David Paskach, Thomas Renier, Ann Curme Shaw

Trustees Absent: Carol Ley, Lew Moran, David Olson and Christopher Schultz

1. Call to Order

Chair Robert Hoffman called the meeting to order at 1:39 p.m.

2. Chair's Report

a. Minutes of Board of Trustees Meeting of September 21, 2005

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

b. Minutes of Major Topic of September 21, 2005: Revenue Models Discussion – National Center for Higher Education Management

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

c. 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.

a. Diversity and Multiculturalism Committee Charge

Trustee Cheryl Dickson moved approval of the Consent Agenda. Trustee Ivan Dusek seconded and the Consent Agenda was approved unanimously.

*** d. Amendments to Board Policy 1A.2 (Second Reading)**

Trustee Will Antell moved that the Board of Trustees amends the language establishing a new standing committee on Diversity and Multiculturalism to be consistent with the language provided in the Consent Agenda. The Diversity and Multiculturalism Committee of the Board of Trustees consists of no fewer than five members to be appointed by the chair of the board annually.

The Diversity and Multiculturalism Committee is charged with the oversight of ongoing endeavor and strategic planning to better serve all Minnesotans toward increased growth, progress, and appreciation of traditionally underserved students, faculty, and staff throughout the system. Trustee Ivan Dusek seconded and the motion carried unanimously.

Trustee Will Antell moved that the Board of Trustees approves the amendments to Board Policy 1A.2. Vice Chair Ann Curme Shaw seconded and the motion carried unanimously.

e. Draft Minutes of Executive Committee Meeting of October 5, 2005

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

Chair Hoffman announced that Trustee Will Antell received a lifetime achievement award from the National Indian Education Association (NIEA) at their convention in Denver, Colorado, October 4-8. He stated that Trustee Antell and his spouse, Mary Lou, were founding members of the NIEA, and Trustee Antell also served as the first president of the organization. He continued that Trustee Antell served three consecutive terms assisting in the development and passage of the Indian Education Act of 1972. Trustee Antell stated that he was honored to receive the award. He added that the NIEA began as a small group and has become the largest Indian education organization in the United States. Chair Hoffman congratulated and commended the Antells for their dedication to the NIEA.

Chair Hoffman reported that the next meeting of the Board will be on November 8 and 9, beginning with a special meeting of the Audit Committee followed by a Board retreat. He added that the December meeting dates are December 6 and 7, with a Fiscal Year 2007 budget and tuition hearing on the afternoon of December 7.

Chair Hoffman reported that the Rochester Higher Education Development Committee will hear presentations from the Mayo Clinic, University of Minnesota, IBM and Hormel Institute for collaboration with the University of Minnesota. He added that the interest and focus remain on signature programs and research driven state-of-the-art post-graduate education.

3. Trustees' Reports

There were no Trustee reports.

4. Chancellor's Comments

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

Chancellor McCormick stated that the recent incidents of alcohol abuse on the campuses will result in policy and procedural changes for the system. He stated that the colleges and universities have taken the initiative to educate the students and their families of the dangers of alcohol abuse. He noted that it has been a topic of discussion at several meetings, including the student leadership, the Leadership Council, the Board of Trustees Executive Committee and the Education Policy Committee of the Board. He added that it will be a topic for discussion at the Academic and Student Affairs Administrators annual meeting and also at a seminar for student services staff hosted by Minnesota State University Moorhead. He stated that recommendations regarding policy and procedural changes will be brought before the Board at a future meeting. He noted that this is a national issue.

Chancellor McCormick reported on the first Quarterly Report of the Work Plan that was approved by the Board of Trustees in July. He stated that the focus was on the five priorities: Increase Revenue; Improve Productivity; Create Centers of Excellence; Update the System Strategic Plan; and, Serve the Underrepresented. He added that there were other goals as well, but the top five priorities took precedence as a result of the goals established at the Board of Trustees retreat in February of 2005.

Chancellor stated that in an effort to continue to maximize revenue without adversely affecting the students, further analysis of need-based tuition grants, fundraising, partnerships and other sources need to be utilized. He added that revenue may coordinate with the productivity goal and that a recommendation will be brought to the Board at the January meeting. He stated that the foundation assets are up one hundred thousand dollars over last year.

Chancellor reported the Human Resources Policy Committee deferred the Productivity report due to time constraints, but it will be presented at the December meeting. Chancellor remarked on the Centers of Excellence presentations and noted that by the end of his tenure, he wishes to see that the colleges and universities have become more diverse and that the system will serve the state broadly and be recognized for the uniqueness of each institution. He commended Senior Vice Chancellor Linda Baer for her leadership and work on the Centers of Excellence.

Chancellor reported that the current Strategic Plan concluded on June 30, 2005. He stated that much of the Work Plan has been achieved and it continues to refocus and build upon a base for the new plan. He noted that he has attended the meetings of the Ad Hoc Work Group on Strategic Planning and that he is pleased with the work of the group. He added that the approved plan will set the tone for the appropriations request for the system for the next two years. He further added that he plans to spend time with each Board member and president in the month of February to discuss next year's work plan which will implement the first phase of the strategic plan.

Chancellor stated that the goal of serving the underrepresented has progressed. He stated that with the Board's new diversity committee and with the work of the Leadership Council, good results will be achieved. He reported that Trustee Will Antell and he have met with tribal chairs at Red Lake Nation and White Earth, and they also have met with the Minnesota Chippewa Tribal Education and Human Service Sub-committee. He noted that plans are underway to complete meetings with all of the tribal chairs. He added that Trustee Antell, President Day, and he attended the American Indian Higher Education Consortium in Denver. He commented that learning about challenges in tribal relationships was helpful and that the challenges are not unique to Minnesota.

Chancellor reported that overall enrollment is up by 341 students; the headcount enrollment at the colleges is down 291 students. The headcount at the state universities is up 632 students. He stated that the headcount of identified students of color increased by 12.1 percent compared to 2004. He noted that there are students who choose not to be identified and as a result, the process is not perfect.

Chancellor reported that he was appointed by Governor Pawlenty to the Governor's Education Council. The council will set goals and monitor progress of the National Governors' Association grant to the state of Minnesota. He commented that the grant is built upon the direction of the P-16 initiative which was part of the system's first work plan.

Chancellor concluded his comments noting that he is proud of the colleges and universities, and he thanked the groups that worked on the Centers of Excellence. He noted that although only four were selected, all worked very hard. He remarked on the synergy between the two and four year institutions and how well they worked together.

Trustee Clarence Hightower stated that he was intrigued by the increase in students of color and inquired as to the actual percentage of students of color. Chancellor McCormick replied that the total number of students in the fall of 2004 was 12.7 percent and in the fall of 2005 the percent of students of color with known ethnicity increased to 13.4. He noted that not all students identify themselves. Associate Vice Chancellor Leslie Mercer reported that overall the total number of students in the system increased by 341, the number of identified Caucasian students increased, the number of identified students of color increased and the number of students with unknown race-ethnicity decreased. She stated that further detailed statistics regarding the enrollment percentages would be provided to the Board.

Chair Hoffman commended Senior Vice Chancellor Baer and all involved for the excellent presentations on the Centers of Excellence. He also thanked his fellow Board members for their active participation and the leadership they provide to the system.

5. Joint Council of Student Associations

a. Minnesota State College Student Association

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 State College Faculty

Mr. Greg Mulcahy, Treasurer, Minnesota State College Faculty (MSCF), 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.

This month's consent agenda was approved during the Chair's report.

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) Minnesota State University, Mankato Capital Project (Second Reading)**

Committee Chair Hightower moved that the Board of Trustees approves the capital project to construct a College of Business facility on the campus of Minnesota State University, Mankato. This approval is contingent upon the Minnesota State University, Mankato Foundation's pledge to perfect the monetary pledges as noted on pages 45-48 of the meeting materials.

The Board directs the Chancellor to prepare the necessary documents to seek legislative approval for construction of the College of Business on state property. Trustee Ruth Grendahl seconded and the motion carried unanimously.

(3) Revenue Model – Preliminary Policy Options

Committee Chair Hightower reported that the committee heard a presentation on the Revenue Model from System Budget Director Patrick Opatz. Committee Chair Hightower stated that there is no simple solution and added that he is hopeful that the Revenue model can be linked with the Productivity priority and also with fundraising. He noted that the committee also identified need-based tuition as a possible alternative and that the committee has requested the perspective of the student associations.

(4) Amendments to Board Policies: 5.14-Procurement and Contracts; 6.5-Capital Program Planning including Construction Delegation and Facilities Construction Contracts; and 6.7-Real Estate Transactions (First Reading)

Committee Chair Hightower reported that the committee heard a report on the Amendments to Board Policies: 5.14-Procurement and Contracts; 6.5-Capital Program Planning including Construction Delegation and Facilities Construction Contracts; and 6.7-Real Estate Transactions. This will be an action item at the December meeting.

(5) Fiscal 2007 Budget Planning

Committee Chair Hightower reported that the committee heard a presentation on the Fiscal 2007 budget plan from Vice Chancellor King. He stated that the Centers of Excellence and increased technology and fuel costs are being considered in the Fiscal 2007 planning process.

(6) State Universities Food Service Overview

Committee Chair Hightower reported that due to time constraints, Vice Chancellor King requested that the committee review the materials related to the state universities food service contracts. A more detailed report of contract negotiations and a request for approval of the contracts will be presented at the January meeting.

(7) Finance Division Fiscal Year 2006 Goals and Objectives

Committee Chair Hightower reported that the Finance/Facilities Division Fiscal Year 2006 goals and objectives were supported by the committee as presented.

b. Audit Committee, Ann Curme Shaw, Chair

* **(1) Fiscal Year 2005 Financial Statement Review**

Committee Chair Ann Curme Shaw moved that the Board of Trustees authorizes the release of the audited financial statements for the Minnesota State Colleges and Universities and twelve of its largest colleges and universities contingent upon the following activities occurring:

(1) The audit committee chair or the chair's designee shall participate in the exit conference with the principal external auditor on November 7, 2005, and

(2) The audit committee will hold a special meeting on November 8, 2005, to review the audited financial statements for fiscal year 2005 with representatives of the Office of the Chancellor and the external audit firms, and

(3) The audit committee is satisfied with the work of the external auditors and approves a motion to authorize the release of the fiscal year 2005 financial statements.

Trustee Duane Benson seconded and the motion carried unanimously.

(2) Audit Committee Roles and Responsibilities

Committee Chair Shaw reported that the committee heard a report on the Audit Committee's roles and responsibilities from Executive Director John Asmussen. She urged board members to view the Internal Audit Web site for useful information at www.internalauditing.mnscu.edu.

(3) Internal Auditing Systemwide Projects – FY 2006

Committee Chair Shaw reported that the committee heard a report on the Internal Auditing Systemwide Projects – FY 2006. The report provided additional information on compliance and fraud awareness.

c. 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. He stated that there is a tentative settlement of the Inter Faculty Organization contract. Committee Chair Dusek thanked all involved in the negotiation process.

- * (2) **Proposed Policy 4.10, Nepotism (Second Reading)**
Committee Chair Dusek moved that the Board of Trustees approves the new Board Policy 4.10, Nepotism. Trustee Will Antell seconded and the motion carried unanimously.

- * (3) **Approval of the Minnesota State College Faculty Bargaining Agreement**
Committee Chair Dusek moved that the Board of Trustees approves the terms of the 2005-07 labor agreement with Minnesota State College Faculty (MSCF), and authorizes the Chancellor to sign the agreement on behalf of the Board. Trustee Thomas Renier seconded and the motion carried unanimously.

- * (4) **Approval of 2005-2007 Personnel Plan for Minnesota State Colleges and Universities Administrators**
Committee Chair Dusek moved that the Board of Trustees approves amending Section 1.13, Salary Administration, Subdivision 3, of the Personnel Plan for Minnesota State Colleges and Universities Administrators to reflect a salary range effective July 1, 2005, of \$219,000-\$300,000; July 1, 2006, of \$234,000-\$320,000; and July 1, 2007, of \$248,000-\$340,000. Trustee Antell seconded and the motion carried unanimously.

Committee Chair Dusek moved that the Board of Trustees approves the Personnel Plan for Minnesota State Colleges and Universities Administrators for 2005-2007, and authorizes the Chancellor and his designees to take all measures they deem appropriate to secure legislative approval to implement the Plan. Trustee Antell seconded and the motion carried unanimously.

- (5) **Progress Report on Productivity**
Committee Chair Dusek reported that due to time constraints the progress report on Productivity was deferred to a future meeting.

d. Ad Hoc Diversity Committee, Will Antell, Chair

- (1) **2005 Goals and Work Plan**
Committee Chair Will Antell reported that the Ad Hoc Diversity Committee met for the first time and discussed the committee's goals and work plan.

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) **Centers of Excellence Recommendations**

Committee Chair David Paskach moved that the Board of Trustees awards the Center of Excellence designation to the following proposals:

- *The Center for Strategic Information Systems and Security*
- *The Center for Engineering and Manufacturing Excellence*
- *The Consortium for Manufacturing and Applied Engineering*
- *The Center for Integrated Health Science Education and Practice*

The Board directs the Chancellor to work with the institutions in each Center to develop revised budgets for FY06 and 07 requesting no more than the \$10 million designated by the legislation for this biennium.

The Board requests the Office of the Chancellor provide periodic updates on the development of the Centers of Excellence and that each Center submit an annual progress report in December of each year beginning in 2006.

The Board directs the Centers led by Bemidji State University and Minnesota State University, Mankato to collaborate to ensure distinction and complementarities between the two Centers.

The Board further directs that the Center led by Winona State University work to assure that its mission and programming complements the results of the study and recommendations of the Rochester Higher Education Development Committee. Vice Chair Ann Curme Shaw seconded and the motion carried unanimously.

(3) **Policy 5.18 Alcoholic Beverages or Controlled Substances on Campus Update**

Committee Vice Chair Benson reported that the committee heard an update on Policy 5.18 Alcoholic Beverages or Controlled Substances on Campus. He stated that the committee discussed possible next steps in review of the colleges and universities policies and procedures.

(4) **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 (First Reading)**

Committee Vice Chair Benson reported that the committee heard a report on the 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. This will be an action item at the December meeting.

(5) Proposed Amendments to Policy 3.1, Student Rights and Responsibilities; Policy 3.6, Student Conduct; Policy 3.8 Student Grievance (First Reading)

Committee Vice Chair Benson reported that the committee heard a report on the Proposed Amendments to Policy 3.1, Student Rights and Responsibilities; Policy 3.6, Student Conduct; Policy 3.8 Student Grievance. This will be an action item at the December meeting.

(6) Ad Hoc Work Group on Strategic Planning Update

Committee Vice Chair Benson reported that the committee heard an update on the Ad Hoc Work Group on Strategic Planning. The current strategic plan expires at the end of the 2005 calendar year. A draft strategic plan will be presented to the Board for consideration at the November 8-9, retreat.

(7) Charter School Sponsorship Annual Report

Committee Vice Chair Benson reported that the committee heard a report on the Charter School Sponsorship. The report included information on sponsorships during the 2003-2004 academic year. Four colleges and one university were continuing their sponsorship of seven charter schools. One university and one college ended their sponsorship, effective June 30, 2004.

(8) Campus Profile: Inver Hills Community College

Committee Vice Chair Benson reported that the committee heard a presentation on Inver Hills Community College by Senior Vice Chancellor Baer, President Cheryl Frank and her staff. The profile showcased the institution's unique role, as well as its contributions to the system. The presentation highlighted five areas: institutional distinction, institutional profile, integrated planning, futures planning and resource deployment. Committee Vice Chair Benson remarked that Inver Hills Community College is effective in delivering services to the citizens of Minnesota.

f. Advancement Committee, Cheryl Dickson, Chair

(1) Advancement Update

Committee Chair Cheryl Dickson reported that the committee heard an update from Government Relations Director Mary Jacquart and Associate Vice Chancellor Linda Kohl. She stated that the bonding tours continue for both the house and senate throughout the state. She also reported that there is a new commission on higher education established by the secretary of education. She reported that the public affairs division received several gold, silver and bronze medals at the region five marketing and public relations meeting.

- (2) **Comparison and Review of System Fundraising Efforts in Other Systems**
Committee Chair Dickson reported that the committee heard a report from Executive Director Catherine McGlinch on fundraising in other systems. She remarked that there was no significant pattern to fundraising in other systems and colleges.

g. Technology Committee, *Lew Moran, Chair*

- (1) **Information Technology Update**
Committee member Ruth Grendahl reported that the committee heard an update from Vice Chancellor Ken Niemi on the Information Technology Division.
- (2) **Desire2Learn Issues Update**
Committee member Grendahl reported that the committee heard an update on Desire2Learn. She stated that there have been recurrent overload and performance problems and added that an ad hoc work group has been assigned to work on resolving the issues.
- (3) **Minnesota Online Update**
Committee member Grendahl reported that the committee heard an update on Minnesota Online from Senior Vice Chancellor Baer. She stated that there is a forty-four percent increase over the last year in online courses. Committee member Michael Boulton added that Minnesota State University, Mankato, St. Cloud State University and Winona University were named in the top 50 wireless campuses in the nation.
- (4) **Enterprise Information Technology Planning Update**
Committee member Grendahl reported that the committee heard an update on the Enterprise Information Technology planning from Vice Chancellor King and Vice Chancellor Niemi. The update included an overview and progress report on the activities of the ad hoc planning committee.

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

- (1) **Continued Work on Strategic Goals**
David Paskach, chair of the Ad Hoc Work Group on Strategic Planning, reported that the group continued its work on the strategic direction and refining the goals for the strategic plan that will be presented at the November retreat. He noted that considerable time was spent on the fourth direction of distinguishing a new direction on innovation. He added that great thought and input has been made by each member of the committee, and he looks forward to the results.

9. Requests by Individuals to Address the Board

10. Other Business

Associate Vice Chancellor Leslie Mercer addressed the Board to clarify the current enrollment numbers of students of color within the system. She reported that in the fall of 2004, there were 25,654 students of unknown ethnicity, and as of the fall of this year, students of unknown ethnicity dropped to 17,730. She added that students of color increased by 2,216 and that Caucasian students increased by 6,039 over last year. Trustee Hightower stated that the logical fall-out of the data is that the number of students of color may not have changed. Associate Vice Chancellor Mercer replied that it is possible and added that the numbers are not absolute due to the numbers of unknown ethnicity.

11. Adjournment

Chair Hoffman adjourned the meeting by consensus at 3:10 p.m.

Ingeborg K. Chapin
Secretary to the Board