

# MINNESOTA STATE COLLEGES AND UNIVERSITIES

## BOARD OF TRUSTEES MEETING MINUTES

JUNE 21, 2006

WELLS FARGO PLACE

ST. PAUL, MINNESOTA

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

**Trustees Absent:** Clarence Hightower and David Olson

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### 1. Call to Order

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

### 2. Chair's Report

#### a. Minutes of the Board of Trustees Meeting of May 17, 2006 and Minutes of the Board of Trustees Meeting of Chancellor's Evaluation of June 1, 2006

Chair Hoffman announced that the minutes of May 17 and June 1, 2006, were approved.

#### b. Information: Minutes of Executive Committee Meeting of June 7, 2006

Chair Hoffman reported that the Executive Committee meeting minutes are included as information.

#### c. Other

Chair Hoffman reported that he and Trustees Benson and Paskach met with Governor Tim Pawlenty. Topics discussed with Governor Pawlenty were the Centers of Excellence, the Strategic Plan and the budget.

Chair Hoffman reported that the Board of Trustees and Chancellor McCormick hosted a reception and dinner on June 20 to recognize the service of Trustees whose terms expire on June 30. Trustees Will Antell, Ivan Dusek, Bob Hoffman, Carol Ley, Lew Moran and Christopher Schultz were recognized. Also recognized for their service were President Joan Barrett Volkmuth who is retiring from St. Cloud Technical College; three interim presidents (Jim Davis at Northland Community and Technical College, Ron Kraft at Hennepin Technical College and Joe Opatz at Central Lakes College); and John Ostrem, Deputy to the Chancellor for Government Relations who retired in April.

### 3. Trustees' Reports

Trustee Grendahl reported on a *Star Tribune* story about a student from Minneapolis Community and Technical College who delivers pizza dressed as Superman. While on a delivery, he made news for his heroic effort in apprehending a purse snatcher.

Trustee Dusek reported that he plans to attend the “Ancient Voices Contemporary Context Forum” at the Bemidji State University American Resource Center on June 23. Trustee Antell reported that he attended the commencement at Minneapolis Community and Technical College. Trustee Ley reported that she attended the commencement at Alexandria Technical College.

**4. Chancellor’s Comments**

Chancellor McCormick welcomed the Board members, leadership, constituents and staff to the meeting. He recognized the outgoing Trustees for their countless contributions and dedication to the system. He recognized Trustees Ley and Schultz for their roles as a voice for the students and expressed appreciation to Trustees Antell, Dusek, Moran, and to Chair Hoffman. Chancellor McCormick recognized and thanked retiring President Volkmuth and Interim Presidents Davis, Kraft and Opatz and congratulated President Johns for fifteen years of service to the system.

Chancellor McCormick thanked President Barden for his leadership as co-chair of the Leadership Council. Beginning in July, President Frank will become co-chair and President Quistgaard will be vice chair.

Chancellor McCormick reported on the Action Plan, which emphasizes the goals of the strategic plan and measures for meeting those goals. The addition of the measures selects important areas for target setting; the areas are student success, reducing the achievement gap, STEM programs, teacher education, workforce training and adult education, and increasing the capacity for innovation with improved information technology capability and more non-state resources.

Chancellor McCormick stated that there will be a target on improving the system’s ability to reward institutions and individuals for innovation that will advance excellence and efficiency. He continued that regardless of where a fundraising target is placed in the plan, the goal and intent are to increase resources that will advance all four directions of the plan. Over the next three months, staff and presidents will work collaboratively to arrive at the specific targets.

Chancellor McCormick stated that the system did well with capital bonding at the legislative session. In addition to receiving 68 percent of the system’s request, the legislature approved design and construction of the new College of Business for Minnesota State University, Mankato and regional events centers for Bemidji and Marshall.

The Chancellor stated that the work with the University of Minnesota on the Rochester campus resulted in language to avoid unnecessary duplicate offerings of courses and programs in the Rochester area. Education assistance to veterans was supported by the legislature with the system contributing to leadership on its implementation.

Chancellor McCormick stated that the higher education policy provisions did not make it through the committee process and that tracking these and new issues will continue in preparation for the 2007 session.

Chancellor McCormick stated that the presidential and cabinet evaluations have begun. He reported that he has met with fourteen presidents thus far, and he looks forward to the remaining discussions.

Chancellor McCormick reported that Fond du Lac Tribal and Community College's American Indian Business Leadership chapter was awarded top honors at the national 2006 American Indian Business Leaders Conference. The team was recognized in the Business Plan Development category for their plan that guides Kaffiend's Korner, a student-operated coffee shop on the campus. The team leader, Andy Angell, was named the American Indian Business Leaders' "Student of the Year." He is the first Minnesota student to win this award since the founding of the organization.

**5. Joint Council of Student Associations**

**a. Minnesota State College Student Association (MSCSA)**

Mr. Patrick Christner, President, and Scott Formo, President-elect, addressed the Board of Trustees.

**b. Minnesota State University Student Association (MSUSA)**

Mr. Hal Kimball, State Chair, and Mr. Travis Reese, Chair-elect, addressed the Board of Trustees.

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

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

Ms. Karen Foreman, President, (AFSCME Council 6) addressed the Board of Trustees.

**b. Minnesota Association of Professional Employees (MAPE)**

Mr. Rick Nelson, Business Agent, addressed the Board of Trustees.

**c. Inter Faculty Organization (IFO)**

Dr. Nancy Johnson Black, President, 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.*

- a. Rochester Community and Technical College Capital Project
- b. Century College Surplus Real Property Disposition

c. Proposed FY 2007 Board Operating Budget

*Trustee Duane Benson moved approval of Consent Agenda. Trustee Grendahl seconded and the motion carried unanimously.*

**8. Board Standing Committee Reports**

**a. Audit Committee, Ann Curme Shaw, Chair**

\* **(1) Fiscal Year 2007 Internal Audit Plan**

*Committee Chair Shaw moved that the Board of Trustees approves the Fiscal Year 2007 Internal Audit Plan. Trustee Boulton seconded and the motion carried unanimously.*

**(2) Legislative Audit Report-Lake Superior College**

Committee Chair Shaw reported that the committee heard a Legislative Audit report on Lake Superior College by Executive Director John Asmussen and President Kathleen Nelson. The report provided a comprehensive review of all financial activities subject to an oversight by the former vice president for finance and administration. The former vice president was terminated for gross misconduct in November 2005.

**(3) Internal Audit Report – Systemwide Fraud Awareness Project**

Committee Chair Shaw reported that the committee heard a report on the Systemwide Fraud Awareness Project. The project was to create awareness to all individuals within the system of their responsibilities to report evidence of dishonest acts.

**(4) Internal Audit Report-Capital Construction Administrative Audit**

Committee Chair Shaw reported that the committee heard a report on Capital Construction Administration Audit. The report detailed capital construction projects over three years that expended over \$517 million dollars. In 2005, representatives from the Office of Internal Audit visited all 37 institutions to gain an understanding of the capital construction administration procedures. The auditors conducted detailed testing on 56 of the projects of which there were four with problems to be addressed.

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

**(1) Diversity and Multiculturalism Update**

Committee Chair Will Antell reported that the committee heard an update on the work of the Diversity and Multiculturalism division from Executive Director Whitney Harris.

- \* (2) **Proposed Amendment to Policy 1B.1 Nondiscrimination in Employment and Education Opportunity**  
*Committee Chair Antell moved that the Board of Trustees approves the proposed amendment to Policy 1B.1 Nondiscrimination in Employment and Education Opportunity Policy. Trustee Renier seconded and the motion carried unanimously.*
  
  - (3) **Student Demographic Data Update**  
Committee Chair Antell reported that the committee heard an update on Student Demographic Data from Internal Audit Executive Director Asmussen and System Director Craig Schoenecker. The report was updated to provide data on the five-year enrollment trend for race and ethnicity.
  
  - (4) **Office of the Chancellor Employee Demographics Update**  
Committee Chair Antell reported that the committee heard an update on the Office of the Chancellor Employee Demographics from Executive Director Harris. The update provided measures made in the Office of the Chancellor toward achieving the affirmative action plan.
  
  - (5) **Progress Report 2005-2006**  
Committee Chair Antell reported that the committee heard a Diversity and Multiculturalism progress report for 2005-2006. The report highlighted the work goals and accomplishments made since the inception of the committee.
  
  - (6) **Proposed Work Plan Items 2006-2007**  
Committee Chair Antell reported that the committee heard a report on the Proposed Work Plan Items 2006-2007. The Systemwide Diversity and the Systemwide American Indian Plans will be incorporated into the Minnesota State Colleges and Universities System Action Plan.
- c. 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 Information Technology division.
  
  - \* (2) **Network Neutrality**  
*Committee Chair Moran moved that the Board of Trustees joins its higher education colleagues at Educause and others in expressing its support for the principles of network neutrality in order to further the strategic goals of the Minnesota State Colleges and Universities. Trustee Dusek seconded and the motion carried unanimously.*

**(3) Technology Committee Activities Review**

Committee Chair Moran reported that the committee heard a report on the Technology Committee Activities. The report provided information on issues raised and progress made over the four years of the Information Technology Committee.

**(4) Enterprise Information Technology Strategic Investment Plan Update**

Committee Chair Moran reported that the committee heard an update on the Enterprise Information Technology Strategic Investment Plan. The update highlighted the activities for the first phase of the plan focusing on infrastructure stabilization.

**(5) Information Security Update**

Committee Chair Moran reported that the committee heard an update on Information Security from ITS Security Director Bev Schuft.

**d. Education 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) Proposed Policy 3.34 Academic Semester Start Dates (Second Reading)**

*Committee Chair Paskach moved that the Board of Trustees approves the proposed policy 3.34 Academic Semester Start Dates. Trustee Moran seconded and the motion carried unanimously.*

**\* (3) Proposed Amendment to Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration (Second Reading)**

*Committee Chair Paskach moved that the Board of Trustees approves the proposed amendment to Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration. Trustee Renier seconded and the motion carried unanimously.*

**\* (4) Action Plan Measurables**

*Committee Chair Paskach moved that the Board of Trustees accepts the Action Plan measures included in the June 19, Action Plan with the addition that the following measure will include a target: continue and expand awards of excellence or other initiatives that promote excellence in student learning or reward institutions, faculty, administrators and staff for innovations that advance excellence and efficiency. Trustee Moran seconded and the motion carried unanimously.*

**(5) Student Success Measure: Setting of Targets**

Committee Chair Paskach reported that the committee heard a report on the Student Success Measure: Setting of Targets from Senior Vice Chancellor Baer, Associate Vice Chancellor Leslie Mercer and System Director Schoenecker. The report highlighted the development of student success measures and targets as part of the key measures.

**(6) Accountability Framework: Report on Student Engagement and Satisfaction**

Committee Chair Paskach reported that the committee heard a report on the Accountability Framework on Student Engagement and Satisfaction. The report provided identified measures of student satisfaction and engagement to assess the system's performance.

**(7) Campus Profile: Lake Superior College**

Committee Chair Paskach reported that the committee heard a report on the Lake Superior College campus profile from Senior Vice Chancellor Baer, President Nelson and her staff. The institution celebrated its tenth anniversary this past year. The profile highlighted the institution's leadership in online education and how it is lending that experience to the entire system. Committee Chair Paskach stated that the institution delivers a cost effective and high quality education. He commended President Nelson for her leadership and the outstanding presentation.

**e. 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) Chancellor's Assessment**

*Committee Chair Dusek moved that upon the recommendation of the Ad Hoc Chancellor Assessment Committee and the Human Resources Policy Committee, the Board of Trustees accepts the summary of Chancellor James McCormick's assessment.*

*The Board of Trustees approves a salary increase of five percent for Chancellor James H. McCormick effective July 1, 2006, and authorizes the Board Chair to renegotiate and execute the Employment Agreement with the Chancellor to:*

- 1. Extend his employment agreement for a period of up to 12 months beyond its current end date of July 31, 2009.*
- 2. 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, 2009.*

3. *Make modifications needed to implement the authorized changes.*

*Vice Chair Shaw seconded and the motion carried unanimously.*

\* (3) **Presidential Emeritus Status**

*Committee Chair Dusek moved that upon the recommendation of Chancellor James H. McCormick, the Board of Trustees hereby confers emeritus status upon Joan B. Volkmuth, President of St. Cloud Technical College, effective upon her retirement on June 30, 2006. Trustee Ley seconded and the motion carried unanimously.*

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

Committee Chair Dusek reported that the committee presented a certificate to President Patrick Johns for fifteen years of service as President of Anoka-Ramsey Community College.

(5) **Amendments to Policy 4.5, Student Employees (First Reading)**

Committee Chair Dusek reported that the committee heard a report on Amendments to Policy 4.5, Student Employees. This will be an action item at the July meeting.

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

(1) **Finance/Facilities Update**

Committee Vice Chair Renier reported that the committee heard an update from Vice Chancellor Laura King on the Finance/Facilities division.

(2) **Legislative Outcomes**

Committee Vice Chair Renier reported that the committee heard a report on the final outcome of the legislative session from Vice Chancellor King and Associate Vice Chancellor Allan Johnson. The Legislature funded each one of the Board's project with some at a reduced level.

\* (3) **FY 2007 Tuition and Fee Adjustments**

*Committee Vice Chair Renier moved that the Board of Trustees approves the proposed tuition and fee adjustments as shown on Attachment 1, out-of-state tuition; Attachment 2, fee maximum changes for technology and health services; and Attachment 3, program/course tuition rates. Trustee Moran seconded and the motion carried unanimously.*

- \* (4) **Amendments to Board Policies: 5.9, Biennial and Operating Budget Planning and Administration; 6.5, Capital Program Planning; 7.6, Business Activities; and 7.7, Gifts and Grants Acceptance (Second Reading)**  
*Committee Vice Chair Renier moved that the Board of Trustees approve amending Board Policy 5.9, Biennial and Operating Budget Planning and Administration Including Revenue Fund, Board Policy 6.5, Capital Program Planning, Board Policy 7.6, Business Activities, and Board Policy 7.7, Gifts and Grants Acceptance, as submitted and noted in Attachments A-D. Trustee Grendahl seconded and the motion carried unanimously.*
  
  - \* (5) **Amendments to Board Policies 5.14, Procurement and Contracts; 6.6, Facilities Maintenance and Repair Including Revenue Fund Facilities; 6.7, Real Estate Transactions and 7.1, Finance and Administration Authority of Board, Chancellor and Presidents (Second Reading)**  
*Committee Vice Chair Renier moved that the Board of Trustees approve amending Board Policy 5.14, Procurement and Contracts 6.6, Facilities Maintenance and Repair Including Revenue Fund Facilities; Board Policy 6.7, Real Estate Transactions; and Board Policy 7.1, Finance and Administrative Authority of Board, Chancellor and Presidents, as submitted and noted in Attachments A and D. Trustee Grendahl seconded and the motion carried unanimously.*
  
  - (6) **FY 2008-2009 Biennial Budget Outlook**  
Committee Vice Chair Renier reported that the committee heard a presentation on the FY 2008-2009 Biennial Budget Outlook. The presentation provided an overview of the economic, demographic and political forces facing the system.
- g. Advancement Committee**
- (1) **Advancement Update**  
Committee Chair Cheryl Dickson reported that the committee heard an update from Executive Director Catherine McGlinch on the work of the Minnesota State Colleges and Universities Foundation.
  
  - (2) **Communications Plan Update**  
Committee Chair Dickson reported that the committee heard an update on the Communications Plan from Associate Vice Chancellor Linda Kohl and President Jon Quistgaard. The update highlighted the progress and accomplishments of the 2005-2006 strategic communication plan.
  
  - (3) **Legislative Session Wrap-up**  
Committee Chair Dickson reported that the committee heard a report on the legislative session from Director of Government Relations Mary Jacquart.

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

There were no requests to address the Board.

**10. Other Business**

Trustee Schultz stated that his time on the Board was an amazing learning experience and and that he will always cherish the experience.

Trustee Ley thanked the Board members, Chancellor McCormick and the staff for all that she gained as a member of the Board.

Trustee Moran stated that he has never enjoyed serving so much as he did for the system. He expressed his appreciation to all.

Trustee Dusek thanked everyone for the opportunity to serve with them on the Board. He expressed his appreciation to Chancellor McCormick for his leadership, and he also thanked the staff.

Trustee Antell thanked the Board and Chancellor for the positive experience it was for him to serve the system.

Chair Hoffman recognized and thanked the Board members, Chancellor McCormick, the Leadership Council and all of the staff, expressing his appreciation for their dedication and hard work.

**11. Adjournment**

Chair Hoffman adjourned the Board of Trustees meeting by consensus at 2:35 p.m.

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Ingeborg K. Chapin  
Secretary to the Board