

MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD OF TRUSTEES MEETING MINUTES

JANUARY 17, 2007

WELLS FARGO PLACE

ST. PAUL, MINNESOTA

Trustees Present: Chair David Paskach, Caleb Anderson, Duane Benson, Michael Boulton, Cheryl Dickson, Ruth Grendahl, Clarence Hightower, David Olson, Thomas Renier, Christine Rice, Scott Thiss, James Van Houten, Carol Wenner and Ann Curme Shaw

Trustees Absent: Dan McElroy

1. Call to Order

Chair David Paskach called the meeting to order at 1:10 p.m. and reported that a quorum was present. He announced that the Executive Committee meeting that was scheduled to meet following the Board meeting was cancelled.

With the new meeting schedule, Chair Paskach explained that the committees meet one month and the Board meets the following month. There are a few months with combined committee and Board meetings. Draft committee meeting minutes will be included in the board packet during months when only the Board is meeting. The committee meeting minutes will be helpful as a reference for agenda items that have been forwarded to the Board for action.

Chair Paskach announced that the Board will meet for a self-study workshop on February 20 and 21, at the Sofitel Hotel in Bloomington. It will begin with a luncheon on the first day and end the following day at noon.

2. Chair's Report

a. Minutes of Board of Trustees Retreat of November 14-15, 2006

b. Minutes of Committee of the Whole of November 15, 2006

c. Minutes of Board of Trustees Meeting of November 15, 2006

Chair Paskach announced that the minutes of November 14-15, 2006, and November 15, 2006, were approved.

d. Revisions to Fiscal Year 2007 Board of Trustees Meeting Calendar

Chair Paskach announced that revisions were made to the Fiscal Year 2007 meeting calendar. February 20 was added to February 21 for the Board's self-study workshop. In addition, the public hearing on the FY 2008-2013 Capital Budget request that was scheduled on February 21 was moved to March 20.

Trustee Ruth Grendahl moved that the Board of Trustees approves the revisions to Fiscal Year 2007 Board of Trustees' meeting calendar. Trustee Benson seconded and the motion carried unanimously.

3. Trustees' Reports

Trustee Ruth Grendahl reported that she attended fall commencements at Hennepin Technical College and Minnesota State University Moorhead. She also toured the four Centers of Excellence sites. Trustee James Van Houten reported that he also attended the Centers of Excellence visits. Trustee Carol Wenner reported that she attended Anoka Technical College's fall commencement.

4. Chancellor's Comments

a. Quarterly Report

Chancellor McCormick welcomed the Board of Trustees and system colleagues to the meeting. He extended his good wishes for the New Year and expressed his gratitude for the Board members' support of this system.

Chancellor McCormick presented the quarterly report for October through December 2006 to the Board. He remarked that he would not cover all the details of the quarterly report, but that the entire report, which entails the progress of the strategic directions and goals, is available to all.

Chancellor McCormick complimented President Ron Wood for the excellent presentation of the Minnesota West Community and Technical College campus profile.

Chancellor McCormick noted that he looks forward to highlighting students from time to time part of the quarterly reports. Chancellor McCormick reported that Ms. Erin Olson, a St. Cloud State University senior majoring in Social Studies and Spanish education, completed a class project which recently resulted in a \$60,000 grant that will assist the City of Willmar to establish a multicultural market place. Ms. Olson's project proposal was submitted and funded by a major financial institution, written to benefit her hometown's desire to build a new downtown market place that reflects the area's diverse population. Her success will benefit the entire City of Willmar.

Chancellor McCormick reported that the system is participating in a partnership with the Minnesota Department of Military Affairs, Veterans Affairs and others to assist in the reintegration of returning Minnesota soldiers. He will be taking part in meetings for this initiative.

Chancellor McCormick concluded his remarks stating that he looks forward to the upcoming Board of Trustees retreat in February. He thanked the members for their good work and support of the system.

5. Joint Council of Student Associations

a. Minnesota State College Student Association (MSCSA)

Mr. Scott Formo, President, addressed the Board of Trustees.

b. Minnesota State University Student Association (MSUSA)

Mr. Justin McMartin, State Chair, 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. Administrative and Service Faculty (ASF)

Mr. Shahzad Ahmad, President, addressed the Board of Trustees.

c. Inter Faculty Organization (IFO)

Dr. Nancy Johnson Black, President, and Mr. Russ Stanton, Director of Government Relations, 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. Central Lakes College Energy Savings Contract

b. Revenue Fund Bond Sale

Trustee Ruth Grendahl requested that agenda item b, Revenue Fund Bond Sale, be removed from the Consent Agenda for more discussion. Chair Paskach noted the removal of the Revenue Fund Bond Sale.

Trustee James Van Houten moved approval of Consent Agenda item a. Central Lakes College Energy Savings Contract. Trustee Ruth Grendahl seconded and the motion carried unanimously.

8. Board Standing Committee Reports

a. Finance/Facilities Policy Committee, Thomas Renier, Chair

(1) Finance/Facilities Update

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

*** (2) Revenue Fund Bond Sale**

Committee Vice Chair Grendahl noted that the bond rating assigned to the system by Mooty's report remains stable and is the same as in the past.

Vice Chair Grendahl moved that the Board of Trustees authorizes a Revenue Bond sale for no more than \$46,320,000 for projects totaling about \$35,900,000 and subject to the parameters as presented herein. The Board of Trustees approves the Trust Indenture, Attachment D; and the Series Resolution as described in Attachment E. Trustee James Van Houten seconded and the motion carried unanimously.

* (3) **Amendments to Board Policy 1A.2 Board of Trustees, and Board Policy 1A.3 System Administration, Chancellor**

Committee Vice Chair Grendahl moved that the Board of Trustees approves amending Board Policy 1A.3, System Administration, Chancellor, and Board Policy 1A.2, Board of Trustees, as submitted and noted in Attachments A and B, respectively. Committee Chair Thomas Renier seconded and the motion carried unanimously.

(4) **FY 2008-2013 Capital Budget Update**

Committee Vice Chair Grendahl reported that the committee heard a report from Vice Chancellor King on the FY 2008-2013 Capital Budget. The development of the 2008-2013 Capital Budget began in April 2006 with an evaluation of the proposed guidelines and a work schedule by the Leadership Council. The Capital budget hearing dates are March 7, and March 20, 2007.

(5) **FY 2006 and FY 2005 Audited Financial Statements**

Committee Vice Chair Grendahl reported that the committee heard a report from Vice Chancellor Johnson on the FY 2006 and FY 2005 Audited Financial Statements. The financial statements were prepared by the Finance division of the Office of the Chancellor with the assistance of the campus Finance departments and have been audited by the firm of Kern, DeWenter, Viere, Ltd.

(6) **Ridgewater College Land Out Lease**

Committee Chair Grendahl reported that the committee heard a report from Vice Chancellor Johnson on the Ridgewater Land Out Lease. Ridgewater College has the opportunity to partner with Willmar Municipal Utilities in siting two wind turbines at the college. The Board has promoted the use of green energy on the campuses.

b. Human Resources Policy Committee, David Olson, Chair

(1) **Human Resources Update**

Committee Chair David Olson reported that the committee heard an update from Vice Chancellor William Tschida on the Human Resources division.

* (2) **Chancellor's Recommendation for Distinguished Senior Fellow for Academic Affairs**

Committee Chair Olson moved that the Board of Trustees approves the recommendation of Chancellor McCormick to appoint Dr. Roy H. Saigo as distinguished senior fellow for academic affairs effective July 1, 2007, through June 30, 2008. Trustee Grendahl seconded and the motion carried unanimously.

* (3) **Repeal of Policy 4.12, Eligibility for Early Separation Incentives
(Second Reading)**

Committee Chair Olson moved that the Board of Trustees repeal Policy 4.12, Eligibility for Minnesota Statutes § 135E.395 (1994) Early Separation Incentives. Trustee Grendahl seconded and the motion carried unanimously.

c. **Educational Policy Committee, Ann Curme Shaw, Chair**

(1) **Academic and Student Affairs Update**

Committee Chair Ann Curme Shaw 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 2.3 Student Involvement in Decision-Making
(Second Reading)**

Committee Chair Shaw moved that the Board of Trustees approves the amendment to Policy 2.3 Student Involvement in Decision-Making. Trustee Grendahl seconded and the motion carried unanimously.

* (3) **Proposed Amendment to Policy 2.10 Residence Hall
(Second Reading)**

Trustee Van Houten moved that the Board of Trustees approves the amendment to Policy 2.10 Residence Hall. Trustee Michael Boulton seconded and the motion carried unanimously.

* (4) **Fond du Lac Tribal and Community College Athletic Request, Policy 2.6
Intercollegiate Athletics**

Trustee Van Houten moved that the Board of Trustees approves the request for Fond du Lac Tribal and Community College to participate as a division three level institution for the purpose of offering intercollegiate athletics. Trustee Boulton seconded and the motion carried unanimously.

(5) **Board of Trustees Award for Excellence in Teaching Update**

Committee Chair Shaw reported that the committee heard an update from Senior Vice Chancellor Baer on the Board of Trustees Award for Excellence in Teaching. The award is an honor to be bestowed upon Minnesota State Colleges and Universities faculty to acknowledge and reward exceptional individual accomplishment and encourage ongoing excellence in teaching.

(6) **Report on Strategic Direction 4: Goal 4.1 – Key Concept: Build Organizational Capacity for Change to Meet Future Challenges: Minnesota Online**

Committee Chair Shaw reported that the committee heard a report from Senior Vice Chancellor Baer on Strategic Direction 4: Goal 4.1 – Key Concept: Build Organizational Capacity for Change to Meet Future Challenges: Minnesota Online. The committee receives a report focusing on a strategic direction or goal at each meeting.

(7) **Campus Profile: Normandale Community College**

Committee Chair Shaw reported that the committee heard a profile of Normandale Community College from Senior Vice Chancellor Baer, President Kathi Hiyane-Brown and her staff. Normandale Community College has the largest enrollment of two-year colleges in the system. It provides a strong liberal arts curriculum that is noted for its emphases in math, science, and engineering, teacher education, fine arts and world languages. Committee Chair Shaw commended Normandale Community College for an excellent presentation.

d. Advancement Committee, Ruth Grendahl, Chair

(1) **Advancement Update**

Committee Chair Grendahl reported that the committee heard an update from Vice Chancellor Linda Kohl on the activities of the Public Affairs division.

(2) **2007 Legislative Issues Review**

Committee Chair Grendahl reported that the committee heard an update from Director of Government Relations Mary Jacquart on the 2007 Legislative Issues Review. The signature issue for the upcoming session will be the biennial budget.

(3) **2007 Legislative Advocacy Plan**

Committee Chair Grendahl reported that the committee heard a report from Director Jacquart on the 2007 Legislative Advocacy Plan. The plan outlines the major goals, key messages, communication strategies and tactics to be used through the session to support the system's budget request. Committee Chair Grendahl remarked that the system's Strategic Plan and goals align with the Governor's priorities.

e. Diversity and Multiculturalism Committee, Duane Benson, Chair

(1) **Diversity and Multiculturalism Update**

Committee Chair Duane Benson reported that the committee an update from Executive Director for Diversity and Multiculturalism Whitney Harris on activities in the Diversity and Multiculturalism division.

- (2) **Preliminary Report on Campus Funding for Diversity Programming**
Committee Chair Benson reported that the committee heard a report from Executive Director Harris and Associate Vice Chancellor for Student Affairs Mike López on the Preliminary Report on Campus Funding for Diversity Programming. The report provided an overview of current funding of programs that focus on expanding programs that serve underrepresented students.
- (3) **Topical Issues Related to Access and Opportunity**
Committee Chair Benson reported that the committee heard a report from Executive Director Harris on Topical Issues Related to Access and Opportunity. The report offered areas of exploration related to the Strategic Plan and goals of the system.

f. **Audit Committee, Clarence Hightower, Chair**

- (1) **Update on the Status of Legislative Auditor's Findings on Lake Superior College**
Committee Chair Clarence Hightower reported that the committee heard an update from Executive Director John Asmussen and President Katheen Nelson on the Status of the Legislative Auditor's Findings on Lake Superior College. The Legislative Auditor released a special financial audit of Lake Superior College in June 2006. The scope of the audit was expanded to provide a comprehensive review of all financial activities subject to oversight by the former vice president.
- (2) **Update on the Status of Annual Auditing Report for Fiscal Year 2006, Including Quality Assessment Results**
Committee Chair Hightower reported that the committee heard an update from Executive Director Asmussen on the Status of Annual Auditing Report for Fiscal Year 2006, Including Quality Assessment Results.
- (3) **Risk Assessment of Tuition Waivers and Backdated Drop Transactions**
Committee Chair Hightower reported that the committee heard a report from Executive Director Asmussen on Risk Assessment of Tuition Waivers and Backdated Drop Transactions. The report was provided to report on the risk associated with these transactions.

g. **Committee of the Whole, David Paskach, Chair**

- (1) **Profile of the Office of the Chancellor**
Chair David Paskach reported that Chancellor James McCormick and his staff made a presentation on the functions, funding and staffing of the Office of the Chancellor. Chair Paskach thanked Chancellor McCormick for a thorough presentation.

(2) Centers of Excellence: External Evaluation Report

Chair Paskach reported that Senior Vice Chancellor Baer, Associate Vice Chancellor Leslie Mercer, Mr. Greg Owen and Ms. Ellen Shelton of Wilder Research presented an evaluation report on the Centers of Excellence. Periodic reports on the Centers of Excellence will be made at the Educational Policy Committee meetings.

(3) Legislative Reports

a. Minnesota State Colleges and Universities and the University of Minnesota Joint Report on Academic Planning in Metropolitan Region

Chair Paskach reported that Senior Vice Chancellor Baer presented the Minnesota State Colleges and Universities and the University of Minnesota Joint Report on Academic Planning in the Metropolitan Region. The report reflects the long-term, ongoing working relationship between the two systems in developing and coordinating joint post-secondary programs in the Twin Cities and statewide.

b. Legislative Accountability Report

Chair Paskach reported that Senior Vice Chancellor Baer presented the Legislative Accountability Report that the Board of Trustees is required to submit to the Commissioner of Finance and the Higher Education finance committees in the House of Representatives and the Senate.

(4) Campus Profile: Minnesota West Community and Technical College

Chair Paskach reported that Senior Vice Chancellor Baer, President Ron Wood and his staff presented a profile of Minnesota West Community and Technical College. Chair Paskach remarked that President Wood and his staff provided an excellent presentation of the college.

9. Requests by Individuals to Address the Board

There were no requests to address the Board.

10. Other Business

No other business was brought before the Board.

11. Adjournment

Chair Paskach adjourned the meeting at 2:27 p.m.

Ingeborg K. Chapin
Secretary to the Board