

MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD OF TRUSTEES MEETING MINUTES

SEPTEMBER 19, 2007

WELLS FARGO PLACE

ST. PAUL, MINNESOTA

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

Trustees Absent: David Paskach and Ann Curme Shaw

1. Call to Order

Chair David Olson called the meeting to order at 9:06 a.m. and reported that a quorum was present.

2. Chair's Report

a. Minutes of Board of Trustees Meeting of July 18, 2007

b. Minutes of Board of Trustees Study Session of July 18, 2007

c. Minutes of Board of Trustees Meeting of July 30, 2007

Chair Olson stated that the minutes of the Board of Trustees meeting of July 18; the Board of Trustees Study Session of July 18, 2007 and the Board of Trustees meeting of July 30, 2007 were approved as written.

d. Other:

Chair Olson announced that the Audit Committee requested a special meeting to be held on October 17, from 8:00 am to 11:00 am. The Board will meet in a retreat on October 30 and 31, 2007, at Minneapolis Community and Technical College. The Board will schedule a special meeting to appoint an interim president of Metropolitan State University during the retreat.

Chair Olson announced that the annual reception recognizing the system's foundations will be on April 1, 2008. The date will be added to the Board calendar. Chair Olson concluded by thanking the members who participated at the system's booth at the Minnesota State Fair.

3. Consent Agenda

a. Minnesota West Community and Technical College – Worthington YMCA Ground Lease

b. Authorization of Leadership Employment Agreements

Trustee Ruth Grendahl moved for approval of the Consent Agenda. Trustee Cheryl Dickson seconded and the motion carried unanimously.

4. Board Policy Decisions

a. Review Office of Legislative Auditor Report

Audit Committee Chair Scott Thiss reviewed the Office of the Legislative Auditor Report that was released at the Audit Committee meeting on September 18.

The Legislative Auditor conducts periodic financial audits of seven colleges on a rotating basis of transaction cycles such as tuition, payroll, and administrative expenditures. The colleges audited were Central Lakes College; Inver Hills Community College; Normandale Community College; Riverland Community College; Pine Technical College; St. Cloud Technical College and Ridgewater Community and Technical College. This audit was part of a larger state-wide project that the Office of the Legislative Auditor was conducting.

Committee Chair Thiss stated that the report showed twenty-four findings classified into three categories: critical findings, important findings and limited impact findings. There were four critical findings. He remarked that the report is consistent to reports of prior years. He stated that the auditor's overall conclusion was positive, internal controls were adequate and that college transactions were in compliance. Committee Chair Thiss noted that there were no issues of malfeasance, misappropriation or fraudulence by the employees of the system.

Committee Chair Thiss moved that the Board Chair shall refer the audit finding pertaining to the authority for Pine Technical College to enter into a joint powers agreement for the operation of its Employment & Training Center to another policy committee of the board for further consideration.

The Board of Trustees expects that the Office of the Chancellor will work with college and university presidents to ensure prompt implementation of the corrective actions provided in response to Legislative Audit Report 2007-25. The Office of Internal Auditing shall provide periodic reports to the presidents, the Chancellor and the Audit Committee on the status of these audit findings.

Committee Chair Thiss recommended to Chair Olson that the issue be referred to a committee for further analysis and discussion.

Chair Olson called the question adding that in voting for the motion the issue would be assigned to the Educational Policy Committee. The motion carried unanimously.

5. Board Standing Committee Reports

a. Educational Policy Committee, Dan McElroy, Chair

(1) Academic and Student Affairs Update

Committee Chair Dan McElroy reported that the committee heard an update from Senior Vice Chancellor Linda Baer on the activities of the Academic and Student Affairs division.

(2) Metropolitan Area Planning

Committee Chair McElroy reported that the committee heard a presentation on the Metropolitan Area Planning. The report reviewed demographic and enrollment trends, existing academic programs, labor market shifts and facilities for students in the Twin Cities area. Future presentations will focus on other regions of the state.

- (3) Customized Training and Continuing Education: Board Update
Committee Chair McElroy reported that the committee heard an update on customized training and continuing education services the system's thirty-two institutions offer to Minnesota employers and workforce. As the state's demographics change with a large number of retirees and increasing numbers of immigrant workers, serving employers and their workers is becoming a significant part of the system's work.
- (4) Sabbatical Report
Committee Chair McElroy reported that the committee received the sabbatical report. The report summarizes sabbatical leaves taken in fiscal year 2006. Sabbaticals are addressed in the collective bargaining agreements between the Minnesota State Colleges and Universities Board of Trustees and the Inter Faculty Organization (IFO) and between the Minnesota State College and Universities Board of Trustees and the Minnesota State College Faculty (MSCF).

b. Diversity and Multiculturalism Committee, Duane Benson, Chair

- (1) Diversity and Multiculturalism Committee
Committee Chair Duane Benson reported that the committee heard an update from Executive Director Whitney Harris on the activities of the Diversity and Multiculturalism division.
- (2) FY 2008 Diversity and Multiculturalism Division Work Plan
Committee Chair Benson reported that the committee heard a report on the Diversity and Multiculturalism division's work plan. The committee reviewed and discussed strategies and actions recommended for inclusion in the annual work plan.

c. Finance/Facilities Policy Committee, Clarence Hightower, Chair

- (1) Finance/Facilities Division Update
Committee Chair Hightower reported that the committee heard an update from Vice Chancellor Laura King on the Finance/Facilities division.
- (2) FY 2008 Finance/Facilities Goals and Objectives
Committee Chair Hightower reported that the committee heard a report on the Finance division's goals and objectives. The Finance division's work plan incorporates three priorities of the Leadership Council Finance Committee, as follows: long-term financial planning outlook for rural institutions; matching the allocation process to the goals of the strategic plan; and identifying strategies for rewarding colleges and universities for collaboration and entrepreneurial leadership.

d. Human Resources Policy Committee, Ruth Grendahl, Chair

- (1) Human Resources Update
Committee Chair Ruth Grendahl reported that the committee heard an update from Vice Chancellor Bill Tschida on the Human Resources division.
- (2) Demographic Report
Committee Chair Grendahl reported that the demographic report was provided to the committee as information, only.
- (3) Report on Closed Session
Committee Chair Grendahl reported that the committee met in a closed session for discussion on current developments in negotiations with the Inter Faculty Organization (IFO), Minnesota State College Faculty (MSCF), and Minnesota State University Association of Administrative and Service Faculty (MSUAASF). (Pursuant to Minnesota Statute § 13D.03, Minnesota Open Meeting Law, 2006)

e. Advancement Committee, Christine Rice, Chair

- (1) Advancement Update
Committee Vice Chair Cheryl Dickson reported that the committee heard an update from Vice Chancellor Linda Kohl on the Public Affairs Division.
- (2) 2007-2008 Strategic Marketing and Communications Plan
Committee Vice Chair Dickson reported that the committee heard a presentation on the 2007-2008 Strategic Marketing and Communications Plan. The plan continues to focus on building awareness and understanding of the system, helping colleges and universities recruit students, including those in groups underrepresented in higher education, and communicating with the system's employees.
- (3) Minnesota State Colleges and Universities Foundation Overview
Committee Vice Chair Dickson reported that the committee heard an overview on the Minnesota State Colleges and Universities Foundation. Members of the Foundation Board provided information on their mission, vision and goals. The Minnesota State Colleges and Universities Foundation has set a goal of raising \$692,495 annually by 2010. The Foundation has established a monetary goal of \$575,000 for FY 2008.

f. Audit Committee, Scott Thiss, Chair

- (1) Update on Internal Audit of Student Success Systems
Committee Chair Thiss reported that the committee heard an update on the Internal Audit of Student Success Systems. A preliminary report on the reliability of student success measures was presented to the Audit Committee last May. The final report will be presented at a special Audit Committee meeting on October 17.

- (2) **Audit Committee Organization and Planning**
Committee Chair Thiss reported that the committee had a discussion on the Audit Committee Organization and Planning. The November meeting will focus on independent audit reports.

6. Joint Council of Student Associations

a. Minnesota State College Student Association (MSCSA)

Mr. Scott Formo, President, provided a written report to the Board of Trustees.

b. Minnesota State University Student Association (MSUSA)

Mr. Brad Burns, Vice Chair, addressed the Board of Trustees.

7. 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, provided a written report to the Board of Trustees.

c. Inter Faculty Organization (IFO)

Dr. Nancy Johnson Black, President, addressed the Board of Trustees.

8. Trustees Reports

Trustee Grendahl reported that she and Trustee Van Houten attended a few of the Minnesota Department of Employment and Economic Development regional competitiveness forums. The forums brought together leaders of business, labor, education and government to identify economic and workforce development and higher education competitive strategies. She also reported that she and Trustee Rice visited the Minnesota State University, Mankato campus.

Trustee Thiss reported that he was asked to join the board of National Association of Manufacturers. Trustee Van Houten reported that he was asked to help develop an international curriculum through the Carlson School. Chair Olson reported that as Chair of the Minnesota Chamber of Commerce, he will be conducting a series of regional policy development sessions, and in conjunction with the sessions, he will meet with area presidents as his schedule permits. He added that Trustee Thiss will join him at some of the meetings.

9. Chancellor's Comments

Chancellor James McCormick welcomed the Board of Trustees and system colleagues to the meeting. He reported that his written comments are available upon request and also will be available online. Chancellor McCormick reviewed his report highlighting the vision, goals and initiatives for the coming year. Chancellor McCormick stated that the goals set by the Governor and Legislature must be achieved in order to receive one percent of the system's appropriation, about \$13.5 million dollars:

- Increasing the number of students who take college-level courses in science, technology, engineering and math;
- Increasing enrollment in our Centers of Excellence programs;
- Increasing the number of students trained on the use of electronic medical record technology;
- Increasing the number of students taking online courses; and
- Expanding initiatives that reward institutions' faculty and staff for innovations designed to advance excellence and efficiency.

Three of the five goals must be met. Chancellor McCormick stated that he is hopeful to report to the governor and Legislature that all five were completed.

Chancellor McCormick stated that the Board of Trustees' Action Plan has goals that he intends to meet. The goals are in the areas of improving student access and opportunity, promoting high-quality learning programs and services, providing programs and services vital to the economic needs of the state, and innovating to meet educational needs efficiently. They include increasing student retention rates, improving success of students of color and increasing financial support from private sources.

The Chancellor stated that the Board also has committed the system to a new era of accountability. The scorecard and dashboard, which will be completed in the next two months, will put this higher education system significantly ahead of many in measuring results and making them transparent and readily available to anyone who wants to see them.

The focus at the Legislature will be on the capital budget request. The system request is for \$271 million in state bonding funds for thirty seven projects across the state, including \$110 million for much needed repair and replacement projects on all of the campuses. He added that while the biennial budget session won't begin until 2008, time will be needed for important discussions with the board, college and university presidents, faculty representatives and students to build consensus about the operating budget request.

Chancellor McCormick commented that this year will be an exciting time of leadership changes with the addition Presidents Earl Potter at St. Cloud State University and Joe Opatz at Normandale. Chancellor McCormick reported that Presidents Ron Wood at Minnesota West and Joe Sertich at the Northeast Higher Education District have announced their retirement at the end of the academic year. Metropolitan State University President Wilson Bradshaw will resign in November to assume a new position as president of Florida Gulf Coast University. Search processes will begin for new leadership at those institutions.

Chancellor McCormick concluded his remarks commenting that he anticipates an exciting and energizing time ahead, and that he is proud to be an advocate of the system.

10. Requests by Individuals to Address the Board
There were no requests to address the Board.

11. Other Business
No other business was brought before the Board.

12. Adjournment
Chair Olson adjourned the meeting at 10:45 a.m.

Ingeborg K. Chapin
Secretary to the Board