

MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD OF TRUSTEES MEETING MINUTES

MARCH 18, 2009

SAINT PAUL COLLEGE

ST. PAUL, MINNESOTA

Trustees Present: Chair David Olson, Duane Benson, Cheryl Dickson, Jacob Englund, Ruth Grendahl, Clarence Hightower, Dan McElroy, Thomas Renier, Christine Rice, Louise Sundin, Scott Thiss, Terri Thomas and James Van Houten

Trustees Absent: Allyson Lueneburg and David Paskach

1. Call to Order

Vice Chair Ruth Grendahl announced that Chair Olson was delayed due to a meeting and would arrive shortly. She called the meeting to order at 1:05 p.m. and reported that a quorum was present.

2. Chair's Report

a. Minutes of Board of Trustees Meeting of January 21, 2009

Vice Chair Grendahl stated that the minutes were approved as written.

b. Other

Vice Chair Grendahl announced that a revised agreement was made with the Fond du Lac Tribal and Community College, the Tribal College Board and the Minnesota State Colleges and Universities system. Vice Chair Grendahl introduced and welcomed Ms. Liz Jaakola, a member of the Fond du Lac Tribal College Board, and Interim President Larry Anderson of Fond du Lac Tribal and Community College.

Interim President Anderson commented that the positive outcome of the agreement was due in large part to outstanding support from Chancellor McCormick and his staff. Ms. Jaakola stated that she serves in a unique position as a member of the Tribal College Board, as well as a faculty member of Fond du Lac Tribal and Community College. She commented on the collaboration and work of everyone involved and thanked Chancellor McCormick.

Trustee Thomas Renier complimented Interim President Anderson and his staff, noting the challenges and the important milestone taking place in the relationship with the Tribal College Board. The Tribal Board is in the planning phase for a new tribal technical college. Vice Chair Grendahl thanked Trustee Renier for his role as the Board's liaison to the college and for his work and support. Chancellor McCormick thanked Interim President Anderson for his leadership.

3. Consent Agenda

a. Identity Theft Prevention Program

Vice Chair Grendahl stated that the motion for the Identity Theft Prevention Program was revised by the Finance, Facilities and Technology Committee. Trustee Renier stated that the revised motion includes language requesting the Chancellor to report any substantive changes in the program: The Chancellor shall timely report to the Board of Trustees any substantive changes in the program.

Trustee Renier moved that the Board of Trustees approves the Identity Theft Prevention Program and delegates to the Chancellor authority to maintain and update the Program as may be necessary to address regulatory changes, system operational changes and make other reasonable changes enhancing Program clarity and effectiveness consistent with regulatory requirements. The Chancellor shall timely report to the Board of Trustees any substantive changes in the program. Trustee Englund seconded the amendment to the motion. The motion carried unanimously.

4. Board Policy Decisions

a. Select External Auditors for Institutional Financial Statement Audits

Trustee Scott Thiss moved that the Board of Trustees approves the appointment of Kern, DeWenter, Viere, Ltd.; Virchow, Krause and Company, LLP; and LarsonAllen to serve as external auditors for seven colleges and universities. The firm of Kern, DeWenter, Viere, Ltd. will serve as external auditor for Hennepin Technical College and Normandale Community College. The firm of Virchow, Krause and Company, LLP will serve as external auditor for Century College. The firm of LarsonAllen will serve as the external auditor for Metropolitan State University, Minneapolis Community & Technical College, Rochester Community & Technical College, and Southwest Minnesota State University. The scope of these audit services shall include an annual audit of the general financial statements of the above mentioned colleges and universities. The term of these appointments begins upon execution of contracts and shall continue to fulfill external auditing needs for the three fiscal years from July 1, 2009, to June 30, 2011, with the exception of the audit of Normandale Community College which shall be for the two fiscal years from July 1, 2010, to June 30, 2011. The Board of Trustees authorizes the Executive Director of Internal Auditing and the Vice Chancellor/Chief Financial Officer to negotiate contracts with Kern DeWenter, Viere, Ltd., consistent with the terms contained in its proposal dated February 20, 2009; with Virchow, Krause and Company, LLP, consistent with the terms contained in its proposal dated February 27, 2009; and with LarsonAllen consistent with the terms contained in its proposal dated February 20, 2009. Vice Chair Grendahl called the question and the motion was approved unanimously.

NOTE: The motion approved by the Board erroneously stated the beginning of the three fiscal years as July 1, 2009 (not 2008) and the two fiscal years as July 1, 2010 (not 2009). The other supporting materials and discussion at the meeting, however, made the Board's intentions clear as to the auditor selection and the correct audit periods. Based on the Chancellor's authority to enter into contracts, staff has proceeded with execution of the necessary agreements.

b. Amendment to Board Policy 1A.11 (Second Reading)

Trustee Christine Rice moved that the Board of Trustees approves the amendment to policy 1A.11 College and University Names and Permanent Locations. Vice Chair Grendahl called the question and the motion was approved unanimously.

c. Inter Faculty Organization Bargaining Agreement

Vice Chair Grendahl moved that the Board of Trustees approves the terms of the 2009-2011 labor agreement with the Inter Faculty Organization (IFO) and authorizes the Chancellor to sign the agreement on behalf of the Board. Vice Chair Grendahl called the question, and the motion was approved unanimously.

Vice Chair Grendahl thanked President Rod Henry, Vice Chancellor William Tschida and staff for their efforts in the settlement agreement.

5. Board Standing Committee Reports

a. Finance, Facilities and Technology Committee, Thomas Renier, Chair

- (1) Finance, Facilities and Technology Update
Committee Chair Renier reported that the committee heard an update from Vice Chancellor Laura King on the activities of the Finance, Facilities and Technology division.
- (2) Revenue Fund Bond Sale (First Reading)
Committee Chair Renier reported that the committee reviewed the Revenue Fund Bond Sale. The project requests have been submitted to the Office of the Chancellor for inclusion in the next bond sale tentatively scheduled for June 2009. This item will be a second reading at the May meeting.
- (3) FY 2010-2011 Budget Planning
Committee Chair Renier reported that the committee heard a report on the FY 2010-2011 Budget Planning. The report provided information on the impact of the Governor's unallotment, the state's most recent economic forecast, and the federal stimulus package and reserve levels.

Vice Chancellor Laura King reported that Governor Tim Pawlenty proposed to amend his budget recommendations following the February forecast and the federal stimulus proposal. The January base budget reduction was \$146 million, and the March recommendation is a base budget reduction of \$160 million with federal stimulus money of \$133 million.

Vice Chancellor King remarked that given the projections and the one-time stimulus money, a significant budget challenge remains for the system.

Committee Chair Renier emphasized that the stimulus is just one-time money. Vice Chancellor King added the presidents are urged to prepare a four-year plan for their institution and to provide a summary to establish a plan through the year 2013.

- (4) **Update on Winona State University Laptop Program**
Committee Chair Renier reported that a progress report of Winona State University's laptop program. Due to time constraints, the committee will review it at a future meeting.

b. Audit Committee, Scott Thiss, Chair

- (1) **Results of Annual Student Financial Aid Audit**
Committee Chair Thiss reported that the committee heard a report of the Results of Annual Student Financial Aid Audit. Federal law requires an annual review of major federal financial assistance, including student financial aid programs. The firm of Kern, DeWenter, Viere, Ltd. conducted the audit as part of its responsibilities as principal auditor for the system. In 2008, the system received \$189 million in federal grants, and students borrowed over \$426 million in federal loans. The report cites no significant deficiencies or weaknesses. It contains three administrative findings related to improvements needed to comply with certain federal financial aid regulations. Chair Olson congratulated the presidents and staff for a job well done.
- (2) **Office of the Legislative Auditor's Program Evaluation of Occupational Programs**
Committee Chair Thiss reported that the committee heard a report on the Office of the the Legislative Auditor's Program Evaluation of Occupational Programs. The program evaluation was conducted by the Legislative Auditor at the request of the legislators. A series of findings and recommendations are detailed within the report. Committee Chair Thiss summarized that the report was positive and supportive of the system.

c. Diversity and Multiculturalism Committee, Duane Benson, Chair

- (1) **St. Cloud Access and Opportunity Center**
Committee Chair Duane Benson reported that the committee heard a report on the St. Cloud Access and Opportunity Center. The Center offers opportunities for underserved students to prepare and take college ready courses. The report noted a 10 percent increase in participation rates of underrepresented students.
- (2) **Diversity and Multiculturalism Update**
Committee Chair Benson reported that the committee heard an update from Executive Director Whitney Stewart Harris on the activities of the Diversity and Multiculturalism division.

d. Advancement Committee, Christine Rice, Chair

- (1) Advancement Update
Committee Chair Rice reported that the committee heard an update from Vice Chancellor Linda Kohl on the Public Affairs division.
- (2) State Legislative Update
Committee Chair Rice reported that the committee heard an update on the State Legislative Session. Committee Chair Rice noted the deadlines for committee action. She added that the intention of the legislature is to have all budget, finance and tax bills sent to the governor by May 12, six days prior to the end of the session.
- (3) Federal Update
Committee Chair Rice reported that the committee heard an update on the Federal Legislative Session. She reviewed the federal earmarks detailed in the meeting materials and noted that the Pell grant increases shall be more than one-time money and will be included in the president's FY 2010 budget proposal.

e. Human Resources Committee, Ruth Grendahl, Chair

- (1) Personnel Plan for Minnesota State Colleges and Universities Administrators Update
Committee Chair Grendahl reported that the committee heard an update on the Personnel Plan for Minnesota State Colleges and Universities Administrators. The plan is under review for fiscal years 2009-2011.
- (2) Closed Session on Bargaining Pursuant to Minnesota Statutes §13D.03 (2008)
Committee Chair Grendahl reported that the committee met in a closed session on the Minnesota State College Faculty (MSCF) contract pursuant to Minnesota Statutes §13D.03 (2008).

f. Academic and Student Affairs 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) Bush Foundation's Goal to Increase Educational Achievement
Committee Chair McElroy reported that the committee heard a presentation on the Bush Foundation's Goal to Increase Educational Achievement. Peter Hutchinson, president of the Bush Foundation, provided an overview of the Foundation's goal and proposed efforts to recruit and retain teachers and to improve teacher preparation. Committee Chair McElroy stated that an agreement with the Bush Foundation will be proposed at the May meeting.

- (3) **Workforce of the Future: Leadership Reaches Out to Business**
Committee Chair McElroy reported that the committee heard a presentation on the Workforce of the Future: Leadership Reaches Out to Business. The presentation highlighted what companies report as their competitive advantage and the system's role in providing them with education and training.
- (4) **Overview of Academic Program Review**
Committee Chair McElroy reported that the committee heard a report on Academic Program Review. The report provided a framework of the process for pending system and Board actions.

6. Joint Council of Student Associations

a. Minnesota State College Student Association (MSCSA)

Mr. Jacob Littler, President, addressed the Board of Trustees.

b. Minnesota State University Student Association (MSUSA)

Mr. Chris Frederick, State 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. Ms. Foreman complimented the system's Information Technology Oracle database conversion for becoming a successfully merged system.

b. Administrative and Service Faculty (ASF)

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

c. Inter Faculty Organization (IFO)

Mr. Rod Henry, President, addressed the Board of Trustees. Trustee Sundin thanked President Henry for his leadership and accomplishment in the efficient and swift agreement in settling the IFO bargaining contract.

8. Trustees' Reports

Chair Olson welcomed President Stover and the South Central College leadership cohort to the Board meeting. President Stover introduced the members of the group and thanked Chair Olson and the Board members for welcoming them to the meeting.

Trustee Cheryl Dickson commented that the Oracle database conversion has been a tremendous undertaking. She congratulated Vice Chancellor Ken Niemi for his extensive work and dedication.

Trustee Dickson reported that she attended the Academic Quality Improvement Program (AQIP) site visits at Hennepin Technical College and Minnesota State College - Southeast Technical College.

Trustee Dickson commented that she received a publication from Southwest Minnesota State University Foundation which included a pie chart of all inclusive actual costs to attend the institution. She commended the foundation for the publication's transparency.

Trustee Rice reported that she participated in All Minnesota Academic Team celebration. She reported that she also attended the AQIP visit at Ridgewater College in Hutchinson.

Trustee Van Houten reported that he met with President Phil Davis for a tour of Minneapolis Community and Technical College. He was invited to attend a cabinet meeting and noted that he was impressed with President Davis and the content of the meeting.

Trustee Van Houten reported that Century College sponsors the Twin City Elementary International School, a charter school in Minneapolis. He visited the charter school which is for kindergarten through fourth grade and is similarly in line with the Bush Foundation's assessment tool.

Trustee Sundin reported that she attended the AQIP site visit at Pine Technical College. She also reported that she enjoyed a tour of the college and visited the rifle/shotgun repair program classroom.

9. Chancellor's Comments

Chancellor McCormick welcomed the Board members, constituents and staff to the meeting. He thanked the bargaining units' leaders for their work and collaboration in difficult times and for arriving at an agreement.

Chancellor McCormick remarked that he remains focused on the core expectations of the 2009 Action Plan and reported on the following goals:

- **Reaching the Underrepresented Initiative**

The system is one of 19 other systems that are a part of the National Association of System Heads' Access to Success initiative. Chancellor McCormick noted that the goal is to cut the gap 50 percent by the year 2015 or sooner.

- **Science, Technology, Engineering and Math (STEM) Initiative**

The STEM initiative is being pushed with limited initiative grant funds for increasing the number of secondary teachers prepared for licensure in math and science or the percentage of students enrolled in STEM courses. Collaboration with the Minnesota Association of School Administrators to engage deans of education and school superintendents in regional action planning focusing on recruiting, preparing and retaining high quality STEM teachers. STEM work includes addressing the pipeline from K-12 to higher education, including "Project Lead the Way" and summer camps to engage middle and high school students looking toward STEM-related careers.

- **Workforce of the Future**

Chair Olson, Trustee Thiss, Chancellor McCormick and senior system leadership completed over 400 business and industry visits. The resulting recommendations will guide the system work for FY 2010 and beyond. The publication “Open for Business” presents an array of business and industry services offered by the system.

- **Support of New Presidents**

Chancellor McCormick stated that he works closely with the newer presidents, and he noted that they are doing very well.

Chancellor McCormick concluded his remarks by commenting on the budget challenges and the importance of looking forward. He commented that he remains focused on making changes that will lead the system into the future. He added that he plans to meet with leaders of the bargaining groups and the student representatives individually on the 2020 vision statement.

10. Requests by Individuals to Address the Board

There were no requests to address the Board.

11. Other

Chair Olson thanked Trustees Hightower, Renier and Thiss for their counsel and work related to the budget issues. He also thanked the Trustees attending the AQIP site visits.

Chair Olson stated that commencement invitations are being received, and he requested that Trustees promptly reply to inquiries. He added that it is a goal of the Board to attend as many ceremonies as possible.

Chair Olson reported that the next scheduled Board meetings are on May 19-20. The Board will host a luncheon recognizing recipients of the Board of Trustees Awards for Excellence in Teaching on May 20. The Finance, Facilities and Technology Committee and the Work Group on Technology will meet on April 15. Trustee McElroy added that the Academic and Student Affairs Committee would meet as well.

12. Adjournment

Chair Olson adjourned the meeting at 2:45 p.m.

Ingeborg K. Chapin
Secretary to the Board