

**BOARD OF TRUSTEES
EXECUTIVE COMMITTEE MEETING
MAY 11, 2016
8:00 AM**

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
30 7TH STREET EAST
CONFERENCE ROOM 3310, THIRD FLOOR
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**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
EXECUTIVE COMMITTEE MEETING MINUTES
FEBRUARY 16, 2016**

Executive Committee Members Present: Chair Michael Vekich, Trustees Alexander Cirillo, Jay Cowles, Dawn Erlandson, Robert Hoffman, and Thomas Renier

Absent: Trustee Margaret Anderson Kelliher

Others Present: Trustee Philip Krinkie and Chancellor Steven Rosenstone

Convene: Chair Vekich called the meeting to order at 8:02 AM. Trustee Hoffman participated by phone.

Minutes of January 7, 2016

The minutes were approved as written.

Approval of Revised FY2016 Board Operating Budget

Chair Vekich called upon Trustee Cowles to review the FY2016 Board Operating Budget.

Trustee Cowles explained the need for a proposed increase to the FY2016 Board of Trustees Operating Budget. He explained that the board has had four training sessions on governance, added several meetings of the Executive Committee, and held the January 26-27, 2016 board meeting on a campus. The additional expenses resulted in a budget shortfall. Trustee Cowles and Chair Vekich recommended an increase of \$30,000 to the board's operating budget. The additional funds will be one-time funds and not added to the base. Any unused funds will be returned at the end of the fiscal year.

Trustee Renier moved that the Executive Committee approve an increase of \$30,000 to the FY2016 Board Operating Budget, and recommend that the Board of Trustees approve it at their meeting on March 16, 2016. The additional funds will be one-time funds, not to be added to the base. Trustee Cirillo seconded and the motion carried.

Proposed Amendments to Policy 1A.2, Board of Trustees, Part 5 Standing Committees, Committees, and Working Groups of the Board (First Reading)

Chair Vekich reviewed the first reading of the proposed amendments to Policy 1A.2, Board of Trustees, Part 5 Standing Committees, Committees, and Working Groups of the Board.

With respect to **Subpart A. Executive Committee**, Chancellor Rosenstone recommended an addition to Subpart A. Executive Committee to include that the Executive Committee also act as a governance committee. Chair Vekich stated that the language will be included in the second reading for approval at the March 16, 2016 meeting.

Trustee Renier suggested including succession planning. Chair Vekich replied that it is a topic for further discussion.

With respect to **Subpart B. Finance and Facilities Committee**, Committee Chair Cowles reviewed the proposed amendments. Trustee Cowles stated that it is an update of the committee's current practices and describes the short and long term oversight of the committee.

With respect to **Subpart C. Human Resources Committee**, Committee Chair Erlandson reviewed the proposed amendments. The proposed amendments were typographical with no substantive changes.

With respect to **Subpart D. Academic and Student Affairs Committee**, Committee Chair Cirillo reviewed the proposed amendments. Chancellor Rosenstone recalled Trustee Benson's suggestion of including diversity language in all of the standing committees. Chair Vekich replied that there is a general agreement to include diversity in each committee.

With respect to **Subpart E. Audit Committee**, Committee Chair Hoffman reviewed the proposed amendments to E. Audit Committee. He stated that proposed amendments were mostly typographical with no substantive changes from the previous draft.

With respect to **Subpart F. Diversity and Equity Committee**, Trustee Erlandson stated that the Association of Community College Trustees changed the name of its Diversity and Equity Committee to Diversity and Inclusion Committee. Chair Vekich and the trustees agreed to add "inclusion" to the committee's title to reflect the work of the committee. Upon Trustee Erlandson's suggestion, the committee was renamed to the "Diversity, Equity, and Inclusion Committee."

Draft Committee Charters

Chair Vekich stated that each committee

Washington, D.C. counsel and examine any options that may be available to mitigate adverse operating impacts.

Trustee Erlandson suggested outreach to the governor's office and the congressional delegation, particularly Representative Kline and Senator Franken. Staff will continue to brief the board as the issue develops. Vice Chancellor King replied that there are no sanctions to our practices.

Chair Vekich inquired as to how to best work with the federal government on this issue. Vice Chancellor King replied that we are a third party passenger and no action is required. Trustee Anaya commented that as a third party, we at least should show our good will related to the issue. Chancellor Rosenstone responded that this is in no result of anything within MnSCU. Vice Chancellor King added that there is no provision to appeal the five-year sanction from 2013 when the state did not make the reporting deadline.

Vice Chancellor King commented that there is no impact on the students. Chancellor Rosenstone commented that Vice Chancellor King has been in contact with Commissioner Frans. Vice Chancellor King replied that Governor Dayton and Commissioner Frans are deeply concerned. Chair Vekich and Chancellor suggested that Vice Chancellor King consult with general counsel and federal counsel and that she continue to brief the board as the issue develops.

Supplemental Budget Request

Chair Vekich called upon Vice Chancellor King and Trustee Cowles on the Supplemental Budget Request.

Trustee Cowles recalled and thanked Trustees Krinkie and Otterson for raising the question of the process concerning the supplemental budget request. He has met with the chair, chancellor, and staff to discuss what he sees as two dimensions of the issue. The supplemental request has been submitted. The matter of board engagement in the 2016 legislative process is worthy of committee discussion. He will plan for that conversation at the Finance and Facilities Committee April meeting.

The second dimension concerns the practice that the board has had for many years of advancing its legislative proposals from one legislative session to the next. Trustee Cowles suggested that the board take up consideration of this strategy and practice at its fall 2016 retreat in advance of the 2018-2019 legislative request before the board in October/November 2016. The Executive Committee endorsed both of these recommendations.

Proposed Amendments to Policy 1C.1, Board of Trustees Code of Conduct (First Reading)

Chair Vekich reviewed the proposed amendments to Policy 1C.1 Board of Trustees Code of Conduct.

Chair Vekich stated that the proposed amendments clarify that trustee conflicts do arise. He suggested taking the following actions if and when a conflict should arise:

1. trustees experiencing a conflict bring it to the board chair, and
2. trustees remove themselves from discussion or voting on any conflict of interest.

Trustee Krinkie noted the language in Part 4 regarding employment within the system. He inquired if employment with other higher education competitors would be considered a conflict. Trustee Erlandson shared the same concern as Trustee Krinkie that it does not address employment with competitors. Trustee Krinkie suggested changing the language to any higher education institution.

Chair Vekich called upon Assistant General Counsel Kris Kaplan for her thoughts on the proposed amendments. General Counsel Kaplan replied that although she has not heard previous conversations, her perspective is that conflicts can be individual cases and should be discussed with the chair. There was continued discussion with several examples of potential conflicts of interest. Trustee Renier recommended that the conflicts of interest policy be included for new trustees' orientation.

Trustee Cirillo inquired if there should be a record of when trustees discuss potential conflicts with the chair. Chair Vekich replied that notes would be kept in the office. Trustee Hoffman stated that the policy works well and it is impossible to add every possible scenario of a conflict of interest to the policy. He added that these situations are infrequent and should be discussed individually with the chair.

Chair Vekich concluded the discussion. He proposed amending the first sentence in Policy 1C.1, Part 4 to read: **Except as provided in this part, a trustee shall not seek or accept employment in any higher education institution and/or board service ~~with the system or its colleges or universities~~ while serving as a trustee.**

Following discussion, the language that was suggested to be included as Part 5. Candidacy for Public Office, was stricken from the proposed amendments.

Chair Vekich stated that the following items will be presented as second readings for approval at the Board of Trustees Meeting on March 16, 2016.

- **Approval of Revised FY2016 Board Operating Budget**
- **Proposed Amendments to Policy 1A.2, Board of Trustees, Part 5 Standing Committees, Committees, and Working Groups of the Board**
- **Proposed Amendments to Policy 1C.1, Board of Trustees Code of Conduct**

Adjournment

Chair Vekich adjourned the meeting at 9:15 a.m.

Minnesota State Colleges and Universities
Desirable Characteristics of a Trustee
Recommendations from the Board Leadership
May 2012

Personal Characteristics

- Integrity and Accountability: Ethical standards, integrity and strength of character in his or her personal and professional dealings and a willingness to act on and be accountable for his or her decisions.
- Informed Judgment: Demonstrate intelligence, wisdom and thoughtfulness in decision-making. Demonstrate a willingness to thoroughly and openly discuss issues, ask questions, voice reservations, build consensus and tolerate dissent.
- Mature Confidence: Assertive, responsible and supportive in dealing with others. Respect for others, openness to others' opinions and the willingness to listen.
- High Standards: History of achievements that reflect a high level of performance.

Minnesota State Colleges and Universities
Desirable Characteristics of a Trustee
Recommendations from the Board Leadership
May 2012

- Strategy and Vision: Skills and capacity to provide strategic insight and direction by encouraging innovations, conceptualizing key trends, evaluating strategic decisions, and challenging MnSCU to sharpen its vision.
- Bargaining Contract: A basic knowledge of the collective bargaining process, contract requirements and union relations.

Commitment to MnSCU

- Time and Effort: Willing to commit the time and energy necessary to satisfy the requirements of Board and Board Committee membership.

Expected to attend and participate in all Board meetings and Board Committee meetings in which they are a member.

A willingness to rigorously prepare prior to each meeting and actively participate in the meeting.

Willingness to make himself or herself available to management upon request to provide advice and counsel.

- Attendance: Available to attend numerous Board, student, campus and community events. Attending student association functions, legislative hearings and college and university graduations and a cheerful willingness to do so.
- Awareness and Ongoing Education: Possess, or be willing to develop, a broad knowledge of critical issues affecting the MnSCU system (including educational trends, technology, legislative and student based concerns). In addition the candidate must understand a Trustee's role and responsibilities including the general legal principles that guide board members.
- Conflict of Interest: No real or perceived conflict of interest as viewed by MnSCU's stakeholder groups or the public.

Current and Expected Experience Gaps

- Human Resources: Familiarity with compensation strategies, talent acquisition, talent development, etc.
- Finance: Financial experience with complex issues of budget, tuition, capital budgets, bonding etc.

Minnesota State Colleges and Universities
Desirable Characteristics of a Trustee
Recommendations from the Board Leadership
May 2012

- Communications/Public Affairs: Communications and public affairs expertise to assist in advancing the reputation of the MnSCU system and its colleges and universities.
- Diversity: experience to enhance perspective and judgment through diversity in gender, age, ethnic background, geographic origin, and professional experience (public, private, and non-profit sectors).

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

INFORMATION

PROPOSED FY2017 AND 2018 MEETING CALENDAR

BACKGROUND

In June 2015 the Board of Trustees approved a meeting calendar for FY2017. Dates for Executive Committee meetings have been added to the FY17 and FY18 calendars. The board will consider the proposed calendar as a first reading on May 18, 2016, with a second reading on June 22, 2016. Dates for the Executive Committee meetings in FY18 will be added later. In addition, the calendar is subject to change with the approval of the board chair. Changes to the meeting calendar will be publicly noticed.

Proposed FY2017 Meeting Dates

Meeting	Date	If agendas require less time, these dates will be cancelled.
Orientation and Board Retreat Executive Committee	September 20-21, 2016 October 5, 2016	

Executive Committee Committee / Board Meetings Awards for Excellence in Teaching	April 4, 2018 April 17-	
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