



November 2021 committee & board meetings

Minnesota State Colleges and Universities

Nov 16, 2021 9:00 AM - Nov 17, 2021 1:45 PM CST

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Board of Trustees
November 16 - 17, 2021
Virtual Meeting

Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings. Interested parties can listen to the live stream of the proceedings from the [Board website](#).

Tuesday, November 16, 2021

- 9:00 a.m. Facilities Committee, Jerry Janezich, Chair
Other board members may be present constituting a quorum of the board.
- 1. Minutes of June 16, 2021**
 - 2. Contracts Requiring Board Approval**
 - a. MSUM Foundation Ground Lease, Minnesota State University Moorhead**
 - b. EDA Federal Grant Construction Contract, St. Cloud Technical & Community College**
 - 3. FY2022 Committee Workplan**
- 9:30 a.m. Finance Committee, Roger Moe, Chair
Other board members may be present constituting a quorum of the board.
- 1. Minutes of October 19, 2021**
 - 2. Contracts Requiring Board Approval**
 - a. Mayo Clinic Health System Event Center Lease, Minnesota State University, Mankato**
 - b. MSUM Foundation Ground Lease, Minnesota State University Moorhead**
 - c. EDA Federal Grant Construction Contract, St. Cloud Technical & Community College**
 - 3. FY2022-23 Supplemental Budget Request (Second Reading)**
- 10:30 a.m. Committee of the Whole, Jay Cowles, Chair
- 1. Update: Minnesota State COVID response and mitigation strategies**
- 11:45 a.m. BREAK
- 12:15 p.m. Audit Committee, Michael Vekich, Chair
Other board members may be present constituting a quorum of the board.
- 1. Minutes of June 15, 2021**
 - 2. Minutes of June 15, 2021 Joint Meeting of Audit and Finance Committees**
 - 3. FY2022 Committee Workplan**
 - 4. Revised Office of Internal Auditing Charter**
 - 5. Review Audit Results and Approve Release of Audited Financial Statements and Federal Student Financial Aid Audit Update**
- 1:30 p.m. Meeting ends

Wednesday, November 17, 2021

- 9:00 a.m. Academic and Student Affairs Committee, Cheryl Tefer, Chair
Other board members may be present constituting a quorum of the board.
- 1. Minutes of October 19, 2021**
 - 2. Minutes of October 20, 2021 Joint Meeting of Academic and Student Affairs and Diversity, Equity and Inclusion Committees**
 - 3. Mission Statement Change – Normandale Community College**
 4. Enrollment Profile and Enrollment Management Strategy
- 10:30 a.m. Outreach and Engagement Committee, Dawn Erlandson, Chair
Other board members may be present constituting a quorum of the board.
- 1. Minutes of May 18, 2021**
 2. FY2022 Committee Workplan
 3. Engagement Stories: Farm Business Management Programs
- 11:15 a.m. BREAK
- 11:45 a.m. Workforce and Organizational Effectiveness Committee, George Soule, Chair
Other board members may be present constituting a quorum of the board.
- 1. Minutes of October 20, 2021**
 2. Proposed Amendment to Board Policy 4.2 Appointment of Presidents (First Reading)
- 12:15 p.m. Board of Trustees, Jay Cowles, Chair
- 1:45 p.m. Meeting ends

Bolded items indicate action is required.



FY2022 and FY2023 Board Meeting Dates

The meeting calendar is subject to change. Changes to the calendar will be publicly noticed.

Revised FY2022 Meeting Calendar

Meeting	Date	If agendas require less time, these dates will be cancelled.
No meetings in July <i>Potential board training session to be scheduled</i>		
No meetings in August		
Board Retreat <i>Tentative Location: Riverland Community College/Austin</i>	September 21-22, 2021	
Executive Committee	October 6, 2021	
Committee / Board Meetings	October 19-20, 2021	October 19, 2021
Executive Committee	November 3, 2021	
Committee / Board Meetings Combined with Leadership Council	November 16-17, 2021	November 17, 2021
No meetings in December		
Executive Committee	January 5, 2022	
Board Meeting/Combined meeting with Leadership Council	January 25-26, 2022	January 26, 2022
No meetings in February		
Executive Committee	March 2, 2022	
Committee / Board Meetings	March 15-16, 2022	March 15, 2022
Executive Committee	April 6, 2022	

Meeting	Date	If agendas require less time, these dates will be cancelled.
Committee / Board Meetings	April 19-20, 2022	April 19, 2022
Executive Committee	May 4, 2022	
Committee / Board Meetings	May 17-18, 2022	May 17, 2022
Executive Committee	June 1, 2022	
Committee / Board Meetings	June 21-22, 2022	June 21, 2022

Proposed FY2023 Meeting Calendar

Meeting	Date	If agendas require less time, these dates will be cancelled.
Board Meeting/Combined meeting Leadership Council	July 19-20, 2022	July 20, 2022
No meetings in August		
Board Retreat	September 20-21, 2022	
Executive Committee	October 5, 2022	
Committee / Board Meetings	October 18-19, 2022	October 18, 2022
Executive Committee	November 2, 2022	
Committee / Board Meetings Combined with Leadership Council	November 15-16, 2022	November 16, 2022
No meetings in December		
Executive Committee	January 4, 2023	
Board Meeting/Combined meeting with Leadership Council	January 24-25, 2023	January 25, 2023
No meetings in February		

Meeting	Date	If agendas require less time, these dates will be cancelled.
Executive Committee	March 1, 2023	
Committee / Board Meetings	March 21-22, 2023	March 21, 2023
Executive Committee	April 5, 2023	
Committee / Board Meetings	April 18-19, 2023	April 18, 2023
Executive Committee	May 3, 2023	
Committee / Board Meetings	May 16-17, 2023	May 16, 2023
Executive Committee	June 7, 2023	
Committee / Board Meetings	June 20-21, 2023	June 20, 2023

National Higher Education Conferences:

ACCT Leadership Congress: October 13-16, 2021, San Diego
 ACCT National Legislative Summit: 2022 (dates not posted)
 AGB National Conference on Trusteeship: Spring 2022 (dates not posted)

*AGB is the Association of Governing Boards of Universities and Colleges
 ACCT is the Association of Community College Trustees*

Committee Rosters

2021- 2022

(Updated October 1, 2021)

Executive

Jay Cowles, Chair
Rudy Rodriguez, Vice Chair
Roger Moe, Treasurer
Dawn Erlandson
April Nishimura
Cheryl Tefer
Michael Vekich

Academic and Student Affairs

Cheryl Tefer, Chair
Alex Cirillo, Vice Chair
Asani Ajogun
Dawn Erlandson
Javier Morillo
Oballa Oballa
Kathy Sheran

President Liaisons:

Deidra Peaslee
Robbyn Wacker

Audit

Michael Vekich, Chair
George Soule, Vice Chair
Victor Ayemobuwa
Jerry Janezich
April Nishimura

President Liaisons:

Faith Hensrud
Michael Seymour

Diversity, Equity, and Inclusion

Rudy Rodriguez, Chair
George Soule, Vice Chair
Asani Ajogun
Alex Cirillo
Javier Morillo
April Nishimura
Oballa Oballa

President Liaisons:

Carrie Brimhall
Kumara Jayasuriya

Facilities

Jerry Janezich, Chair
Roger Moe, Vice Chair
Victor Ayemobuwa
Alex Cirillo
Kathy Sheran

President Liaisons:

Kent Hanson
Faith Hensrud

Finance

Roger Moe, Chair
April Nishimura, Vice Chair
Jerry Janezich
Oballa Oballa
Rudy Rodriguez
Kathy Sheran
George Soule

President Liaisons:

Joe Mulford
Scott Olson

Outreach and Engagement Committee

Dawn Erlandson, Chair
Alex Cirillo, Vice Chair
Victor Ayemobuwa
Javier Morillo
Cheryl Tefer

President Liaisons:

*Ginny Arthur
Michael Berndt*

Workforce and Organizational Effectiveness

George Soule, Chair
Rudy Rodriguez, Vice Chair
Asani Ajogun
Dawn Erlandson
Roger Moe
Kathy Sheran
Cheryl Tefer

President Liaisons:

*Anne Blackhurst
Annette Parker*

Nominating Committee

George Soule, Chair
Michael Vekich, Vice Chair
Cheryl Tefer

Chancellor Performance Review

Jay Cowles, Chair
Rudy Rodriguez, Vice Chair
Dawn Erlandson
Roger Moe



Facilities Committee
November 16, 2021
9:00 a.m.
Virtual Meeting

Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings.

1. **Minutes of June 16, 2021**
2. **Contracts Requiring Board Approval**
 - a. **MSUM Foundation Ground Lease, Minnesota State University Moorhead**
 - b. **EDA Federal Grant Construction Contract, St. Cloud Technical & Community College**
3. FY2022 Committee Workplan

Committee Members

Jerry Janezich, Chair
Roger Moe, Vice Chair
Victor Ayemobuwa
Alex Cirillo
Kathy Sheran

Presidents Liaisons

Kent Hanson
Faith Hensrud

Bolded items indicate action required.





**Facilities Committee
Meeting Minutes
June 16, 2021**

A meeting of the Facilities Committee of the Board of Trustees was held on June 16, 2021.

Committee members present: Roger Moe, Vice Chair; Alex Cirillo, Oballa Oballa, and Kathy Sheran

Committee members absent: Jerry Janezich

Other board members present: Jay Cowles, April Nishimura, George Soule, Cheryl Tefer, and Michael Vekich

Staff present: Devinder Malhotra, Chancellor; Brian Yolitz, Associate Vice Chancellor for Facilities

The meeting materials for this meeting are available [here](#), starting on page 1. An audio recording of the meeting is available [here](#).

Committee Vice Chair Moe called the meeting to order at 8:30 a.m.

Agenda Item 1: Approval of the Meeting Minutes for January 26, 2021

Committee Vice Chair Moe asked if there are any changes or amendments to the minutes then asked for a motion to approve. Trustee Cirillo made the motion and Trustee Sheran provided a second.

A roll call vote was conducted and the minutes were approved unanimously.

Agenda Item 2: 2022 Capital Program Recommendation (2nd Reading)

Committee Vice Chair Moe invited Associate Vice Chancellor Yolitz to present 2022 Capital Program Recommendation (2nd Reading), as detailed in the meeting materials. The meeting materials for this item begin on page 5.

Committee Vice Chair Moe asked committee members to consider the following recommended committee motion:

- A. The Board of Trustees approves the 2022 capital program recommendation as presented in Attachment A, specifically the projects and priorities for the 2022 legislative session.*
- B. The chancellor is authorized to make cost and related adjustments to the request as required, and to forward the request through Minnesota Management and Budget to the governor and legislature for consideration in the state's 2022 capital budget.*
- C. The chancellor shall advise the board of any subsequent changes in the approved capital 44 program prior to the 2022 legislative session.*
- D. In addition, as funding is authorized and appropriated by the legislature and approved by the governor, the chancellor or the chancellor's designee is authorized to execute contracting actions necessary to deliver on the scope and intent of the projects.*

Trustee Soule made the motion and Trustee Cirillo seconded. A roll call vote was conducted. The vote was as follows:

Trustee Cirillo	Yes
Trustee Janezich	Absent
Trustee Moe	Yes
Trustee Oballa	Yes
Trustee Sheran	Yes
Trustee Soule	Yes

The committee voted to approve the recommended motion.

Adjournment

The committee vice chair adjourned the meeting at 8:50 a.m.

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Facilities Committee

Date: November 16, 2021

Title: Contracts Requiring Board Approval:

- a. MSUM Foundation Ground Lease, Minnesota State University, Moorhead
- b. EDA Federal Grant Construction Contract, St. Cloud Technical & Community College

Purpose (check one):

Proposed New Policy or
Amendment to Existing Policy

Approvals Required
by Policy

Other Approvals

Monitoring/Compliance

Information

Brief Description:

Board Policy 5.14, Contracts, Procurements, and Supplier Diversity, requires Board of Trustees approval of any procurement, lease agreement, or professional, technical, or consulting service contract with a value in excess of \$1,000,000 or contract amendment that would increase the total value of a contract to more than \$1,000,000.

Scheduled Presenter(s):

Brian Yolitz, Associate Vice Chancellor for Facilities

Bill Maki, Vice Chancellor for Finance and Facilities

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION
Contracts Requiring Board Approval: MSUM Foundation Ground Lease Minnesota State University Moorhead

Board Policy 5.14, Contracts, Procurements, and Supplier Diversity, requires Board of Trustees approval of any procurement, lease agreement, or professional, technical, or consulting service contract with a value in excess of \$1,000,000 or contract amendment that would increase the total value of a contract to more than \$1,000,000.

BACKGROUND

Purpose – Minnesota State University (MSU) Moorhead seeks approval of a long-term ground lease of approximately 0.6 acres of university property to the MSU Moorhead Foundation to construct an Alumni House and provide a permanent home for the foundation and its outreach and philanthropy programs supporting directly the university, its students, faculty, staff and alumni. The Foundation will use the leased site to build an Alumni Center to house Foundation staff and offer a premier event center capable of hosting gatherings of up to 250 people.

Historically, the Foundation has been accommodated in various spaces on and around the MSU Moorhead campus including a former private residence basement and other offices scattered throughout campus. The present location and configuration of accommodations lacks proximity of office space hindering efficient communications among staff and does not include an area to welcome visitors or hold events to promote the university among alumni and community partners and supporters.

The estimated construction cost of the Alumni Center is \$8.5 million and will be funded entirely through fund raising by the Foundation. As of October, 2021, the Foundation has raised \$6.1 million towards construction and expects to complete fund raising or finance the \$2.4 million balance by June 2023.

Terms and Cost – The proposal is for a long-term lease of approximately 0.6 acres of campus property, for a period of 29 years, at a rate of \$1.00 per year.

RATIONALE AND BENEFIT

The long-term lease and construction of the Alumni Center enhances an already strong relationship between the Foundation and MSU Moorhead. It enables the Foundation to more effectively serve and deliver on its mission to Connect, Engage and Give by providing a centralized location for all Foundation staff and activities catering to alumni, faculty, staff, and community supporters. The Alumni Center is designed as a place to spark relationships and build upon a legacy of philanthropy, which will serve as a catalyst for growing private support for MSU Moorhead for generations to come.

RECOMMENDED COMMITTEE MOTION

The Facilities and Finance Committees recommend that the Board of Trustees authorize the Chancellor or the Chancellor’s designee to enter into a long-term ground lease agreement with the Minnesota State University Moorhead Foundation for the purposes of building an Alumni Center in support of Minnesota State University Moorhead and execute the necessary documents.

RECOMMENDED BOARD MOTION

The Board of Trustees authorizes the Chancellor or the Chancellor’s designee to enter into a long-term ground lease agreement with the Minnesota State University Moorhead Foundation for the purposes of building an Alumni Center in support of Minnesota State University Moorhead and execute the necessary documents.

Date Presented to the Board of Trustees: 11/16/21
Date of Implementation: 11/17/21

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION

Contracts Requiring Board Approval: EDA Federal Grant Construction Contract, St. Cloud Technical & Community College

Board Policy 5.14, Contracts, Procurements, and Supplier Diversity, requires Board of Trustees approval of any procurement, lease agreement, or professional, technical, or consulting service contract with a value in excess of \$1,000,000 or contract amendment that would increase the total value of a contract to more than \$1,000,000.

BACKGROUND

Purpose – St. Cloud Technical & Community College (SCTCC) was awarded a grant from the U.S. Department of Commerce’s Economic Development Administration (EDA) to develop an Advanced Manufacturing Training Lab and outfit the new lab space with updated equipment. This initiative will increase the pipeline of skilled workers to meet current and future needs of area manufacturers, while training workers for well-paid jobs that are in high demand in the region. The lab connects and supports cross-training among existing programs and provides SCTCC with the opportunity to add new programming for high-demand occupations.

Terms and Cost – The current construction contract estimate is \$1,542,670 to renovate approximately 4,100 square feet of existing lab space and enclose approximately 3,500 square feet of an adjacent courtyard to create an integrated lab space with updated automated equipment and technology to increase access for students and offer new skills training for the incumbent workforce.

FINANCIAL ARRANGEMENTS

The renovation and construction contract is part of the overarching initiative to create the Advanced Manufacturing Training Lab. The initiative is funded with \$2.53 million from a Department of Commerce EDA grant and \$2.07 million in college operating funds. Estimated costs beyond the proposed renovation and construction contract include \$2.4 million for equipment and \$200,000 for architectural, engineering and other consulting services and contingencies.

RATIONALE AND BENEFIT

The contract enables the creation of the Advanced Manufacturing Training Lab and a learning environment for students that more closely mirrors the real world of work. The new lab will also expand training opportunities for those currently in the workforce and support the creation and retention of high-quality jobs, particularly for the unemployed and underemployed, throughout the St. Cloud region.

RECOMMENDED COMMITTEE MOTION

The Facilities and Finance Committees recommend that the Board of Trustees authorize the Chancellor or the Chancellor’s designee to enter into a contract not to exceed \$2,000,000 to renovate and construct campus spaces and create an Advanced Manufacturing Training Lab at St. Cloud Technical & Community College.

RECOMMENDED BOARD MOTION

The Board of Trustees authorizes the Chancellor or the Chancellor’s designee to enter into a contract not to exceed \$2,000,000 to renovate and construct campus spaces and create an Advanced Manufacturing Training Lab at St. Cloud Technical & Community College.

Date Presented to the Board of Trustees: 11/16/21
Date of Implementation: 11/17/21

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Facilities Committee

Date: November 16, 2021

Title: FY2022 Committee Workplan

Purpose (*check one*):

Proposed New Policy or
Amendment to Existing Policy

Approvals Required
by Policy

Other Approvals

Monitoring/Compliance

Information

Brief Description:

Review and discuss potential topics for the fiscal year 2022 Facilities Committee meetings.

Scheduled Presenter(s):

Brian Yolitz, Associate Vice Chancellor for Facilities

MINNESOTA STATE
BOARD OF TRUSTEES

BOARD INFORMATION ITEM
FY2022 Committee Workplan

BACKGROUND

Board Policy 1A.2 *Board of Trustees* charges the Facilities Committee with governance of the short and long-term facilities management of the system to assure the highest efficient use of the system’s physical resources. The committee is further charged with oversight of college and university safety and security, occupational health, environment compliance, and emergency management strategies and program and stewardship of all real estate. The committee recommends the annual capital budget for the system and its colleges and universities, and other policy oversight according to its charge in support of academic priorities.

FY2022 COMMITTEE WORKPLAN

The anticipated Facilities Committee workplan for FY2022 includes both transactional items such as contracts, leases, and property actions, and strategic considerations for capital investment.

Transactional/Board Action items	Strategic
<ul style="list-style-type: none">• Contracts requiring Board approval (as needed)• Real estate transactions Requiring Board Approval (as needed)• Policy readings and approvals (as needed)• 2022 legislative updates – capital budget request (Mar/May/Jun)	<ul style="list-style-type: none">• 2024 Capital Program Guidelines (Jan/Mar)• 2023 Revenue Fund bond sale (Very Tentative - May/Jun)• Sustainability and energy conservation updates and trends (Mar or Apr)• Infrastructure Sustainably Assessment (June)



Finance Committee
November 16, 2021
9:30am
Virtual Meeting

Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings.

1. **Minutes of October 19, 2021**
2. **Contracts Requiring Board Approval:**
 - a. **Mayo Clinic Health System Event Center Lease, Minnesota State University, Mankato**
 - b. **MSUM Foundation Ground Lease, Minnesota State University, Moorhead**
 - c. **EDA Federal Grant Construction Contract, St. Cloud Technical & Community College**
3. **FY2022-23 Supplemental Budget Request (Second Reading)**

Committee Members

Roger Moe, Chair
April Nishimura, Vice Chair
Jerry Janezich
Oballa Oballa
Rudy Rodriguez
Kathy Sheran
George Soule

Presidents Liaisons

Joe Mulford
Scott Olson



**Finance Committee
Meeting Minutes
October 19, 2021**

A meeting of the Finance Committee of the Board of Trustees was held on October 19, 2021.

Committee members present: Roger Moe, Chair; April Nishimura, Vice Chair; Jerry Janezich, Oballa Oballa, Rudy Rodriguez, and George Soule.

Committee members absent: Kathy Sheran

Other board members present: Jay Cowles, Board Chair; Victor Ayemobuwa, Alex Cirillo, Dawn Erlandson, Cheryl Tefer, and Michael Vekich

Staff present: Devinder Malhotra, Chancellor; Bill Maki, Vice Chancellor for Finance and Facilities

The meeting materials for this meeting are available [here](#), beginning on page 14. An audio recording of the meeting is available [here](#).

Committee Chair Moe called the meeting to order at 11:01 a.m.

Agenda Items 1 and 2: Approval of the Meeting Minutes for June 16 and June 30, 2021

Committee Chair Moe asked if there were any changes or amendments to the minutes for either date. There being no changes, Chair Moe asked for a motion to approve. Trustee Nishimura made the motion and Trustee Janezich provided a second.

A roll call vote was conducted and the minutes were approved unanimously.

Agenda Item 3: Surplus Property Designation, Dakota County Technical College

Committee Chair Moe invited Vice Chancellor Maki to present this item as detailed in the meeting materials. Vice Chancellor Maki was joined by Associate Vice Chancellor Brian Yolitz. The meeting materials for this item begin on page 26.

Committee Chair Moe asked committee members to consider the following recommended committee motion:

The Finance Committee recommends that the Board of Trustees designate the 8.84 acres and 8,224 sq. ft. building north of the Dakota County Technical College main campus as surplus, authorize the Chancellor or the Chancellor's designee to offer the property for sale pursuant to applicable policy and procedure, and execute the documents necessary to finalize the transaction.

Trustee Janezich made the motion and Trustee Nishimura provided a second. A roll call vote was conducted. The vote was as follows:

Trustee Nishimura	Yes
Trustee Janezich	Yes
Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Soule	Yes
Trustee Moe	Yes

The committee voted to approve the recommended motion.

Agenda Item 4: FY2022 Operating Budget Update

Committee Chair Moe invited Vice Chancellor Maki to present this item as detailed in the meeting materials. The vice chancellor was joined by Steve Ernest, System Director for Financial Planning and Analysis, as well as Presidents Joe Mulford (Pine Technical College) and Scott Olson (Winona State University). The materials for this item begin on page 30.

This being an informational item, there was no vote taken.

Agenda Item 5: FY2022-23 Supplemental Budget Request (First Reading)

Committee Chair Moe invited Vice Chancellor Maki to present this item as detailed in the meeting materials. The vice chancellor was joined by Steve Ernest, System Director for Financial Planning and Analysis, and Paul Shepherd, System Director for Student Development and Success. The materials for this item begin on page 40.

This being an informational item, there was no vote taken.

Adjournment

The committee chair adjourned the meeting at 12:37 p.m.

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Finance Committee

Date: November 16, 2021

Title: Contracts Requiring Board Approval:

- a. Mayo Clinic Health System Event Center Lease, Minnesota State University, Mankato
- b. MSUM Foundation Ground Lease, Minnesota State University, Moorhead
- c. EDA Federal Grant Construction Contract, St. Cloud Technical & Community College

Purpose (check one):

Proposed New Policy or
Amendment to Existing Policy

Approvals Required
by Policy

Other Approvals

Monitoring/Compliance

Information

Brief Description:

Board Policy 5.14, Contracts, Procurements, and Supplier Diversity, requires Board of Trustees approval of any procurement, lease agreement, or professional, technical, or consulting service contract with a value in excess of \$1,000,000 or contract amendment that would increase the total value of a contract to more than \$1,000,000.

Scheduled Presenter(s):

Bill Maki, Vice Chancellor for Finance and Facilities
Brian Yolitz, Associate Vice Chancellor for Facilities

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION

Contracts Requiring Board Approval: Mayo Clinic Health System Event Center Lease,
Minnesota State University, Mankato

Board Policy 5.14, Contracts, Procurements, and Supplier Diversity, requires Board of Trustees approval of any procurement, lease agreement, or professional, technical, or consulting service contract with a value in excess of \$1,000,000 or contract amendment that would increase the total value of a contract to more than \$1,000,000.

BACKGROUND

Minnesota State University, Mankato sponsors Division I Men’s and Women’s Hockey programs. The University has leased the facility for home hockey games since the Civic Center opened in 1995. At that time, the community voted both to implement and extend a city wide 1/2 % sales tax to support construction, expansion, renovation and operations of this facility with Minnesota State University, Mankato as the primary tenant. In 2015 the Civic Center completed a major renovation and expansion at which time the Men’s and Women’s Hockey programs moved all hockey and training operations to the Civic Center year-round.

This lease procures year-round space for all university hockey operations and training facilities as well as seasonal hockey arena rental for both practices and games. The arena seats approximately 5,000 for hockey games.

FINANCIAL STRUCTURE OF LEASE

This lease will succeed an existing seven-year lease which is set to expire on June 30, 2022. The lease is ten-year lease beginning July 1, 2022 and ending June 30, 2032. The annual Base Rent begins at \$675,000 for 2022-2023 with an annual escalation of 1.5%. The total cost over the term of the lease of annual rent is \$7,224,337. Playoff games will be charged additional rent, but that cost will be reimbursed by the respective Men’s and Women’s hockey conference. Additionally, ticket prices include a \$1 per ticket facility fee (approximately \$70,000 annually) which the Civic Center uses for facility maintenance.

The cost of the lease is supported by ticket sales that generate approximately \$1,000,000 each season along with other revenues related to the hockey programs. Without this lease the University would need its own facility and it would come at a much higher annual cost than this agreement.

RECOMMENDED COMMITTEE MOTION

The Finance Committee recommends that the Board of Trustees authorize the chancellor or the chancellor’s designee to enter a contract with the City of Mankato – Mayo Clinic Health System Event Center not to exceed \$7,750,000 and with a term of ten years for the purposes of rental for Men’s and Women’s Hockey Operations and Training Facility and game and practice ice arena. The Finance Committee further recommends that the Board of Trustees direct the chancellor or his designee to execute all necessary documents.

RECOMMENDED BOARD MOTION

The Board of Trustees authorizes the chancellor or the chancellor’s designee to enter a contract with City of Mankato – Mayo Clinic Health System Event Center, not to exceed \$7,750,000 and with a term of ten years for the purposes of rental for Men’s and Women’s Hockey Operations and Training Facility and game and practice ice arena. The Board of Trustees directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Board of Trustees: 11/16/21
Date of Implementation: 11/17/21

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION

Contracts Requiring Board Approval: MSUM Foundation Ground Lease
Minnesota State University Moorhead

Board Policy 5.14, Contracts, Procurements, and Supplier Diversity, requires Board of Trustees approval of any procurement, lease agreement, or professional, technical, or consulting service contract with a value in excess of \$1,000,000 or contract amendment that would increase the total value of a contract to more than \$1,000,000.

BACKGROUND

Purpose – Minnesota State University (MSU) Moorhead seeks approval of a long-term ground lease of approximately 0.6 acres of university property to the MSU Moorhead Foundation to construct an Alumni House and provide a permanent home for the foundation and its outreach and philanthropy programs supporting directly the university, its students, faculty, staff and alumni. The Foundation will use the leased site to build an Alumni Center to house Foundation staff and offer a premier event center capable of hosting gatherings of up to 250 people.

Historically, the Foundation has been accommodated in various spaces on and around the MSU Moorhead campus including a former private residence basement and other offices scattered throughout campus. The present location and configuration of accommodations lacks proximity of office space hindering efficient communications among staff and does not include an area to welcome visitors or hold events to promote the university among alumni and community partners and supporters.

The estimated construction cost of the Alumni Center is \$8.5 million and will be funded entirely through fund raising by the Foundation. As of October, 2021, the Foundation has raised \$6.1 million towards construction and expects to complete fund raising or finance the \$2.4 million balance by June 2023.

Terms and Cost – The proposal is for a long-term lease of approximately 0.6 acres of campus property, for a period of 29 years, at a rate of \$1.00 per year.

RATIONALE AND BENEFIT

The long-term lease and construction of the Alumni Center enhances an already strong relationship between the Foundation and MSU Moorhead. It enables the Foundation to more effectively serve and deliver on its mission to Connect, Engage and Give by providing a centralized location for all Foundation staff and activities catering to alumni, faculty, staff, and community supporters. The Alumni Center is designed as a place to spark relationships and build upon a legacy of philanthropy, which will serve as a catalyst for growing private support for MSU Moorhead for generations to come.

RECOMMENDED COMMITTEE MOTION

The Facilities and Finance Committees recommend that the Board of Trustees authorize the Chancellor or the Chancellor’s designee to enter into a long-term ground lease agreement with the Minnesota State University Moorhead Foundation for the purposes of building an Alumni Center in support of Minnesota State University Moorhead and execute the necessary documents.

RECOMMENDED BOARD MOTION

The Board of Trustees authorizes the Chancellor or the Chancellor’s designee to enter into a long-term ground lease agreement with the Minnesota State University Moorhead Foundation for the purposes of building an Alumni Center in support of Minnesota State University Moorhead and execute the necessary documents.

Date Presented to the Board of Trustees: 11/16/21
Date of Implementation: 11/17/21

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION

Contracts Requiring Board Approval: EDA Federal Grant Construction Contract, St. Cloud Technical & Community College

Board Policy 5.14, Contracts, Procurements, and Supplier Diversity, requires Board of Trustees approval of any procurement, lease agreement, or professional, technical, or consulting service contract with a value in excess of \$1,000,000 or contract amendment that would increase the total value of a contract to more than \$1,000,000.

BACKGROUND

Purpose – St. Cloud Technical & Community College (SCTCC) was awarded a grant from the U.S. Department of Commerce’s Economic Development Administration (EDA) to develop an Advanced Manufacturing Training Lab and outfit the new lab space with updated equipment. This initiative will increase the pipeline of skilled workers to meet current and future needs of area manufacturers, while training workers for well-paid jobs that are in high demand in the region. The lab connects and supports cross-training among existing programs and provides SCTCC with the opportunity to add new programming for high-demand occupations.

Terms and Cost – The current construction contract estimate is \$1,542,670 to renovate approximately 4,100 square feet of existing lab space and enclose approximately 3,500 square feet of an adjacent courtyard to create an integrated lab space with updated automated equipment and technology to increase access for students and offer new skills training for the incumbent workforce.

FINANCIAL ARRANGEMENTS

The renovation and construction contract is part of the overarching initiative to create the Advanced Manufacturing Training Lab. The initiative is funded with \$2.53 million from a Department of Commerce EDA grant and \$2.07 million in college operating funds. Estimated costs beyond the proposed renovation and construction contract include \$2.4 million for equipment and \$200,000 for architectural, engineering and other consulting services and contingencies.

RATIONALE AND BENEFIT

The contract enables the creation of the Advanced Manufacturing Training Lab and a learning environment for students that more closely mirrors the real world of work. The new lab will also expand training opportunities for those currently in the workforce and support the creation and retention of high-quality jobs, particularly for the unemployed and underemployed, throughout the St. Cloud region.

RECOMMENDED COMMITTEE MOTION

The Facilities and Finance Committees recommend that the Board of Trustees authorize the Chancellor or the Chancellor’s designee to enter into a contract not to exceed \$2,000,000 to renovate and construct campus spaces and create an Advanced Manufacturing Training Lab at St. Cloud Technical & Community College.

RECOMMENDED BOARD MOTION

The Board of Trustees authorizes the Chancellor or the Chancellor’s designee to enter into a contract not to exceed \$2,000,000 to renovate and construct campus spaces and create an Advanced Manufacturing Training Lab at St. Cloud Technical & Community College.

Date Presented to the Board of Trustees: 11/16/21
Date of Implementation: 11/17/21

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Finance Committee

Date: November 16, 2021

Title: FY2022-23 Supplemental Budget Request (Second Reading)

Purpose (check one):

Proposed New Policy or
Amendment to Existing Policy

Approvals Required
by Policy

Other Approvals

Monitoring/Compliance

Information

Brief Description:

The FY2022-2023 Biennial Budget Request was approved by the Board in November, 2020, per Board Policy 5.9. In June, 2021, the legislature and Governor enacted the state Biennial Budget for higher education, which included a portion of the Board's request, together with additional provisions.

The 2022 legislative session will be an opportunity for the Board to request supplemental funding to address the system's needs in light of experience gained since the state budget was enacted.

Scheduled Presenter(s):

Bill Maki, Vice Chancellor for Finance and Facilities

Paul Shepherd, System Director for Student Development and Success

Steve Ernest, System Director for Financial Planning and Analysis

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION
FY2022-23 Supplemental Budget Request (Second Reading)

CURRENT BIENNIAL APPROPRIATIONS

The State biennial budget enacted in the June, 2021, included \$56.42 million in new funding for Minnesota State. Of the System request for Campus Support, \$45 million was included. This is \$30 million below the System’s \$75 million request and the money was appropriated equally between the two years of the biennium, meaning there is no increase in the second year. Of the System’s \$45 million request for Equity and Affordability initiatives, \$1.5 million was included for mental health programs, \$1 million was included for other basic needs, and \$500,000 was included for Z-Degree open text programs. The mental health and basic need appropriations are appropriated all in the first year of the biennium as one-time appropriations without ongoing funding. For the Z-Degree programs, the ongoing funding for next biennium is reduced to \$50,000 per year. Table 1 summarizes positions on System and Legislative proposals for the biennial budget. The new funding brought the System’s total biennial funding from a base of \$1.525 billion to \$1.581 billion.

Table 1
State Appropriation Changes for FY2022-23 Biennium *\$s in millions*

Item	Request	Senate	House	Enacted Budget	Difference from Request
Campus Support	\$ 75.00	\$ 10.00	\$ 64.50	\$ 45.00	\$ (30.00)
Equity/Affordability Scholarships	\$ 23.00	\$ -	\$ -	\$ -	\$ (23.00)
Equity/Affordability Basic Needs	\$ 15.00	\$ 2.50	\$ 2.70	\$ 2.50	\$ (12.50)
Equity/Affordability CTE	\$ 6.00	\$ -	\$ -	\$ -	\$ (6.00)
Equity/Affordability Open Texts	\$ 1.00	\$ 1.14	\$ 1.00	\$ 0.50	\$ (0.50)
Non-metro Colleges	\$ -	\$ 5.40	\$ -	\$ 5.40	\$ 5.40
Workforce Scholarships	\$ -	\$ 4.00	\$ -	\$ 1.00	\$ 1.00
Central Office	\$ -	\$ 2.02	\$ -	\$ 2.02	\$ 2.02
Career Tech Ed Pilot	\$ -	\$ -	\$ 0.40	\$ -	\$ -
Tuition Reduction	\$ -	\$ (71.00)	\$ -	\$ -	\$ -
Tuition Refunds	\$ -	\$ (4.42)	\$ -	(if Federal funds use allowed)	\$ -
Total	\$ 120.00	\$ (50.36)	\$ 68.60	\$ 56.42	\$ (63.58)

Position on tuition: silent -5% frozen 3.5%/yr

In addition to this new state funding, the enacted legislation provided that undergraduate tuition may be increased by up to 3.5 percent each year of the biennium at each institution.

HISTORICAL AND ECONOMIC CONTEXT

Legislative budgeting activity during sessions in even-numbered years is focused on capital budget needs and it has not been uncommon in recent years for supplemental operating budget requests to not be acted upon. Table 2 shows the history of the System’s legislative requests in recent bienniums.

Table 2
System Operating Budget Requests versus Received Amounts

(\$ in millions)	System Request	Amount Received	Percent Received
FY2014-15 Biennial Budget	\$97.0	\$88.3	91%
FY2014-15 Supplemental	\$31.0	\$17.0	55%
FY2016-17 Biennial Budget	\$142.0	\$101.4	71%
FY2016-17 Supplemental	\$21.0	\$0.6	3%
FY2018-19 Biennial Budget	\$178.0	\$106.3	60%
FY2018-19 Supplemental	\$31.0	\$0.0	0%
FY2020-21 Biennial Budget	\$246.0	\$81.5	33%
FY2020-21 Supplemental	\$54.2	\$0.0	0%
FY2022-23 Biennial Budget	\$120.0	\$56.4	47%

The 2022 legislative session will consider supplemental requests in the context of the continuing recovery from the COVID-19 pandemic. The February State Budget and Economic Forecast from Minnesota Management and Budget (MMB) projected a State General Fund budgetary balance of \$940 million at the end of FY2021. The July Update to the February Forecast showed that revenues for the current fiscal year have been well above what was projected in February and MMB’s August Revenue Review confirmed this positive outlook. The July Update identified driving factors for the strong near-term economic recovery in Minnesota and nation-wide, as (1) continued fiscal and monetary support, (2) the rising share of the population that is fully vaccinated, and (3) re-openings of state economies. Notable among these factors is that the State’s fiscal support from Federal pandemic relief assistance programs will be winding down in the coming year and State budgets will need to return to traditional sources of revenue to support programmatic needs.

CONSULTATION

Initial consultation began in September with most bargaining units and Leadership Council. There was general support for Minnesota State to pursue a supplemental budget request. The first reading formalized the size and the components of the request.

Since the supplemental budget request was formalized, the request was presented and discussed at monthly statewide student association meetings. Bargaining units provided feedback through various means such as through discussions at meet and confers, written feedback to the Chancellor, and through comments at the October Board of Trustees meeting.

A summary of the feedback showed strong support for a supplemental budget request along with the priorities contained within it. Much of the feedback emphasized the need for mental health resources along with ensuring there was flexibility within the components to meet Minnesota State's most pressing needs. In addition, some feedback requested expanding the size of the request and expanding the scope of some of the priorities. Consideration was given, but ultimately the second reading has the same size and priorities as were presented to the finance committee in October.

SUPPLEMENTAL BUDGET REQUEST

The 2022 legislative session will be an opportunity for the Board to request supplemental funding to address the system's needs in light of experience gained since the state budget was enacted. While the lingering budgetary effects of the COVID-19 pandemic are not yet clear, the System's commitment remains to meet the State's talent needs through affordable high quality educational opportunities that are achievable equitably regardless of race and ethnicity, socioeconomic status or geographical region. To fill gaps left in the enacted budget and better support the mission of Minnesota State, the items below address lingering campus needs in pandemic response and financial stabilization, provide students with more affordable tuition, and address critical student needs in mental health and basic resources.

The \$60 million supplemental budget request continues to focus on the two priorities identified in the Board's biennial budget request.

I. Campus Responsiveness and Stabilization

Campus Support

\$30 million

To support increases in campus expenses resulting from compensation and other cost increases over the biennium. We received new funding for FY2022, but no new funding for FY2023 was received over the FY2022 level.

II. Equity and Affordability Directly Supporting Our Students' Critical Needs

Provide Funding so Tuition can be frozen in FY 2023

\$25 million

Protect access and affordability by not increasing undergraduate tuition while providing the base funding needed to meet ongoing operating costs. This state funding would allow colleges and universities to not implement the 3.5 percent undergraduate tuition increase for the 2022-2023 academic year as allowed in the biennial budget bill of 2021.

Mental Health Resources**\$ 2 million**

Provide all Minnesota State students with access to a variety of mental health support options to meet each student's individual needs. This initiative includes at least four system-wide components, all of which offer inclusive and culturally relevant support for BIPOC students, students in the LGBTQIA+ community, international students, and students with other underrepresented identities.

- A mental health platform providing access to crisis response and peer support 24/7/365
- A clinical support platform providing self-driven, self-paced counseling with follow-up that is designed to complement services existing on campus and in campus communities
- Professional telepsychiatry services, expanding the established and successful model at Minnesota State University, Mankato, for students that require care from a psychiatric nurse practitioner and medication management from a campus level perspective
- A mental health education and training platform to provide training on a range of mental health and wellness subjects for students, faculty, and staff, including techniques for improving mental health and wellbeing

Workforce Development**\$ 2 million**

Address the workforce gap through innovative career, technical, and professional programming serving business and industry. Insuring programmatic capacity alignment with the Minnesota Future Together grant program through the Office of Higher Education, to meet needs of high-demand sectors such as advanced manufacturing, agriculture, health care services, information technology, early childhood, transportation, and other areas with local need.

Support for career and technical education programs includes partnerships with local businesses to connect high school students with in-demand skilled and technical careers. This also includes Re-Skill Minnesota efforts to provide industry-specific training certificates in partnership with organizations serving communities of color. These efforts directly support Minnesota's economic recovery.

Student Basic Needs Resources**\$ 1 million**

Provide all Minnesota State students with access to a statewide basic needs resources hub available via phone, text, and chat that will connect students with basic needs resources on their campus and in their local community, as well as national information and resources to address basic needs concerns. The hub would allow for student feedback in order to collect data at the campus level so local needs can be identified and addressed effectively and to allow for individual student follow-up. An easy to use and administer emergency grant application would also be developed to focus on equity and need in decision making and to reduce barriers in applying for and receiving emergency grant aid.

Together, these initiatives request \$60 million in supplemental funding. All of these requests would be for ongoing funding that continues in the base budget in following bienniums.

The FY2022-FY2023 supplemental budget request strengthens the state’s commitment to inclusive excellence and ensuring our students receive an extraordinary, affordable, and accessible education.

RECOMMENDED COMMITTEE MOTION

The Finance Committee recommends that the Board of Trustees approve the FY2022-FY2023 supplemental budget request in the amount of \$60,000,000 in FY2023, to be continued as base funding. Full funding of the \$60,000,000 for campus support, a tuition freeze, mental health resources, student basic needs resources, and workforce development support the system’s priorities while providing financial stabilization for our campuses.

RECOMMENDED BOARD MOTION

The Board of Trustees approves the FY2022-FY2023 supplemental budget request in the amount of \$60,000,000 in FY2023, to be continued as base funding. Full funding of the \$60,000,000 for campus support, a tuition freeze, mental health resources, student basic needs resources, and workforce development support the system’s priorities while providing financial stabilization for our campuses.

The Board of Trustees has been granted the authority in state statute to govern and operate Minnesota State. The board, after full consultation with Minnesota State constituencies, will make final budget decisions, including setting tuition rates, at the conclusion of the legislative session.

Date Presented to the Board of Trustees: 11/16/21
Date of Implementation: 11/17/21



Committee of the Whole
November 16, 2021
10:30 a.m.
Virtual Meeting

Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings.

Committee of the Whole, Jay Cowles, Chair

1. Update: Minnesota State COVID response and mitigation strategies



Bolded items indicate action required.

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Committee of the Whole

Date: November 16, 2021

Title: Update: Minnesota State COVID response and mitigation strategies

Purpose (*check one*):

Proposed New Policy or
Amendment to Existing Policy

Approvals Required
by Policy

Other Approvals

Monitoring/Compliance

Information

Brief Description:

An update on Minnesota State continued mitigation efforts to respond to COVID.

Scheduled Presenter(s):

Bill Maki, Vice Chancellor for Finance and Facilities

Brian Yolitz, Associate Vice Chancellor for Facilities

Eric Davis, Vice Chancellor for Human Resources

Sue Appelquist, Associate Vice Chancellor for Human Resources

Ron Anderson, Sr. Vice Chancellor for Academic and Student Affairs

Nate Hallanger, Special Assistant to the Senior Vice Chancellor for Academic and Student Affairs

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD INFORMATION ITEM

Update: Minnesota State COVID response and mitigation strategies

BACKGROUND

In March 2020, the Board of Trustees received their first report on Minnesota State COVID-19 preparedness planning as our colleges and universities, the state, the country, and the world began their response to the global pandemic. Over the course of the last 20 months, our pandemic response has been guided by two priorities: protecting the health and safety of our students, faculty, and staff, and supporting our students as they continue to progress towards their educational goals.



Audit Committee
November 16, 2021
12:15 p.m.
Virtual Meeting

Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings.

- 1. Minutes of June 15, 2021**
- 2. Minutes of June 15, 2021 Joint Audit/Finance Committee**
3. FY2022 Committee Workplan
- 4. Revised Office of Internal Auditing Charter**
- 5. Review Audit Results and Approve Release of Audited Financial Statements and Federal Student Financial Aid Audit Update**

Committee Members

Michael Vekich, Chair
George Soule, Vice Chair
Victor Ayemobuwa
Jerry Janezich
April Nishimura

Presidents Liaisons

Faith Hensrud
Michael Seymour

Bolded items indicate action required.





**Audit Committee
Meeting Minutes
June 15, 2021**

A meeting of the Audit Committee of the Board of Trustees was held on June 15, 2021.

Committee members present: George Soule, Chair; April Nishimura, Vice Chair; Jerry Janezich, and Michael Vekich

Committee members absent: Asani Ajogun

Other board members present: Jay Cowles, Dawn Erlandson, Alex Cirillo, Oballa Oballa, Kathy Sheran, and Cheryl Tefer

Staff present: Devinder Malhotra, Chancellor; Eric Wion, Executive Director of the Office of Internal Auditing; and Bill Maki, Vice Chancellor for Finance and Facilities

The meeting materials for this meeting are available [here](#), starting on page 48. An audio recording of the meeting is available [here](#).

Committee Chair Soule called the meeting to order at 10:45 a.m.

Agenda Item 1: Approval of the Meeting Minutes of May 18, 2021

Committee Chair Soule asked if there are any changes or amendments to the minutes then asked for a motion to approve. Trustee Vekich made the motion and Trustee Nishimura provided a second. A roll call vote was conducted and the minutes were approved unanimously.

Agenda Item 2: Approval of the Meeting Minutes of May 18, 2021 Joint Meeting of Audit and Workforce and Organizational Effectiveness Committees

Committee Chair Soule asked if there are any changes or amendments to the minutes then asked for a motion to approve. Trustee Vekich made the motion and Trustee Nishimura provided a second. A roll call vote was conducted and the minutes were approved unanimously.

Internal Audit Update

Mr. Eric Wion, Executive Director of the Office of Internal Auditing acknowledged the upcoming retirement of President Richard Davenport, Minnesota State University, Mankato. President Davenport has been a presidential liaison to the audit committee for 6-7 years. Mr. Wion thanked him personally and professionally for the support and guidance he has provided over the years.

Agenda Item 3: Project Results – Financial Modeling Review

Committee Chair Soule invited Mr. Wion along with Ms. Meghan St. George, Internal Audit (Baker Tilly Consulting Manager) and Mr. Bill Maki, Vice Chancellor for Finance and Facilities to present the project results for the Financial Modeling Review, as detailed in the meeting materials.

The meeting materials for this item begin on page 52.

This being an informational item, there was no vote taken.

Agenda Item 4: Project Results – Internal Controls Assessments

Committee Chair Soule invited Mr. Wion along with Mr. Mathew Mikulay, Internal Auditing (Baker Tilly Senior Manager), and Ms. Mallory Thomas, Internal Auditing (Baker Tilly Partner) to present the project results for the Internal Controls Assessments, as detailed in the meeting materials.

The meeting materials for this item begin on page 59.

This being an informational item, there was no vote taken.

Agenda Item 5: Review and Approve FY2022 Internal Auditing Plan

Committee Chair Soule invited Mr. Wion to present the FY2022 Internal Auditing Plan, as detailed in the meeting materials.

The meeting materials for this item begin on page 66.

Committee Chair Soule asked committee members to consider the following recommended committee motion:

The Audit Committee recommends that the Board of Trustees adopt the following motion:

RECOMMENDED BOARD MOTION:

The Board of Trustees approves the Office of Internal Auditing annual internal audit plan for

fiscal year 2022.

Trustee Vekich made the motion and Trustee Nishimura seconded. A roll call vote was conducted. The vote was as follows:

Trustee Nishimura	Yes
Trustee Vekich	Yes
Trustee Soule	Yes
Trustee Janezich	Absent
Trustee Ajogun	Absent

The committee voted to approve the recommended motion.

Adjournment

The committee chair adjourned the meeting at 11:33 a.m.



Closed Session: Joint Meeting: Audit and Finance Committees
Meeting Notes
June 15, 2021

A Closed Session joint meeting of the Audit Committee and the Finance Committee of the Board of Trustees was held on June 15, 2021.

Committee members present: George Soule, Co-Chair; Roger Moe, Co-Chair, April Nishimura, Jerry Janezich, Kathy Sheran, and Michael Vekich

Committee members absent: Ahmitara Alwal and Asani Ajogun

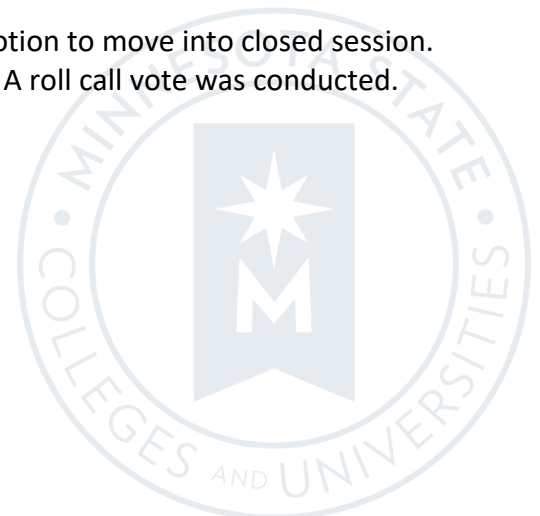
Other board members present: Jay Cowles, Dawn Erlandson, Alex Cirillo, Oballa Oballa, Kathy Sheran, and Cheryl Tefer

Staff present: Devinder Malhotra, Chancellor; Eric Wion, Executive Director of the Office of Internal Auditing; Ross Berndt, Interim Vice Chancellor for Information Technology Services, and Craig Munson, Chief Information Security Office

The meeting materials for this meeting are available [here](#), starting on page 76.

Move to Closed Session: Committee Chair Soule called for motion to move into closed session. Trustee Vekich made the motion and Trustee Moe seconded. A roll call vote was conducted. The vote was as follows:

Trustee Nishimura	Yes
Trustee Janezich	Yes
Trustee Moe	Yes
Trustee Sheran	Yes
Trustee Vekich	Yes
Trustee Soule	Yes
Trustee Alwal	Absent
Trustee Ajogun	Absent



The committee voted to move into closed session at 11:33 a.m.

Agenda Item 1: Project Results – Vulnerability Management Audit
Committee Chair Soule invited Mr. Wion along with Mr. Mike Cullen, Internal Audit (Director, Baker Tilly), Mr. Ross Berndt, Interim Vice Chancellor for Information Technology Services, and Mr. Craig Munson, Chief Information Security Office to present the project results for the Vulnerability Management audit.

This being an informational item, there was no vote taken.

Move to Open Session: Committee Chair Soule called for motion to end the closed session and return to open session. Trustee Vekich made the motion and Trustee Moe seconded. A roll call vote was conducted. The vote was as follows:

Trustee Nishimura	Yes
Trustee Janezich	Yes
Trustee Moe	Yes
Trustee Sheran	Yes
Trustee Vekich	Yes
Trustee Soule	Yes
Trustee Alwal	Absent
Trustee Ajogun	Absent

Adjournment

The committee chair adjourned the meeting at 12:16 p.m.

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Audit Committee

Date: November 16, 2021

Title: FY2022 Committee Workplan

Purpose (*check one*):

Proposed New Policy or
Amendment to Existing Policy

Approvals Required
by Policy

Other Approvals

Monitoring/Compliance

Information

Brief Description:

This discussion will focus on the committee's fiscal year 2022 work plan/schedule. The committee's agenda and topics to be discussed over the course of the year is primarily driven by the annual Internal Auditing Plan approved by the committee in June. That plan identifies the assurance and advisory projects or other major work to be conducted by the Office of Internal Auditing. The goal of the discussion is to inform the committee of the tentative schedule and address any questions committee members may have.

Scheduled Presenter(s):

Eric Wion, Executive Director of Internal Auditing

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD INFORMATION ITEM
FY2022 Committee Workplan

BACKGROUND

Per the Audit Committee Charter, the committee shall assist the board in fulfilling its oversight responsibility for Minnesota State’s system of internal control, the audit process, and compliance with legal and regulatory requirements. The committee provides ongoing oversight of internal and external audits of all system functions including individual campus audits.

Exercising these responsibilities requires the committee to (partial list):

1. Provide input, review, and approve an annual audit plan that is based on a risk assessment(s). The plan shall include all internal auditing and external audit activities planned for the ensuing fiscal year.
2. Review with the executive director the internal audit budget, resource plan, activities, and organizational structure of the internal audit function.
3. Review and evaluate the effectiveness of Minnesota State’s internal control system, including information technology security and control. Review and discuss the audit results and management’s response to each internal audit report.
4. On a regular basis, the audit committee chair or vice chair should meet with the executive director to discuss any matters that they or the executive director believes should be discussed privately.

To ensure the committee is best positioned to fulfill these responsibilities, a comprehensive Annual Internal Auditing Plan was developed after significant stakeholder input. The proposed plan was reviewed and approved by the committee in June 2021. That plan identifies the assurance and advisory projects and other major work to be conducted by the Office of Internal Auditing and served as the primary input used by the executive director and the committee chair to create a tentative committee work plan/schedule contained on the following page.

The purpose of this committee discussion is to inform the committee of the tentative schedule and address any questions committee members may have.

Audit Committee - DRAFT Fiscal Year 2022 Schedule

Month	Audit Committee	Joint Committee
September 21-22 (Retreat)		Enterprise Risk Management Update (Committee of the Whole)
October 19-20		NextGen Project Risk Review #7 (Committee of the Whole)
November 16-17	Fiscal Year 2022 Committee Work Plan/Schedule <i>Review and Approve Internal Auditing Charter Revisions</i> <i>Review Audit Results and Approve Release of Audited Financial Statements and</i> Federal Student Financial Aid Audit Update	
January 25-26		NextGen Project Risk Review #8 & Workday Implementation (Committee of the Whole)
February (No Regular Mtgs)	<i>Special Audit Committee to Appoint New Executive Director</i>	
March 15-16	Project Results: Enterprise Identity Management System Audit	
April 19-20	Audit Results: Federal Student Financial Aid and HEERF	NextGen Project Risk Review #8 & Workday Implementation (Committee of the Whole)
May 17-18		HR Shared Services Update (Audit and Workforce and Organizational Effectiveness Committees)
June 21-22	<i>Review and Approve Fiscal Year 2022 Internal Auditing Plan</i> Project Results: Financial Internal Control Assessments	

NOTE: Bolded italic items represent action items needing Committee and Board approval

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Audit Committee

Date: November 16, 2021

Title: Revised Office of Internal Auditing Charter

Purpose (*check one*):

Proposed New Policy or
Amendment to Existing Policy

Approvals Required
by Policy

Other Approvals

Monitoring/Compliance

Information

Brief Description:

The proposed revision to the Internal Auditing Charter consists of a minor technical edit recommended by the independent assessor that conducted the external quality assessment review of the Office of Internal Auditing in January 2021.

Scheduled Presenter(s):

Eric Wion, Executive Director of Internal Auditing

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION

Revised Office of Internal Auditing Charter

BACKGROUND

Per Board policy 1D.1, Office of Internal Auditing:

The executive director shall develop, and the office and its staff will adhere to an Internal Auditing Charter consistent with International Standards for the Professional Practice of Internal Auditing. The executive director shall annually review the charter and present any changes and updates to the Audit Committee for approval.

The proposed revision to the Internal Auditing Charter consists of a minor technical edit recommended by the independent assessor that conducted the external quality assessment review of the Office of Internal Auditing in January 2021.

In addition to recognizing the mandatory guidance reflected in the International Professional Practices Framework (IPPF), the conceptual framework that organizes authoritative guidance promulgated by International Institute of Internal Auditors (IIA), it was recommended that the department enhance this disclosure by including a reference to other professional guidance.

Other professional guidance in the IPPF is defined as either recommended or supplemental guidance. Recommended guidance includes Implementation Guides that have been issued for each Standard. Supplemental guidance includes all Practice Guides, Global Technology Audit Guides, and Guides to the Assessment of IT Risks. Recommended and supplemental guidance provide insight into how an internal audit activity might practically establish and execute Internal Audit infrastructure and processes to conform with the mandatory elements of the IPPF. Including a reference to this other professional guidance within the Internal Audit Policy is a successful internal audit practice that promotes an integrated view of professional guidance between its various components.

RECOMMENDED COMMITTEE MOTION

The Audit Committee has reviewed the proposed revision and recommends that the Board of Trustees approve the revised Office of Internal Auditing Charter.

RECOMMENDED BOARD MOTION

Based on the review and recommendation of the Audit Committee, the Board of Trustees approves the revised Office of Internal Auditing Charter.

Date Presented to the Board of Trustees: 11/17/21
Date of Implementation: 11/17/21



~~October 2019~~ November 2021

Office of Internal Auditing

OFFICE OF INTERNAL AUDITING CHARTER

Minnesota State



Minnesota State is an affirmative action, equal opportunity employer and educator.

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Purpose and Mission

The purpose of Minnesota State’s Office of Internal Auditing (“Internal Audit”) is to provide independent, objective assurance and advisory services designed to add value and improve Minnesota State’s operations. The mission of Internal Audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. Internal Audit helps Minnesota State accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

Internal Audit:

- Serves as a strategic partner to Minnesota State leadership in addressing a range of business, operational, compliance, and financial challenges and risks, providing assurance regarding processes and systems, and identifying opportunities to increase efficiency and effectiveness.
- Helps the system anticipate and address risks proactively, enabling business and process improvements and supporting the viability of system operations.
- Partners with others to monitor and mitigate system risks.

Standard for the Professional Practice of Internal Auditing

Internal Audit will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors’ International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing*, and the Definition of Internal Auditing. The executive director will report annually to the audit committee and management regarding the Internal Audit’s conformance to the Code of Ethics and the *Standards*.

[Other recommended professional guidance, including Institute of Internal Auditors’ Implementation Guides issued for each standard and supplemental guidance such as Practice Guides, Global Technology Audit Guides, and Guides to the Assessment of IT Risks provide Internal Audit insight into how it will establish and execute its infrastructure and processes to conform with the mandatory elements of The Institute of Internal Auditors’ International Professional Practices Framework.](#)

Authority

The executive director will report functionally to the audit committee and administratively (i.e., day-to-day operations) to the chancellor. To establish, maintain, and assure that Minnesota State’s Internal Audit has sufficient authority to fulfill its duties, the audit committee will:

- Approve Internal Audit’s charter.
- Approve the risk-based audit plan.
- Approve Internal Audit’s budget and resource plan.



- Receive communications from the executive director on Internal Audit’s performance relative to its plan and other matters.
- Approve decisions regarding the appointment, removal, and compensation of the executive director. Compensation will be consistent with board policy 1A.4 part 5.
- Make appropriate inquiries of management and the executive director to determine whether there is inappropriate scope or resource limitations.

The executive director will have unrestricted access to, and communicate and interact directly with, the audit committee, including in private meetings without management present.

Board Policy 1D1 authorizes Internal Audit to:

- Have full, free, and unrestricted access to all Minnesota State functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information in compliance with the Minnesota Data Practices Act and other applicable laws.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish engagement objectives, and issue reports.
- Obtain assistance from the necessary personnel of Minnesota State, as well as other specialized services from within or outside Minnesota State, in order to complete an engagement.

Independence and Objectivity

The executive director will ensure that Internal Audit remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the executive director determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties for Minnesota State or its affiliates.
- Initiating or approving transactions external to Internal Audit.



- Directing the activities of any Minnesota State employee not employed by Internal Audit, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

Where the executive director has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.



Internal auditors will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

The executive director will confirm to the audit committee, annually, the organizational independence of Internal Audit.

The executive director will disclose to the audit committee any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

Scope of Internal Audit Activities

Internal audit will perform both assurance and advisory services. In accordance with the IIA, assurance work will provide an objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes. Advisory and related client service activities, the nature and scope of which are agreed with the client are intended to add value and improve Minnesota State's governance, risk management, and control processes.

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the audit committee, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for Minnesota State. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of Minnesota State's strategic objectives are appropriately identified and managed.
- The actions of Minnesota State's officers, directors, employees, and contractors are in compliance with Minnesota State's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Minnesota State.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.



MINNESOTA STATE

- Resources and assets are acquired economically, used efficiently, and protected adequately.

The executive director also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and advisory service providers as needed. The executive director is responsible for the management and reporting on the performance of any third party provider of resource engaged in internal audit work. Minnesota State has entered into a co-source relationship having given consideration to the varied activities and the need for a wide range of skills. The co-source relationship provides availability and staff expertise. While the partner may act in a lead role and provide resources for audit activities, the executive director maintains oversight of the planning, fieldwork and reporting processes.

Internal Audit may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided Internal Audit does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

Reporting

The executive director will report to senior management and the audit committee regarding:

- The Internal Audit's purpose, authority, and responsibility.
- The Internal Audit's plan and performance relative to its plan.
- The Internal Audit's conformance with The IIA's Code of Ethics and *Standards*, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the audit committee.
- Results of audit, advisory, or other engagements and activities.
- Resource requirements.
- Any response to risk by management that may be unacceptable to Minnesota State.

Responsibility

The executive director has the responsibility to:

Theme	Tasks
Planning	<ul style="list-style-type: none"> • Ensure emerging trends and successful practices in internal auditing are considered.
Execution	<ul style="list-style-type: none"> • Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties. Ensure each engagement is adequately resourced and executed in accordance with the agreed upon time frame and budget.
Reporting	<ul style="list-style-type: none"> • Submit, at least annually, to senior management and the audit committee a risk-based internal audit plan for review and approval.
Monitoring	<ul style="list-style-type: none"> • Communicate to senior management and the audit committee the impact of resource limitations on the internal audit plan and any significant interim changes to the internal audit plan. • Review and adjust the internal audit plan, as necessary, in response to changes in Minnesota State’s business, risks, operations, programs, systems, and controls. • Follow up on engagement findings and corrective actions, and report periodically to senior management and the audit committee any corrective actions not effectively implemented. • Ensure trends and emerging issues that could impact Minnesota State are considered and communicated to senior management and the audit committee as appropriate. • Report significant violations or other matters to the board the board any circumstances that are significant violations of internal controls, board policy or system procedures and any other matters that the executive director believes warrant notification. Similarly, the executive director has the right and responsibility to report any matters to the chancellor and presidents that warrant their notification or assist them in improving their operations.
Standards	<ul style="list-style-type: none"> • Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld. • Ensure Internal Audit collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter. • Establish and ensure adherence to policies and procedures designed to guide Internal Audit



Quality Assurance and Improvement Program

Internal Audit will maintain a quality assurance and improvement program that covers all aspects of the internal auditing. The program will include an evaluation of Internal Audit's conformance with the *Standards* and an evaluation of whether internal auditors apply The IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of Internal Audit and identify opportunities for improvement.

The executive director will communicate to the audit committee and management Internal Audit's quality assurance and improvement program, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside Minnesota State.

Approval of Internal Audit Charter

Dates of Audit Committee Approvals:

October 15, 2019

November X, 2021



Eric Wion, CPA, CISA, CISSP
Executive Director, Office of Internal Auditing

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**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Audit Committee

Date: November 16, 2021

Title: Review Audit Results and Approve Release of Audited Financial Statements and Federal Student Financial Aid Audit Update

Purpose (check one):

Proposed New Policy or
Amendment to Existing Policy

Approvals Required
by Policy

Other Approvals

Monitoring/Compliance

Information

Brief Description:

Board Policy requires the committee to review and discuss the results of each audit engagement with the independent auditor and management prior to recommending that the board release the audited financial statements.

Minnesota State's external auditors, CliftonLarsonAllen (CLA), will discuss the results and required communications of three recently completed financial statement audits: Systemwide, Revenue Fund, and Itasca Community College Student Housing Funds, Itasca Hall and Wenger Hall. These audits provide users of the financial statements with reasonable assurance that the information is materially accurate and reliable.

Federal law requires an annual audit of major federal financial assistance programs, including the student financial aid programs. CLA will discuss the status of the federal student financial aid compliance audit, including preliminary results. For a second year, this audit work will extend beyond November and into the new calendar year due to the federal requirements to audit the use of federal Coronavirus Emergency Grants for Postsecondary Education, including CARES (HEERF 1), CRRSAA (HEERF II), and AAAARP (HEERF III) funds. Once completed, CLA will report the results to the committee.

Scheduled Presenter(s):

Eric Wion, Executive Director of Internal Auditing
Bill Maki, Vice Chancellor for Finance and Facilities
Don Loberg, Managing Principal with CliftonLarsonAllen, LLP
Brenda Scherer, Signing Director with CliftonLarsonAllen, LLP
Daniel Persaud, Principal with CliftonLarsonAllen, LLP

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION

Review Audit Results and Approve Release of Audited Financial Statements and Federal Student Financial Aid Audit Update

BACKGROUND

Board Policy 1A.2, part 5, subpart E requires the audit committee to “review and discuss the results of each audit engagement with the independent auditor and management prior to recommending that the board release the audited financial statements.”

FINANCIAL STATEMENTS

CliftonLarsonAllen, LLP (CLA) has audited the following financial statements as of and for the years ended June 30, 2021 and 2020:

- Systemwide
- Revenue Fund
- Itasca Community College Student Housing Funds, Itasca Hall and Wenger Hall (ICCSH)

Copies of the audited financial statements were provided to members of the Audit Committee for review prior to the November committee meeting. Public copies of reports will be available on Minnesota State’s financial reporting website.

STUDENT FINANCIAL AID AUDIT

CLA is in the process of conducting, as required, a compliance audit of Minnesota State’s federal student financial aid programs for the year ended June 30, 2021. While auditors have completed most of its work, including the audit work it traditionally performs each year, CLA still needs to conduct its audit work related to federal Coronavirus Emergency Grants for Postsecondary Education, including CARES (HEERF I), CRRSAA (HEERF II), and AAAARP (HEERF III) funds. CLA will report the final audit results once completed.

Minnesota State’s 2021 Schedule of Expenditures of Federal Awards Report for the Year Ended June 30, 2021 is being prepared by CLA as part of its responsibilities as the system auditor for Minnesota State. The results of this report will be incorporated into the State of Minnesota’s Single Audit report that will be released in late March and available on the Minnesota

Management and Budget website. Copies of the State of Minnesota’s Single Audit report will also be available on Minnesota State’s financial reporting website.

RECOMMENDED COMMITTEE MOTION

The Audit Committee has reviewed the fiscal year 2021 audited financial statements and discussed them with representatives of management and Minnesota State’s external auditing firm. The committee recommends that the Board of Trustees approves the release of the fiscal year 2021 audited financial statements as submitted.

RECOMMENDED BOARD MOTION

Based on the review and recommendation of the Audit Committee, the Board of Trustees approves the release of the fiscal year 2021 audited financial statements as submitted.

Date Presented to the Board of Trustees: 11/17/21

Date of Implementation: 11/17/21



Year Ended June 30, 2021

Minnesota State Colleges and Universities Audit Presentation

November 2021

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

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Overview

Scope and Audit Process

Financial Statement Audits

Federal Awards Audits

Governance Communication

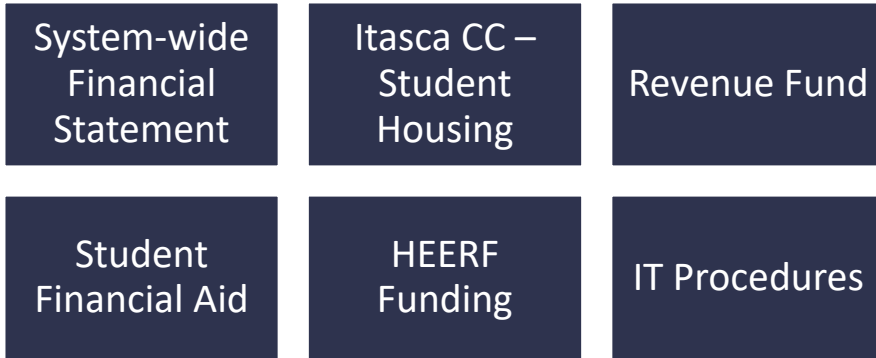
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Scope of Audit

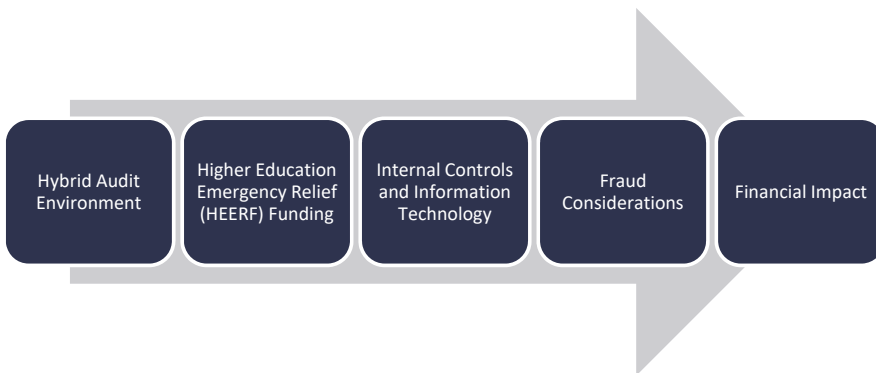
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Audit Process

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Financial Statement Audit

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Auditors' Responsibilities



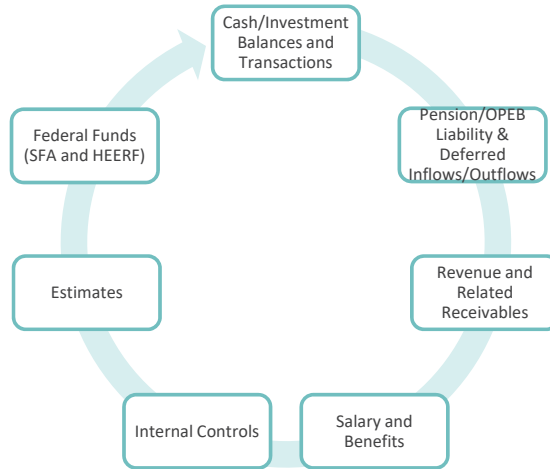
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Financial Statement Audit Process- Risk Assessment

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Audit Approach - Financial Statement Audit

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- Rotation of procedures so all colleges/universities are included over a three-year basis as well as rotating audit areas so each college/university is included in some form each year
- IT Procedures – testing of the SCUPPS, ISRS Module, E-Time, Marketplace
- Internal Controls – Understanding design and walkthrough of effectiveness as well as expanded tests of certain controls
- Reliance on other independent auditors (foundations, Legislative Auditors - OLA, TIAA)



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Audit Results- System-Wide

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Adjustments and Results

- No material audit adjustments
- No financial reporting deficiencies

Opinion

- Unmodified opinion – financial statements

Management Comments

- Separate letter issued with various colleges and universities and system level comments



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Audit Results – Individual Audits

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Revenue Fund

Unmodified opinion
No material weaknesses
No significant deficiencies

Itasca CC – Student Housing

Unmodified opinion
No material weaknesses
No significant deficiencies

HEERF Testing

Approximately
10% Completed

Student Financial Aid Testing

Approximately
90% completed



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Governance Communication Letter

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Overall	Estimates	Difficulties	Other
<ul style="list-style-type: none"> • Purpose is to provide an update on the audit since the planning meeting. • No changes in scope of audit. • No GASB standards implemented in 2021 • GASB 84 was analyzed but deemed immaterial 	<ul style="list-style-type: none"> • Depreciable lives • Allowance for doubtful accounts • Compensated absences • Unearned revenue • Scholarship allowance • Other postemployment benefits liability • Net pension items • Fair value of investments • We are comfortable with management's estimate 	<ul style="list-style-type: none"> • No difficulties encountered • No disagreements encountered • No other findings to report 	<ul style="list-style-type: none"> • No audit adjustments • No uncorrected misstatements • Management representation letter will be signed at conclusion of engagement



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Federal Awards Audits

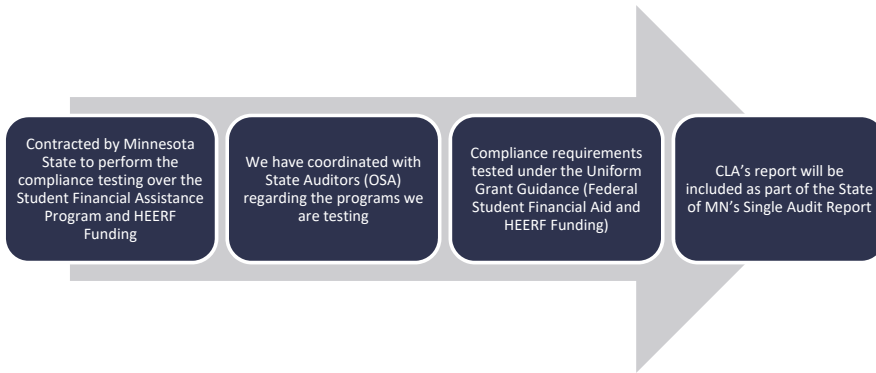
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CLA's Role Under State Single Audit

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Audit Approach- Student Financial Aid

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- Rotation of internal control policies and procedures
- Random sample of students selected from ~125,000 students within the system
- Other samples selected (e.g. Reporting, Cash Management, Perkins testing)



Create Opportunities

Student Financial Aid (SFA) Funding

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MN State awarded approximately \$575M as of June 30, 2021

Contracted by Minnesota State to perform the compliance testing over the SFA Funding for 2021

OMB issued final compliance supplement in July 2021

Testing has begun and we will complete the work in early January



Create Opportunities

HEERF Funding

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MN State spent approximately \$162M for the fiscal year June 30, 2021

Contracted by Minnesota State to perform the compliance testing over the HEERF Funding for 2021

OMB issued final compliance supplement in September 2021

Testing will occur this winter, planning in November/December and Work commencing in January



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Questions and Feedback

We welcome any questions pertaining to the audit, governance communication letter, management letter or other matters related to the engagement

We appreciate the opportunity to serve as the auditors for the Minnesota State Colleges and Universities system and welcome any feedback relative to our performance

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NOVEMBER 16-17, 2021

**FY2021 and FY2020 Audited
Financial Statements**
Board of Trustees
Audit Committee Meeting

PRESENTATION OVERVIEW

- Overall Picture
- Minnesota State FY2021 and FY2020 results
- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* impacts on financial reporting
- Excluding the effects of GASB 68 & 75, Minnesota State FY2021 and FY2020 results*
- Composite Financial Index (CFI)

* Data in green excludes the effects of GASB 68/75 activity

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OVERALL PICTURE

- Unmodified/unqualified opinion on the financial statements
- GASB 68/75 continues to have a substantial impact on the reported condition of the system colleges and universities
- Excluding the effects of GASB 68/75, the financial condition of the system colleges and universities for FY2021 showed a slight improvement compared to the FY2020 results
- Declining enrollment and the declining operating revenues were offset by Higher Education Emergency Relief Fund (HEERF) allocations

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SUMMARY FINANCIAL RESULTS

\$2.09 billion total revenues (1.3%) compared to FY2020

\$2.08 billion total expenses (0.6%) compared to FY2020

\$1.65 billion net position 0.6% compared to FY2020

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SYSTEMWIDE

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Revenues, Expenses and Net Position (\$ in Thousands)

Fiscal Year	FY2021	FY2020	FY2019
Total Revenues	\$2,087,036	\$2,114,724	\$2,059,059
Total Expenses	2,076,496	2,088,956	1,795,697
Change in Net Position	\$10,540	\$25,768	\$263,362

- Total revenues decreased by \$27.7M primarily due to decreases in capital appropriations of \$36.6M.
- Total expenses decreased by \$12.5M primarily due to a \$9.1M decrease in compensation expense.
- Excluding GASB 68/75, total expenses decreased by \$8.1M or 0.4 percent.
- Excluding GASB 68/75 effect, the result is a \$23.9M increase in the "Change in Net Position" in FY2021 compared to \$43.5M increase in FY2020.

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CHANGES IN NET POSITION FY2021-2019

WITH GASB 68/75

Revenues/(Expense) (in Thousands)

Components and changes	FY2021	FY2020	FY2019
Revenue from students, net of financial aid	\$ 730,373	\$ 774,502	\$ 801,381
State appropriation revenue	767,931	762,135	724,802
Federal and state grant revenue	504,990	442,482	394,719
Compensation Expense	(1,411,613)	(1,420,716)	(1,132,891)
All other revenues/(expenses), net	(581,141)	(532,635)	(524,649)
Change in Net Position	\$ 10,540	\$ 25,768	\$ 263,362

- Compensation expense change includes \$13.4M related to GASB Statements No. 68 & 75
- Excluding GASB 68/75 effect, the change was a decrease of \$4.8M, or 0.3%

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SYSTEMWIDE STATEMENTS OF NET POSITION

Assets, Liabilities and Net Position (\$ in Thousands)

Fiscal Year	FY2021	FY2020	FY2019
Total Assets	\$3,278,252	\$3,302,097	\$3,298,089
Deferred Outflows of Resources	163,598	381,278	621,822
Total Assets and Deferred Outflows of Resources	3,441,850	3,683,375	3,919,911
Total Liabilities	1,296,499	1,326,134	1,363,776
Deferred Inflows of Resources	492,828	715,258	939,920
Total Liabilities and Deferred Inflows of Resources	1,789,327	2,041,392	2,303,696
Total Net Position	\$1,652,523	\$1,641,983	\$1,616,215

- Total assets decreased \$23.8M
- Total liabilities decreased in FY2021 by \$29.6M after a \$37.6M decrease in FY2020

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FISCAL YEARS ADJUSTED FOR LONG-TERM PENSION AND OPEB REPORTING REQUIREMENTS

- Significant adjustments in FY2021
 - FY2021 operating results adjusted
 - FY2021 balance sheet substantially adjusted
- Impact will continue with all future statements, introducing volatility to the accrual based results
- The impact is distributed across all colleges and universities based on attribution assumptions

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GASB STATEMENTS NO. 68 AND NO. 75 EFFECT

- GASB 68 and GASB 75 have 4 components on the Statements of Net Position
 - Net pension liability \$ 344.7 million
 - Other compensation benefits 67.3 million
 - Deferred inflow of resources of 489.6 million
with an offset to
 - Deferred outflows of resources (161.8) million
 - Total downward impact on net position \$ 739.8 million
- Compares to \$726.5 million downward adjustment in FY2020

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SYSTEMWIDE NET POSITION (UNRESTRICTED)

Unrestricted Net Position (\$ in Thousands)			
Components and changes	FY2021	FY2020	Change
Unrestricted net position balance at June 30	\$ (4,389)	\$ (37,036)	\$ 32,647
Removing GASB Statements 68/75 impact	739,872	726,491	13,381
Balance at June 30, without effect of GASB Stmts 68/75	\$ 735,483	\$ 689,455	\$ 46,028

- Increase in unrestricted net position was \$46.0M in fiscal year 2021
- Increase is primarily attributable to:
 - Dedicated funding for NextGen (Workday ERP)
 - HEERF funding provided to reduce the need to utilize campus fund balances for pandemic related expenses

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MINNESOTA STATE ENROLLMENT

- Full Year Equivalent (FYE)
 - 115,758 FYE (FY2021)
 - 122,483 FYE (FY2020)
 - 126,094 FYE (FY2019)
- Headcount
 - 233,000 students (FY2021)
 - 232,000 students (FY2020)
 - 239,288 students (FY2019)

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REVENUE FUND

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Revenues, Expenses and Net Position (\$ in Thousands)			
Fiscal Year	FY2021	FY2020	FY2019
Total Revenues	\$104,087	\$107,409	\$123,798
Total Expenses	101,269	109,096	110,011
Change in Net Position	\$2,818	(\$1,687)	\$13,787

- Unrestricted cash decreased by \$10.5M or 11.7 percent.
- \$79.1M in FY2021 down from \$89.6M in FY2020
- Total revenues decreased by \$3.3M primarily due to the impact of the pandemic, which resulted in a \$16.0 M decrease in total operating revenues in FY2021. This was offset by \$20.9M of Federal HEERF monies received in FY2021.
- Excluding GASB 68/75, total expenses decreased by \$7.8M or 7.2 percent.
- Excluding GASB 68/75 effect, the result is a \$3.1M increase in net position in FY2021 compared to a \$1.4M decrease in FY2020.

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SUMMARY FINANCIAL RESULTS

(EXCLUDING THE EFFECTS of GASB 68 & 75)

- Excluding the effects of GASB 68 & 75, the system reports a \$6.6M loss, an improvement of \$17.4M from FY2020
- Excluding the effects of GASB 68 & 75, total operating/nonoperating expenses decreased by 0.4 percent primarily in compensation costs
- FY2021 adjusted operating margins were relatively stable compared to FY2020 (less than 2 percent of operating expenses).
 - FY21 adjusted operating margin of \$(6.6M) or (0.3%)
 - FY20 adjusted operating margin of \$(24.0M) or (1.2%)

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COMPOSITE FINANCIAL INDEX - CFI

- FY2021 CFI = 2.79 (without GASB 68/75)
- FY2020 CFI = 2.53 (without GASB 68/75)
- FY2019 CFI = 2.26 (without GASB 68/75)

- FY2021 CFI = 0.42 (with GASB 68/75)
- FY2020 CFI = 0.30 (with GASB 68/75)
- FY2019 CFI = 3.03 (with GASB 68/75)

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Composite Financial Index (CFI)

- Used in higher education (e.g., HLC) as a composite performance measure for assessing financial health.
- Resulting value is a relative measure of financial health
- Continued use provides a consistent, comparable benchmark.
- The composite has four individual, broadly used measures that allow some drill-down from the composite value.

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CFI Components

Financial
Position
measures
(balance
sheet)

- **Primary Reserve Ratio (35%)**—expendable net assets divided by operating expenses (ability to fund operations from relatively liquid net worth during business interruption, fund innovation, etc.)
- **Viability Ratio (35%)**—expendable net assets divided by debt (capacity to increase debt or service debt if business operations are interrupted)

Financial
Operation
measures
(income
statement)

- **Return on Net Assets Ratio (20%)**—change in net assets divided by beginning net assets (did financial results provide a reasonable rate of return when measured against investment in net assets?)
- **Operating Margin Ratio (10%)**—operating margin divided by the revenue used in computing the margin (to what extent do operations generate positive or negative financial results)

35

COMPOSITE FINANCIAL INDEX - CFI

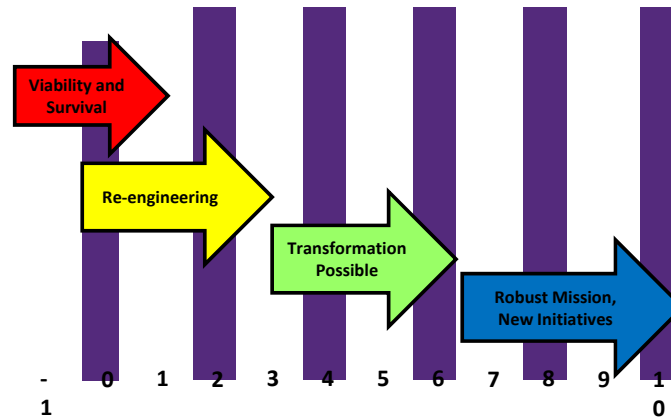
- FY2021 CFI = 2.79 (without GASB 68/75)
- FY2020 CFI = 2.53 (without GASB 68/75)
- FY2019 CFI = 2.26 (without GASB 68/75)

- FY2021 CFI = 0.42 (with GASB 68/75)
- FY2020 CFI = 0.30 (with GASB 68/75)
- FY2019 CFI = 3.03 (with GASB 68/75)

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CFI Performance Scale

Range of Financial Health



Source: Strategic Financial Analysis for Higher Education, 7th Edition

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OVERALL PICTURE

- Unmodified/unqualified opinion on the financial statements
- GASB 68/75 continues to have a substantial impact on the reported condition of the system colleges and universities
- Excluding the effects of GASB 68/75, the financial condition of the system colleges and universities for FY2021 showed a slight improvement compared to the FY2020 results
- Declining enrollment and the declining operating revenues were offset by Higher Education Emergency Relief Fund (HEERF) allocations

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RECOMMENDED MOTION

- **Committee Motion:** *The audit committee has reviewed the fiscal year 2021 audited financial statements and discussed them with representatives of management and Minnesota State’s external auditing firm. The committee recommends that the Board of Trustees approves the release of the fiscal year 2021 audited financial statements as submitted.*
- **Recommended Motion:** *Based on the review and recommendation of the audit committee, the Board of Trustees approves the release of the fiscal year 2021 audited financial statements as submitted.*



Academic and Student Affairs
November 17, 2021
9:00 am.
Virtual Meeting

Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings.

- 1. Minutes of October 19, 2021**
- 2. Minutes of October 20, 2021 Joint meeting of Academic and Student Affairs and Diversity, Equity and Inclusion Committees**
- 3. Mission Statement Change – Normandale Community College**
4. Enrollment Profile and Enrollment Management Strategy

Committee Members

Cheryl Tefer, Chair
Alex Cirillo, Vice Chair
Asani Ajogun
Dawn Erlandson
Javier Morillo
Oballa Oballa
Kathy Sheran

Presidents Liaisons

Deidra Peaslee
Robbyn Wacker

Bolded items indicate action required.



**Academic and Student Affairs Committee
Meeting Minutes
October 19, 2021**

A meeting of the Academic and Student Affairs Committee of the Board of Trustees was held on October 19, 2021.

Committee members present: Cheryl Tefer, Chair; Alex Cirillo, Vice Chair, Dawn Erlandson, and Oballa Oballa

Committee members absent: Asani Ajogun, Javier Morillo and Kathleen Sheran

Other board members present: Victor Ayemobuwa, Jay Cowles; Jerry Janezich, Roger Moe, April Nishimura, Rudy Rodriguez, George Soule and Michael Vekich

Staff present: Devinder Malhotra, Chancellor; Ron Anderson, Sr. Vice Chancellor for Academic and Student Affairs

The meeting materials for this meeting are available [here](#) starting on page 5. An audio recording of the meeting is available [here](#).

Committee Chair Tefer called the meeting to order at 10:00 a.m.

Agenda Item 1: Approval of the Meeting Minutes for June 15, 2021

Committee Chair Tefer asked if there are any changes or amendments to the minutes then asked for a motion to approve. Trustee Erlandson made the motion and Trustee Cirillo provided a second.

A roll call vote was conducted, and the minutes were approved unanimously.

Agenda Item 2: FY2022 Committee Workplan

Committee Chair Tefer invited Sr. Vice Chancellor Ron Anderson to discuss the ASA Committee Workplan for fiscal year 2022. The workplan is detailed in the meeting materials.

The meeting materials for this item begin on page 8.

This being an informational item, there was no vote taken.

Agenda Item 3: Minnesota State Digital Learning Transformation

Committee Chair Tefer invited Sr. Vice Chancellor Ron Anderson along with Kim Lynch, Senior System Director for Educational Innovations; Scott Wojtanowski, System Director for Educational Technology and Development; Ken Graetz, Director of Teaching, Learning, and Technology Services at Winona State University; and Anne Johnson, Vice President of Student Affairs at Dakota County Technical College to the meeting. The group was invited to the committee meeting to have a follow-up discussion on the Digital Learning Transformation at Minnesota State presentation that was given at the June 15, 2021, ASA Committee meeting. The presentation is detailed in the meeting materials.

The meeting materials for this item begin on page 12.

This being an informational item, there was no vote taken.

Adjournment

The committee chair adjourned the meeting at 10:52 a.m.

**Joint Meeting of the Academic and Student Affairs and Diversity, Equity and Inclusion
Committees
Meeting Minutes
October 20, 2021**

A meeting of the Joint Academic and Student Affairs (ASA) and Diversity, Equity and Inclusion (DEI) Committees of the Board of Trustees was held on October 20, 2021 at 8:35 a.m.

ASA Committee members present: Cheryl Tefer, Chair; Alex Cirillo, Vice Chair, Asani Ajogun Dawn Erlandson, and Oballa Oballa

ASA Committee members absent: Javier Morillo and Kathleen Sheran

DEI Committee members present: Rudy Rodriguez, Chair; George Soule, Vice Chair, Asani Ajogun, Alex Cirillo, and Oballa Oballa

Committee members absent: Javier Morillo and April Nishimura

Other board members present: Victor Ayemobuwa, Jay Cowles, Roger Moe, Michael Vekich

Staff present: Devinder Malhotra, Chancellor; Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs, Andriel Dees, Vice Chancellor for Equity and Inclusion

The meeting materials for this meeting are available [here](#), starting on page 50. An audio recording of the meeting is available [here](#).

DEI Committee Chair Rodriguez called the meeting to order at 8:35 a.m.

Agenda Item 1: Equity in Student Success: Understanding and Addressing Gaps

Committee Chair Rodriguez invited Sr. Vice Chancellor Anderson and Vice Chancellor Dees along with President Kumara Jayasuriya, Southwest Minnesota State University and President Craig Johnson, Ridgewater College to present on Equity in Student Success, as detailed in the meeting materials. The meeting materials for this item begin on page 51.

This being an informational item, there was no vote taken.

Adjournment

The committee chair adjourned the meeting at 10:16 a.m.

**MINNESOTA STATE
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Name: Academic and Student Affairs Committee

Date: November 17, 2021

Title: Mission Statement Change: Normandale Community College

Purpose (check one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input checked="" type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring/
Compliance | <input type="checkbox"/> Information | |

Brief Description:

The mission of Normandale Community College is being presented for Board approval. The mission meets the criteria in Board Policy 3.24 College or University Type and Mission, and System Mission, Part 4: Approval of College or University Mission Statement.

Scheduled Presenter(s):

Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs
Dr. Joyce Ester, President, Normandale Community College

MINNESOTA STATE
BOARD OF TRUSTEES

BOARD ACTION

MISSION STATEMENT CHANGE:
NORMANDALE COMMUNITY COLLEGE

BACKGROUND

The revised mission statement of Normandale Community College is being presented for Board approval. The mission and vision meet the criteria identified in Board Policy 3.24 *College or University Type and Mission, and System Mission, Part 4: Approval of College or University Mission Statement*.

Normandale Community College, founded in 1968 as a junior college, is a public, nonprofit, nonresidential institution that annually awards more than 1,200 associate degrees and certificates in more than 60 programs of study in the liberal arts and selected career areas. Normandale is the largest college and third largest institution in Minnesota State. The college has more than 600 faculty and staff serving almost 15,000 individual students each year. Located in the highly populated southwest region of the Minneapolis-Saint Paul metropolitan area, Normandale has an open admission policy and draws students from surrounding metro communities.

In the 2019-2020 year:

Normandale served 14,652 credit students:

- 9,273 degree-seeking students
- 2,847 high school students
- 2,680 other/visiting students

An additional 646 students were enrolled in university partner courses on campus.

Approximately 2/3 of degree-seeking students came from one or more underrepresented groups:

- 26% were first generation (i.e., first in their families to go to college)
- 41% were Pell eligible
- 50% were persons of color

61% of degree-seeking students were attending Normandale part time.

28% were 25-years old or older.

23% were high school students.

Normandale offers programs in the humanities, arts, business, social science, health and human services, education, and STEM disciplines. Normandale offers Associate of Arts degrees, Transfer Pathways, Associate of Fine Arts, Associate of Science, and Associate of Applied Science degrees as well as numerous programs that award certificates. We partner with three Minnesota State universities to offer baccalaureate degrees on Normandale’s campus.

Normandale offers credit and non-credit courses to the community for professional growth and personal enrichment through our Continuing Education and Customized Training department.

Members of the surrounding communities enjoy using the hiking trails on campus and visiting our authentic Japanese Garden. Communities also benefit from our robust service learning/volunteer program which, in a typical year, has students doing 17,000 hours of volunteer work. Likewise, the college benefits from community members serving on advisory boards for various majors as well as the Normandale Community College Foundation Board.

It has been many years since Normandale last restated our mission, vision, and values. When we developed our most recent strategic plan in 2017, we acknowledged the need to revisit our mission but decided to defer this work in the interest of moving forward more rapidly with the strategic plan itself. That plan guided the College through 2020. We took a pause during the early days of the pandemic and then turned our attention to engaging the college community in articulating our new mission.

With the restated mission presented below, we seek to convey Normandale’s purpose – and especially the *why* and *how* of what we do – in a way that (1) captures Normandale’s unique character; (2) is memorable and inspiring to internal and external stakeholders; (3) helps us make difficult decisions about priorities and resources when needed; and (4) reflects Normandale’s commitment to equity and inclusion, creating a strong foundation for achieving our three strategic goals. The first of these goals is to eliminate race-based gaps in key educational outcomes by 2025.

As a member of Minnesota State, Normandale is able to leave implicit the aspects of our purpose that are already articulated in the Minnesota State mission, including ensuring “access to an extraordinary education” for the Minnesotans in our geographic area, being “the partner of choice to meet [our region’s] workforce and community needs,” and delivering “to students, employers, communities and taxpayers the highest value/most affordable higher education option.” Within the context of this overarching, system-wide mission statement, Normandale is able to adopt an institutional mission statement that serves the four purposes enumerated in the paragraph above.

The revised mission and vision statements are designed to meet the criteria identified in Board Policy 3.24 Institution Type and Mission, and System Mission, Part 4: Approval of College or University Mission Statements.

Current Mission Statement:

Normandale Community College advances individuals' intellectual, career, and personal development by providing outstanding teaching and support.

Proposed Mission Statement:

Normandale's mission:

- to cultivate a welcoming college community
- to foster every student's talents
- to build an equitable world

(Alternative format when required: Normandale's mission is to cultivate a welcoming college community, to foster every student's talents, to build an equitable world.)

Current Vision Statement:

Normandale Community College will be a recognized leader in academic excellence, student support, and community and workforce development.

Proposed Vision Statement:

Limitless human potential realized.

Current Values Statement:

1. Learning: We promote the learning and development of all members of the Normandale community.
2. Service: We focus on meeting the needs of our students and community.
3. Integrity: We hold ourselves accountable to the communities we serve and seek to model personal and intellectual integrity in all we do.
4. Excellence: We set and model high standards for students and our faculty, staff, administrators, and community partners.
5. Stewardship: We use our natural, financial, and human resources effectively and respectfully.
6. Collaboration: We bring together the skills and knowledge from our students, faculty, staff, administrators, and community partners.
7. Inclusiveness: We create a safe, inclusive, and diverse college community which values each individual.
8. Innovation: We regularly exceed people's expectations through creative programs and services.
9. Data-enhanced decision making: We use data and our collective expertise to inform our decisions.

Proposed Values Statement:

Normandale's core values:

Caring

We cultivate a college community where people feel a sense of belonging and connectedness. We recognize that people learn and work better when their needs are met and they feel safe. We have the courage to communicate with compassionate candor. We are a community of kindness and respect.

Curiosity

We nurture curious minds in our students and in our employees. We are genuinely curious about one another. Curiosity fuels our pursuit of learning and inspires us to find better ways of doing things. It drives us to ask good questions and to seek information to answer them. We are a community of curious people.

Commitment

We work hard to achieve our mission and goals. We dedicate ourselves to meeting all our students where they are and helping them pursue their aspirations. We are conscientious stewards of the college's resources. We are a community that expects a lot of ourselves and takes pride and joy in our work.

The college vision and mission respond to the following elements in system procedure:

1. The alignment of the proposed mission with the system mission and statewide needs; The system mission states what all Minnesota State institutions exist to do, and for and with whom. This allows member colleges and universities to craft mission statements that differentiate ourselves from one another and convey how and why we seek to deliver on the system mission. By conveying our “how” and “why” in crisp, memorable, and distinctive language, Normandale’s mission will keep current stakeholders inspired and committed, and pique the attention and interest of prospective students, employees, community partners, etc. Further, at a time when the system and Normandale are focused on equity as an imperative of existential importance, Normandale’s proposed mission provides a strong foundation for ensuring the equity is front and center in the operational and resource-related decisions we must make day to day, month to month, and year to year.
2. The extent to which the college or university will meet expectations of law and how it relates to other institutions of higher education; Normandale’s restated mission will not impact our compliance with legal requirements. We will continue to meet the statutorily defined purposes of Minnesota’s higher education system as a community college that offers lower division instruction in academic programs and occupational programs for students seeking associate degrees and for those transferring to baccalaureate institutions as defined in Minn. Stat. § 135A.052, Sub. 1. We will continue to provide an opportunity for all Minnesotans to create a better future for themselves, for their families, and for their communities. We will continue to work closely with university partners in the Minnesota State Colleges and University system and others to facilitate successful transfer for our students. We will continue to host university partners so that place bound students can earn a baccalaureate degree on our campus.

3. The array of awards it offers;
Normandale Community College awards the Associate of Applied Science (AAS) degree, the Associate of Science (AS), the Associate of Arts (AA) and the Associate of Fine Arts (AFA) and certificates.

Normandale Community College offers the following number of each type of award:

AA – 19

AS – 19

Certificate – 25

AFA – 5

AAS – 6

4. The compliance of the college or university mission with statute, policy, and regional accreditation requirements;
Our new proposed mission statement complies with all requirements. Statutory compliance is addressed above. The new mission communicates our commitment to welcoming all students and fostering every student's success with mindful attention to equity as we provide the extraordinary, affordable education *all* Minnesota State colleges and universities are committed to provide per the system mission.
5. The consultation with faculty, students, and members of the local civic, nonprofit, and business communities;
Normandale has engaged a broad cross-section of constituents in the work of restating our mission, vision, and values. With help and guidance from our consultants at the Regenerate Group, we started by holding five two-hour listening sessions: three for faculty and staff, one for external community members, and one solely for students. The sessions engaged 119 participants in focused conversations that surfaced five key themes related to our mission, vision and values: diversity/equity/inclusion, access, student success, community, and personalization. Regenerate Group created a rough draft mission statement that incorporated the themes and revised it several times. They submitted three versions to a cross-campus "refinement team" comprising faculty, staff, students, and administrators, which in turn published a semi-final version of the mission to the campus and community for feedback. Revisions were made based on this feedback.

This same cross-campus refinement team also worked to refine outcomes of the community listening sessions to craft vision and values statements. We published a survey to all students to learn what they see as Normandale's values, and more than 300 students responded.

The near-final drafts of our restated mission, vision, and values that emerged from the above work were published to the campus and community for feedback throughout the summer and fall of 2021. Among other steps to ensure stakeholder awareness and invite final comments, we included an official presentation of these near-final drafts in President

Ester’s convocation remarks at our fall Development Day (attended by all faculty and staff), and emailed the near-final drafts to 135 community and civic leaders including representatives of key College partners (e.g., K-12 school districts), Bloomington Chamber of Commerce board members, Normandale Community College Foundation board members, and members of the Bloomington Noon Rotary Club.

In addition, on September 27, 2021, Vice President of Advancement Andrea Specht emailed Noelle Hawton in the Marketing and Communications division, attaching our proposed restated mission, vision, and values, and a detailed description of the process we followed to develop them. Following a brief email exchange, Noelle confirmed on October 11th that she did not see any cause for concern with the wording we chose or the process we followed in developing our restated mission, vision, and values.

RECOMMENDED COMMITTEE MOTION

Upon the recommendation of the Chancellor, the Academic and Student Affairs Committee recommends that the Board of Trustees approve the proposed mission statement of Normandale Community College.

RECOMMENDED BOARD MOTION

The Board of Trustees approves the mission statement of Normandale Community College.

Date Presented to the Board of Trustees: 11/17/2021

Date of Implementation: 11/17/2021




Mission Restatement Approval Request

Presentation to Minnesota State Academic & Student Affairs Committee
November 17, 2021

President Joyce C. Ester, Ph.D.

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1



Context

- Completed our 2017-2020 strategic plan shortly before pandemic began
- Acknowledged need to revisit Mission in 2017 but decided to defer to next planning cycle
- Launched Mission, Vision, Values exploration with our campus community in Fall 2020
 - Hired consultants (the Regenerate Group) to help design, implement, facilitate stakeholder engagement process

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2



Process

- Five two-hour, facilitated listening sessions
 - 3 for faculty/staff, 1 for students, 1 for external stakeholders
 - 119 total participants
 - five key themes: DEI, access, student success, community, personalization
- Three versions of potential restated Mission presented by Regenerate Group to cross-campus Refinement Team comprising 15 faculty, staff, students, and administrators

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3



Process, cont'd

- Refinement Team published semi-final version of restated Mission to the campus and community; revisions made based on feedback
- Refinement Team also worked to refine listening session outcomes into Vision and Values statements.
 - Survey sent to all students inviting perceptions of Normandale values
 - 300+ students responded
 - Two additional themes – kindness and respect – emerged

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Process, cont'd

- Near-final drafts of restated Mission, Vision, Values published to campus and external community for feedback in summer/fall 2021
 - Official presentation of drafts at Development Day Convocation
 - Emailed drafts to 135 community and civic leaders, e.g., K-12 and university partners, Bloomington Chamber board members, Normandale Foundation board members, Bloomington Rotary Club members

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5



Themes Recap

- Diversity, Equity, Inclusion
- Access
- Student Success
- Community
- Personalization
- Kindness
- Respect

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Current Mission

Normandale Community College advances individuals' intellectual, career, and personal development by providing outstanding teaching and support.

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8



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Proposed Restatement

Normandale's mission:

- to cultivate a welcoming college community
- to foster every student's talents
- to build an equitable world

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Proposed Restatement

Alternative format when required:

Normandale's mission is to cultivate a welcoming college community, to foster every student's talents, to build an equitable world.

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Vision

Current: Normandale Community College will be a recognized leader in academic excellence, student support, and community and workforce development.

Restated: Limitless human potential realized.

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Values

Current: Learning, Service, Integrity, Excellence, Stewardship, Collaboration, Inclusiveness, Innovation, Data-enhanced decision making

Restated: Caring, Commitment, Curiosity

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Restated Values in Depth



Caring

We cultivate a college community where people feel a sense of belonging and connectedness. We recognize that people learn and work better when their needs are met and they feel safe. We have the courage to communicate with compassionate candor. We are a community of kindness and respect.

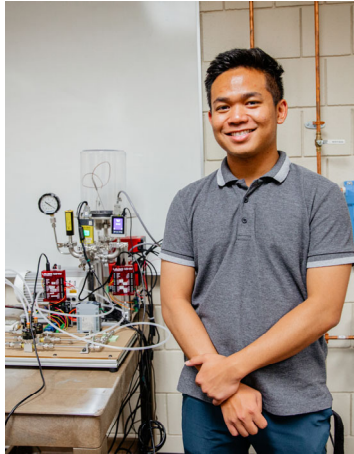
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Restated Values in Depth



Curiosity

We nurture curious minds in our students and in our employees. We are genuinely curious about one another. Curiosity fuels our pursuit of learning and inspires us to find better ways of doing things. It drives us to ask good questions and to seek information to answer them. We are a community of curious people.

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Restated Values in Depth



Commitment

We work hard to achieve our mission and goals. We dedicate ourselves to meeting all our students where they are and helping them pursue their aspirations. We are conscientious stewards of the college's resources. We are a community that expects a lot of ourselves and takes pride and joy in our work.

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Restated Mission Goals/Purposes

- Minnesota State mission states what all member institutions exist to do, and for and with whom.
 - Allows colleges/universities to craft mission statements that differentiate ourselves and convey *how* and *why* we seek to deliver on the system mission.
- Normandale's proposed restated Mission:
 - Conveys our *how* and *why* crisply, memorably, distinctively
 - Keeps current stakeholders inspired and committed
 - Piques attention and interest of prospective students, employees, community partners, etc.
 - Provides strong foundation for centering equity in operational and resource-related decisions

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**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Academic and Student Affairs

Date: November 17, 2021

Title: Enrollment Profile and Enrollment Management Strategy

Purpose (check one):

Proposed New Policy or
Amendment to Existing Policy

Approvals Required
by Policy

Other Approvals

Monitoring/Compliance

Information

Brief Description:

This presentation will provide an update on national enrollment trends, particularly the recent impact of the COVID-19 pandemic, and on enrollment trends within Minnesota State. Included will be a brief overview of strategic enrollment management principles, including a description of systemwide support and campus-based practices. The presentation will conclude with updates from a university and a college on their enrollment management strategies and results.

Scheduled Presenter(s):

Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs

Edward Inch, President, Minnesota State University, Mankato

David Jones, Vice President of Student Affairs and Enrollment Management, Minnesota State University, Mankato

Carrie Brimhall, President, Minnesota State Community and Technical College

John Maduko, Vice President of Academic and Student Affairs, Minnesota State Community and Technical College

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD INFORMATION ITEM

ENROLLMENT PROFILE AND ENROLLMENT MANAGEMENT STRATEGY

BACKGROUND

This presentation will provide an update on national enrollment trends, particularly the recent impact of the COVID-19 pandemic, and on enrollment trends within Minnesota State. It will also describe the Minnesota State approach to strategic enrollment management at both the system and campus levels.

Nationally, the fall of 2021 saw additional declines in higher education enrollment across the country, on top of declines that occurred in the fall of 2020. The summary from the National Student Clearinghouse Research Center provides brief overview of this fall's numbers, and the cumulative impact of declines in 2020 and 2021:

Undergraduate enrollment is down 3.2 percent from a year ago. Undergraduate student numbers have now fallen by 6.5 percent as a total from two years ago. Graduate enrollment continued to grow, reaching 2.1 percent above last fall's level, for a total growth of 5.3 percent over two years. While undergraduate enrollment is down in all sectors, private nonprofit four-year students fared better, falling only 0.7 percent this fall due to 4.3 percent more students enrolled in highly selective institutions. Freshman enrollment continued to slip this fall. First-year student numbers declined by 3.1 percent overall and 3.9 percent among traditional-age students (18-20).¹

Within this national context, as noted in the finance update at the October board meeting, enrollment projections for the system have weakened since the June budget was approved. The systemwide enrollment change for fiscal year 2022 compared to fiscal year 2021 was projected in June to be down by 2.1 percent from projected fiscal year 2021 levels and is now projected to be down by 6.5 percent from actual fiscal year 2021 levels. Projected college enrollment decline has gone from 0.8 percent down to 6.8 percent down compared to last year. Projected university enrollment decline has gone from 4.1 percent down to 6.1 percent down compared to last year. Total enrollment at the colleges and universities of Minnesota State peaked in 2011, and had been declining prior to the pandemic. The past two years accelerated that decline. Reviewing the data to determine which student populations have been most affected

¹ "Stay Informed with the Latest Enrollment Information," National Student Clearinghouse Research Center, (October 26, 2021): <https://nscresearchcenter.org/stay-informed/>

by the pandemic will be critical to our post-pandemic strategy.

Previous work to build and enhance our system and campus-based capacity provides a foundation for this critical work. In 2019, academic and student affairs provided definition to frame the Minnesota State approach to strategic enrollment management: strategic enrollment management is a comprehensive, data informed approach to aligning all of the college and/or university programs, practices, policies, and planning to ensure the equitable recruitment, persistence, goal completion, and graduation of students. At the system level, strategies include the maturation of strategic enrollment management infrastructure and building campus capacity; addressing policy barriers; sharing and scaling best practices; and expanding technology and the data analysis infrastructure. Campus strategies include expanding recruitment and retention efforts; augmenting student support; expanding partnerships; and leveraging technology. These strategies will support the colleges and universities in responding to the ongoing post-pandemic challenges and in making progress toward our Equity 2030 goal.



Outreach and Engagement Committee
November 17, 2021
10:30 a.m.
Virtual Meeting

Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings.

- 1. Minutes of May 18, 2021**
2. FY2022 Committee Workplan
3. Engagement Stories: Farm Business Management Programs

Committee Members

Dawn Erlandson, Chair
Alex Cirillo, Vice Chair
Javier Morillo
Cheryl Tefer
Victor Ayemobuwa

Presidents Liaisons

Michael Berndt
Ginny Arthur

Bolded items indicate action required.



**Outreach and Engagement Committee
Meeting Minutes
May 18, 2021**

A virtual meeting of the Outreach and Engagement Committee of the Board of Trustees was held on May 18, 2021.

Committee members present: Dawn Erlandson, Chair; Alex Cirillo, Vice Chair; Kathy Sheran, Cheryl Tefer.

Committee members absent: Asani Ajogun

Other board members present: Ahmitara Alwal, Jay Cowles, Jerry Janezich, Roger Moe, Javier Morillo, April Nishimura, Oballa Oballa, Rudy Rodriguez, George Soule, Cheryl Tefer and Michael Vekich.

Staff present: Devinder Malhotra, Chancellor; Noelle Hawton, Chief Marketing and Communications Officer, Barbara Hein, Director of Marketing.

The meeting materials for this meeting are available [here](#), starting on page 9. An audio recording of the meeting is available [here](#).

Committee Chair Erlandson called the meeting to order at 9:01 a.m.

Agenda Item 1: Approval of the Meeting Minutes for January 27, 2021

Committee Chair Erlandson asked if there are any changes or amendments to the minutes then asked for a motion to approve. Trustee Cirillo made the motion and Trustee Sheran provided a second.

A roll call vote was conducted and the minutes were approved unanimously.

Agenda Item 2: Marketing and Engagement Results

Committee Chair Erlandson invited Noelle Hawton and Barbara Hein to present on the macro marketing campaigns and statewide platforms used to promote Minnesota State and campaign engagement results. They were joined by the several college and universities representatives who discussed their local marketing efforts and how they leverage Minnesota State's promotional work. Campus representatives participating in the presentation were: Brian Jones, Director of Admissions, and Sara Frederick, Senior Director for Marketing and Communication from Minnesota State University, Mankato; Lori Kloos, Vice President of Administration, and

Kate Wallace, Public Relations Specialist from St. Cloud Technical and Community College. The meeting materials for this item begin on page 9.

This being an informational item, there was no vote taken.

Adjournment

The committee chair adjourned the meeting at 10:03 a.m.

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Outreach and Engagement Committee

Date: November 17, 2021

Title: FY2022 Committee Workplan

Purpose (*check one*):

Proposed New Policy or
Amendment to Existing Policy

Approvals Required
by Policy

Other Approvals

Monitoring/Compliance

Information

Brief Description:

This discussion will focus on the Outreach and Engagement Committee's fiscal year 2022 work plan/schedule.

Scheduled Presenter(s):

Noelle Hawton, Chief Marketing and Communications Officer

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD INFORMATION ITEM
FY2022 Committee Workplan

BACKGROUND

Per the Outreach and Engagement Committee Charter, the committee is charged with assisting the Board of Trustees in fulfilling its governance responsibilities in the arena of key stakeholder engagement and how Minnesota State tells its story, fosters a society-wide understanding of public higher education systems, and articulates its value proposition as an invaluable public good. It is the communication channel for the board and an opportunity for the board to develop expectations, offer input and oversight, and receive assurances regarding stakeholder engagement.

FY2022 COMMITTEE WORKPLAN

The Committee will review the proposed agenda topics for FY2022.

Outreach and Engagement Committee - DRAFT Fiscal Year 2022 Agenda Topics

Month	Outreach and Engagement Committee
September 21-22 (Retreat)	
October 19-20	
November 16-17, 2021	Engagement: Farm Business Management
January 25-26, 2022	Outreach: Effective Capital Campaigns
February (No Regular Mtgs)	
March 15-16, 2022	Outreach: Private Funders and Foundation Support
April 19-20, 2022	
May 17-18, 2022	Engagement: Minnesota State Brand
June 21-22, 2022	

NOTE: Bolded italic items represent action items needing Committee and Board approval

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Outreach and Engagement Committee

Date: November 17, 2021

Title: Engagement Stories: Farm Business Management Programs

Purpose (*check one*):

Proposed New Policy or
Amendment to Existing Policy

Approvals Required
by Policy

Other Approvals

Monitoring/Compliance

Information

Brief Description:

The Outreach and Engagement Committee will be briefed about the Farm Business Management program that is available to farmers throughout the state via eight Minnesota State colleges

Scheduled Presenter(s):

- Noelle Hawton, Chief Marketing and Communications Officer for Minnesota State
- Keith Olander, Executive Director, Minnesota State Northern Agricultural Center of Excellence and Dean of Agricultural Studies, Central Lakes College
- James Gordon, Vice President Ag/Business Banker, Pioneer Bank in Mapleton, MN and Minnesota Bankers Association Ag Committee Chair
- Betsy Jensen, Farm Business Management Faculty, Northland Community and Technical College
- Hannah Bernhardt, student and owner, Medicine Creek Farm

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD INFORMATION ITEM

Engagement Stories: Farm Business Management Programs

BACKGROUND

For many years eight colleges throughout the Minnesota State system have offered farmers a valuable program that helps them learn and incorporate best practices for running their business and operations. These services are coordinated throughout Minnesota State by the Minnesota State Southern Agricultural Center of Excellence and the Minnesota State Northern Agricultural Center of Excellence. The Outreach and Engagement Committee will be learning about this program and the value it brings to the communities in which our colleges operate.



Workforce and Organizational Effectiveness Committee
November 17, 2021
11:45 a.m.
Virtual Meeting

Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings.

- 1. Minutes of October 20, 2021**
2. Proposed Amendment to Board Policy 4.2 Appointment of Presidents (First Reading)

Committee Members

George Soule, Chair
Rudy Rodriguez, Vice Chair
Asani Ajogun
Dawn Erlandson
Roger Moe
Kathy Sheran
Cheryl Tefer

Presidents Liaisons

Anne Blackhurst
Annette Parker

Bolded items indicate action required.





**Workforce and Organizational Effectiveness Committee
Meeting Minutes
October 20, 2021**

A meeting of the Workforce and Organizational Effectiveness Committee of the Board of Trustees was held on October 20, 2021.

Committee members present: George Soule, Chair; Rudy Rodriguez, Vice Chair; Asani Ajogun, Roger Moe, Cheryl Tefer

Committee members absent: Dawn Erlandson, Kathy Sheran

Other board members present: Victor Ayemobuwa, Alex Cirillo, Jay Cowles, Jerry Janezich, April Nishimura, Oballa Oballa, Michael Vekich

Staff present: Devinder Malhotra, Chancellor; Eric Davis, Vice Chancellor for Human Resources

The meeting materials for this meeting are available [here](#), starting on page 53. An audio recording of the meeting is available [here](#).

Committee Chair Soule called the meeting to order at 10:30 a.m.

Agenda Item 1: Approval of the Minutes for June 15, 2021 Joint Meeting of Diversity, Equity and Inclusion and Workforce and Organizational Effectiveness Committees

Committee Chair Soule asked if there are any changes or amendments to the minutes then asked for a motion to approve. Trustee Moe made the motion and Trustee Rodriguez provided a second.

A roll call vote was conducted, and the minutes were approved unanimously.

Agenda Item 2: Approval of the Meeting Minutes for June 16, 2021 Workforce and Organizational Effectiveness Committees

Committee Chair Soule asked if there are any changes or amendments to the minutes then asked for a motion to approve. Trustee Moe made the motion and Trustee Rodriguez provided a second.

A roll call vote was conducted, and the minutes were approved unanimously.

Agenda Item 3: Approval of the Meeting Minutes for June 30, 2021 Workforce and Organizational Effectiveness Committees

Committee Chair Soule asked if there are any changes or amendments to the minutes then asked for a motion to approve. Trustee Moe made the motion and Trustee Rodriguez provided a second.

A roll call vote was conducted, and the minutes were approved unanimously.

Agenda Item 4: FY2022 Committee Workplan

Committee Chair Soule invited Vice Chancellor Davis to present the FY2022 Committee Workplan, as detailed in the meeting materials.

The meeting materials for this item begin on page 60.

This being an informational item, there was no vote taken.

Agenda Item 5: Executive Search Process Overview

Committee Chair Soule invited Vice Chancellor Davis along with System Office HR Director Deb Gehrke to present the Executive Search Process Overview, as detailed in the meeting materials.

The meeting materials for this item begin on page 63.

This being an informational item, there was no vote taken.

Adjournment

The committee chair adjourned the meeting at 11:01 a.m.

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Workforce and Organizational Effectiveness Committee **Date:** November 17, 2021

Title: Proposed Amendment to Board Policy 4.2 Appointment of Presidents (First Reading)

Purpose (check one):

Proposed New Policy or
Amendment to Existing Policy

Approvals Required
by Policy

Other Approvals

Monitoring/Compliance

Information

Brief Description:

The policy was reviewed to expand the chancellor's authority to appoint additional members to presidential search committees.

The proposed amendment was reviewed by the Office of General Counsel, cabinet, then sent out for formal consultation and received support from the presidents, employee representative groups, student associations, and campus leadership groups. All comments received from the consultation were considered.

Scheduled Presenter:

Eric Davis, Vice Chancellor for Human Resources

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION – FIRST READING

Proposed Amendment To Board Policy 4.2 Appointment Of Presidents (First Reading)

BACKGROUND

Board Policy 4.2 Appointment of Presidents was adopted and implemented by the Board of Trustees on November 18, 1998. The policy was reviewed through an equity lens.

The proposed amendment broadens the chancellor’s authority to appoint members to the presidential search committees. Up to two additional members may be appointed to obtain subject matter expertise or to achieve diversity among the members.

The proposed amendment was reviewed by the Office of General Counsel, cabinet, then sent out for formal consultation and received support from the presidents, employee representative groups, student associations, and campus leadership groups. All comments received from the consultation were considered.

RECOMMENDED COMMITTEE MOTION

Motion will be included with second reading.

RECOMMENDED BOARD MOTION

Motion will be included with second reading.

Date Presented to the Board of Trustees: 11/17/21

Date of Implementation: xx/xx/xx

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD POLICY – FIRST READING			
Chapter	4	Chapter Name	Human Resources
Section	2	Policy Name	Appointment of Presidents

4.2 Appointment of Presidents

The president is the chief executive officer of the college or university. The president shall report to the chancellor and is responsible for leading the college and/or university faculty, staff, and students in developing and implementing the college or university mission, consistent with the ~~board~~ **Board of Trustees** mission and goals. The president is the primary spokesperson for college or university interests and shall consult regularly with students, faculty, staff, and members of the community. The president shall advise the chancellor, the staff of the system office, and the ~~B~~**board of Trustees** on matters of ~~system~~ **board** policy as appropriate, and otherwise administer and support all Minnesota State ~~Colleges and Universities~~ policies and programs. The president shall also lead in generating and sustaining the college/university vision as an integral part of the Minnesota State ~~Colleges and Universities~~ system. The duties and responsibilities of the president include, but are not limited to, adhering to board policies and system procedures, employing personnel, providing innovative educational leadership, allocating campus resources, and implementing the board’s strategic plan.

Part 2. Presidential Appointments

Presidents are appointed by the board upon the recommendation of the chancellor. The chancellor shall use one of the following options in recommending a presidential appointment to the board.

Subpart A. Acting President

Upon advance notification to the board chair, the chancellor may appoint an acting president for the period of an incumbent president’s approved leave of absence.

Subpart B. Interim President

An interim president may be appointed, upon the recommendation of the chancellor and approval by the board, to temporarily fill a vacant presidency for a term of up to one year with the option to extend the appointment for additional periods.

Subpart C. President

Minnesota State ~~Colleges and Universities~~ is committed to hiring extraordinary leaders who meet the needs of colleges, universities, and their communities through a selection process that is broadly consultative and transparent. The board chair and chair of the board’s human resources committee oversee the presidential selection process. The chancellor will provide regular updates to the chairs throughout the process. The chancellor shall use one of the following options in recommending a presidential appointment to the board.

- 38 1. **Search.** When there is a presidential vacancy, it is the board’s expectation that a
39 search will be conducted. An acting or interim president may be considered as a
40 candidate in a search process for the presidency of the searching college or
41 university.
42 2. **Search Waiver.** The board may waive the search process and appoint a candidate
43 who best fits the needs of the college or university and the system. Consideration of
44 a waiver is initiated by a written recommendation to the board by the chancellor.
45 The board must determine the waiver is in the best interests of Minnesota State the
46 system.
47

48 **Part 3. Search Process**

49 **Subpart A. Initial consultation**

50 At the start of each search, the chancellor shall solicit input from internal and external
51 constituent groups at the affected college or university about the qualities sought in the new
52 president.
53

54 **Subpart B. Appointment of search advisory committee**

55 The chancellor shall appoint a local presidential search advisory committee and name the
56 chair of the committee. The committee will identify presidential candidates and make
57 recommendations of candidates to the chancellor.
58

59 **Subpart C. Application review and screening interviews**

60 The search advisory committee shall have access to all application materials received. The
61 committee shall select candidates to interview and conduct initial screening interviews. The
62 committee shall forward to the chancellor the names of the candidates they believe should be
63 considered to continue in the process, along with detailed assessments of the relative
64 strengths and weaknesses of each candidate.
65

66 **Subpart D. Identification of candidates to visit campuses**

67 Following receipt of input from the committee, the chancellor shall consider the committee’s
68 assessment, as well as any reports from confidential referencing and background checks. The
69 chancellor shall select two to four candidates to visit the college or university and participate in
70 public meetings. The chancellor shall communicate with the committee on the rationale for
71 the chancellor’s selection from the committee’s recommendations.
72

73 **Subpart E. Opportunity for constituent group meetings with candidates and constituent 74 group feedback**

75 Once the finalists are publicly identified, internal and external constituent groups at the
76 affected college or university shall must be invited to meet with the candidates on campus. All
77 internal and external constituent groups shall must be invited to give confidential feedback
78 directly to the chancellor following the candidates’ visits to campus.
79

80 **Subpart F. Trustee participation**

81 At least two and up to three members of the ~~B~~board of Trustees will participate in
82 interviews for the purpose of providing counsel to the chancellor in the formation of the
83 chancellor’s recommendation to the board.
84
85

86 **Subpart G. Chancellor’s recommendation to the Board of Trustees**

87 The chancellor shall present a recommendation, with a detailed explanation to the board,
88 which ~~that~~ includes what the internal and external constituent groups expressed regarding
89 ~~about~~ the qualities the new president needs and how the chancellor’s recommended
90 candidate fits that description.

91
92 **Subpart H. Communication throughout the search process**

93 The chair of the search advisory committee is responsible for communication about the
94 search. Throughout the search process, the chair shall provide regular updates to the
95 committee and shall work with college or university staff to post updates on the search
96 website, as appropriate, so that the broader community has the opportunity to follow the
97 public process from start through completion. Following the conclusion of the search, the
98 committee may meet to be debriefed on the search.

99
100 **Subpart I. Notification to the board of unsuccessful search**

101 The chancellor shall notify the board in writing that a search was unsuccessful when none of
102 the interviewed candidates are acceptable.

103
104 **Part 4. Search Advisory Committee**

105
106 **Subpart A. Charge**

107 The search advisory committee is advisory to the chancellor as the chancellor develops a
108 recommendation to the board. Committee members shall serve as stewards on behalf of
109 the interests of the entire college or university community.

110
111 **Subpart B. Composition**

112 Committee members shall be knowledgeable about ~~of~~ the duties and responsibilities of the
113 position to be filled and broadly representative of the interests of the faculty, staff,
114 students, administration, community, alumni, and friends of the college or university.

115
116 **1. Chair.** The committee shall must be chaired by a Minnesota State Colleges and
117 ~~Universities~~ sitting or former president appointed by the chancellor.

118
119 **2. Members.**

- 120 a. The chancellor will invite nominations for members of the committee from all
121 internal constituent groups and from external constituent groups in the
122 community.
- 123 b. The chancellor shall seek to balance the committee to the extent possible in
124 areas such as gender and other diversity; geographic diversity (multiple
125 campuses); liberal arts and technical programs; and student-facing and back
126 office staff. ~~To facilitate committee balance, each constituency nominating a~~
127 ~~committee member shall submit more nominations than slots attributed to the~~
128 ~~constituency.~~

- 129 c. The committee shall be comprised as follows:
130 i. two members of the teaching faculty at an affected college or university
131 selected by the faculty organization;
132 ii. one member of the service faculty at an affected university nominated by
133 the service faculty organization;
134 iii. one student (two students for multi-campus colleges or universities)
135 nominated by the campus student association;
136 iv. one member from each additional affected college or university
137 bargaining unit nominated by their bargaining unit;
138 v. up to three members of the public with a connection to the affected
139 college or university having knowledge of the affected college or
140 university and its needs nominated by the public; and
141 vi. two administrators who are employees at the affected college or
142 university.
- 143 d. In the event the presidential vacancy serves multiple campuses or institutions,
144 the Chancellor may expand the committee membership to allow for members
145 from all bargaining units represented at the institutions.
- 146 e. The chancellor may appoint up to two (2) additional committee members to
147 achieve a balanced committee and/or acquire desired subject-matter expertise.
148 Prior to appointing the committee, the chancellor shall inform the constituent
149 groups and provide a rationale for the addition of committee members.
150

151 **Subpart C. Committee support**

152 The system office shall coordinate the overall search process and provide training to the
153 committee. The chief human resources officer of the affected college or university will be
154 the liaison between the affected college or university and the committee and will provide
155 professional human resources support to the committee. The chancellor may engage a
156 professional search consultant to assist in the recruitment of candidates.
157

158 **Subpart D. Expense reimbursement allowed**

159 Members of the committee shall receive no compensation for their services, but shall must
160 be reimbursed for actual expenses incurred in performing services for the committee,
161 consistent with expense procedures for state employees.
162

163 **Part 5. Salaries**

164 In consultation with the board chair and the chair of the human resources committee, the
165 chancellor shall determine salaries for the position of president within the parameters of the
166 Personnel Plan for MnSCU Minnesota State Administrators as approved by the board and
167 within board-approved salary ranges. The chancellor is the designated appointing authority for
168 all other personnel actions pursuant to Minnesota statutes.
169

171 **Part 6. Terminations and Contract Expiration**

172
173 **Subpart A. Termination of employment**
174 The chancellor, upon advance notification to the board chair, may terminate a president in
175 accordance with the Personnel Plan for MnSCU [Minnesota State](#) Administrators and, if
176 applicable, the president's employment contract.
177
178 **Subpart B. Contract expiration**
179 A president's employment ends upon expiration of the employment contract, unless
180 otherwise provided in the employment contract. Expiration of a contract without extension
181 or renewal does not constitute termination under this policy.

Related Documents

- [Board Policy 4.1](#) Personnel Plan for MnSCU Administrators

Policy History

Date of Adoption: 11/18/98
Date of Implementation: 11/18/98
Date of Last Review: 09/17/19

Date and Subject of Amendments:

Xx/xx/21 - Added sections d and e to Part 4, Subpart B regarding the chancellor's authority to appoint additional committee members. Technical edits made throughout the document, such as replacing MnSCU with Minnesota State.

09/17/19 – Amended Part 3, C, 1 to allow interim presidents to be considered a candidate in the search process, and Part 4, B, 2, c, iii to clarify the campus student association nominates the student representative on the committee.

11/18/15 - Amended throughout to be in compliance the a law that requires that the search process for hiring presidents be codified in board policy, specifically new Part 2A, 2B, 2C, Part 3, and Part 4.

11/16/11 - Effective 1/1/12, the Board of Trustees amends all board policies to change the term "Office of the Chancellor" to "system office," and to make necessary related grammatical changes.

7/18/07 - Amended Part 1 to clarify and update the language. Amended Part 6, Subpart A, Termination of Employment, the chancellor may terminate a president during the term of the presidential employment agreement with advance notice to the chair of the board.

Additional [HISTORY](#)

Board of Trustees Meeting
November 17, 2021
12:15 p.m.
Virtual Meeting

Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings. Interested parties can listen to the live stream of the proceedings from the [Board website](#).

Convene and Call to Order, Jay Cowles, Chair

Chancellor’s Report, Devinder Malhotra

Chair’s Report, Jay Cowles

Consent Agenda

- 1. Minutes of the Board of Trustees Meeting, September 22, 2021**
- 2. Minutes of the Committee of the Whole Meeting, October 19, 2021**
- 3. Minutes of the Board of Trustees Meeting, October 20, 2021**
- 4. Contracts Requiring Board Approval**
 - a. Mayo Clinic Health System Event Center Lease, Minnesota State University, Mankato**
 - b. MSUM Foundation Ground Lease, Minnesota State University Moorhead**
 - c. EDA Federal Grant Construction Contract, St. Cloud Technical & Community College**
- 5. Revised Office of Internal Auditing Charter**
- 6. Review Audit Results and Approve Release of Audited Financial Statements and Federal Student Financial Aid Audit Update**
- 7. Mission Statement Change – Normandale Community College**

Committee of the Whole, Jay Cowles, Chair

- Report of the Committee

Academic and Student Affairs Committee, Cheryl Tefer, Chair

- Report of the Committee

Audit Committee, Michael Vekich, Chair

- Report of the Committee

Facilities Committee, Jerry Janezich, Chair

- Report of the Committee



Finance Committee, Roger Moe, Chair

- **FY2022-23 Supplemental Budget Request (Second Reading)**

Outreach and Engagement Committee, Dawn Erlandson, Chair

- Report of the Committee

Workforce and Organizational Effectiveness Committee, George Soule, Chair

- Report of the Committee

Student Associations

1. Lead MN, Axel Kylander, President
2. Students United, Emma Zellmer, State Chair

Minnesota State Colleges and Universities Bargaining Units

1. American Federation of State, County, and Municipal Employees, Jennifer Erwin, , AFSCME Council 5, Minnesota State Policy Committee President
2. Inter Faculty Organization, Brent Jeffers, President
3. Middle Management Association, Gary Kloos, Executive Director
4. Minnesota Association of Professional Employees, Jerry Jeffries, Regional Director
5. Minnesota State College Faculty, Matt Williams, President
6. Minnesota State University Association of Administrative and Service Faculty, Tracy Rahim, President

Trustee Reports

Adjournment

Bolded items indicate action is required.



**Consent Agenda
November 17, 2021
12:15 p.m.
Virtual Meeting**

Consent Agenda

- 1. Minutes of the Board of Trustees Meeting, September 22, 2021**
- 2. Minutes of the Committee of the Whole Meeting, October 19, 2021**
- 3. Minutes of the Board of Trustees Meeting, October 20, 2021**
- 4. Contracts Requiring Board Approval**
 - a. Mayo Clinic Health System Event Center Lease, Minnesota State University, Mankato**
 - b. MSUM Foundation Ground Lease, Minnesota State University Moorhead**
 - c. EDA Federal Grant Construction Contract, St. Cloud Technical & Community College**
- 5. Revised Office of Internal Auditing Charter**
- 6. Review Audit Results and Approve Release of Audited Financial Statements and Federal Student Financial Aid Audit Update**
- 7. Mission Statement Change – Normandale Community College**

Bolded items indicate action is required.



**Board of Trustees
Meeting Minutes
September 22, 2021**

A meeting of the Board of Trustees was held on September 22, 2021.

Trustees present: Jay Cowles, Chair; Rudy Rodriguez, Vice Chair; Asani Ajogun, Victor Ayemobuwa, Alex Cirillo, Dawn Erlandson, Roger Moe, April Nishimura, Oballa, Kathy Sheran, George Soule, Cheryl Tefer, and Michael Vekich

Trustees absent: Jerry Janezich and Javier Morillo

Staff present: Devinder Malhotra, Chancellor

The meeting materials for this meeting are available [here](#), starting on page 12. An audio recording of the meeting is available [here](#).

Chair Cowles called the meeting to order at 9:30 a.m.

Consent Agenda

Chair Cowles asked if anyone wanted to remove an item from the Consent Agenda. No items were removed.

Trustee Moe made the motion to approve the consent agenda and Trustee Nishimura seconded. A roll call vote was conducted. The vote was as follows:

Trustee Ajogun	Yes
Trustee Ayemobuwa	Yes
Trustee Cirillo	Yes
Trustee Cowles	Yes
Trustee Erlandson	Yes
Trustee Janezich	Absent
Trustee Moe	Yes
Trustee Morillo	Absent
Trustee Nishimura	Yes
Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Sheran	Yes



Trustee Soule	Yes
Trustee Tefer	Yes
Trustee Vekich	Yes

The board voted to approve the consent agenda as follows:

- 1. Contracts Requiring Board Approval:**
 - a. Campus Roof Repairs, Dakota County Technical College**

Adjournment

Chair Cowles adjourned the meeting at 9:38 a.m.



Committee of the Whole
Meeting Minutes
October 19, 2021

A meeting of the Committee of the Whole of the Board of Trustees was held on October 19, 2021.

Trustees present: Jay Cowles, Chair; Rudy Rodriguez, Vice Chair; Victor Ayemobuwa, Dawn Erlandson, Jerry Janezich, Roger Moe April Nishimura, Oballa Oballa, George Soule, Cheryl Tefer, and Michael Vekich

Trustees absent: Asani Ajogun, Alex Cirillo, Javier Morillo, Kathy Sheran

Staff present: Devinder Malhotra, Chancellor

The meeting materials for this meeting are available [here](#), starting on page 45. An audio recording of the meeting is available [here](#).

Chair Cowles called the meeting to order at 1:00 p.m.

Chair Cowles' Remarks

This afternoon's meeting includes updates on two critical efforts for the system. We will receive an update on the progress of the NextGen ERP implementation project; as a reminder to trustees, the board will receive quarterly updates on this project along with regular touchpoints between full board updates that include myself as board chair and committee chairs of Audit, Finance, and Workforce & Organizational Effectiveness. Constituents across our system are well into the hard work of implementation and I sincerely thank everyone involved for their efforts.

We will also receive an update on law enforcement education reform. In March 2021, the board received and voted to accept the report from the taskforce tasked with the charge of advising the chancellor and the board on issues and priorities relative to anti-racism law enforcement education. The board continues to feel the weight of the responsibility for the role that our system plays in advancing meaningful reforms in law enforcement and preparing graduates for transformative policing of our communities. Lastly, I want to acknowledge Trustee Soule's continuing contributions to these efforts and also note that we plan to bring regular updates to the board as work progresses.

Chancellor's Remarks

Chair Cowles, trustees – today we have two important topics for discussion during this afternoon.

First, our progress update on NextGen.

We are at an important point in the early stages of the implementation process for the Finance and HR modules. I, along with board leadership, continue our oversight of this critical project, meeting with the NextGen team and Vice Chancellors Malcolm, Maki, and Davis.

Vice Chancellor Malcolm joins us today in her first official board presentation since joining Minnesota State at the beginning of August.

Vice Chancellor Malcolm's leadership has been essential as the NextGen team continues to engage campus stakeholders and the teams at Workday and Deloitte as we make progress on implementation.

With that Chair Cowles, I would like to turn over the presentation to Vice Chancellor Malcolm.

Agenda Item 1: NextGen Update and Project Risk Review #7

Chair Cowles invited Vice Chancellor Jacquelyn Malcolm to present an updated on the NextGen update. Executive Director Eric Wion and Mike Cullen provided an update on the latest project risk review.

Agenda Item 2: Law Enforcement Education Reform Update

Chair Cowles invited Chancellor Malhotra to provide introductory remarks.

Chair Cowles, trustees – our second topic of conversation is an update on our Law Enforcement Education Reform efforts.

This is the 3rd conversation that the board has convened since we launched this work in June 2020.

As I have shared with the board previously, while education alone is not the entire solution to police reform, it is a piece of the puzzle, and Minnesota State is making the needed changes in our law enforcement and criminal justice programming to develop and prepare our graduates for the important work ahead.

Today, you will hear a progress update on our multi-prong approach to Law Enforcement Education Reform. None of this would have been possible without the deep investment and commitment from our faculty in our law enforcement and criminal

justice programs in addition to those who served on the Law Enforcement Education Reform Taskforce, including Trustee Soule and OHE Commissioner Olson.

And none of this would be possible without the steady leadership of Associate Vice Chancellor Satasha Stephen Green. My deep appreciation for your efforts on behalf of our students and future graduates.

Chair Cowles, I would like to ask Associate Vice Chancellor Green-Stephen to begin the presentation.

Chair Cowles invited Associate Vice Chancellor Satasha Green-Stephen to present an update on the implementation of the Minnesota State Taskforce on Law Enforcement Education Reform's recommendations.

Adjournment

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



**Board of Trustees
Meeting Minutes
October 20, 2021**

A meeting of the Board of Trustees was held on October 20, 2021.

Trustees present: Jay Cowles, Chair; Rudy Rodriguez, Vice Chair; Asani Ajogun, Victor Ayemobuwa, Alex Cirillo, Dawn Erlandson, Jerry Janezich, Roger Moe, April Nishimura, Oballa Oballa, George Soule, Cheryl Tefer, and Michael Vekich

Trustees absent: Javier Morillo and Kathy Sheran

Staff present: Devinder Malhotra, Chancellor

The meeting materials for this meeting are available [here](#), starting on page 73. An audio recording of the meeting is available [here](#).

Chair Cowles called the meeting to order at 1:00 p.m.

Chancellor's Report, Devinder Malhotra

Chair Cowles, Vice Chair Rodriguez, and members of the board – this week our colleges and universities are completing the ninth week of the fall semester.

As our discussion has illustrated the past two days, the effects of COVID and our budget realities have been felt by each of our 37 colleges and universities. I, and the leadership of our colleges and universities, appreciate the counsel, your outreach and advocacy, and most importantly your support

As I have shared with this board, COVID remains a major concern and our collective response continues to be informed by our partners at MDH, MMB, OHE, and the CDC. The decisions that have been made over the past few months have not been without criticism on both sides of the argument. Whether it's concerns regarding masking, or vaccination requirements, we know that there are a variety of thoughts on the continuum. We take those concerns very seriously, but our decisions have been – and will continue to be – made based on the two priorities which have guided us throughout the pandemic: protecting the health and safety of our students, faculty, and staff, and supporting our students as they continue to progress towards their educational goals.

Last spring, we were hopeful to have the pandemic in the rearview mirror; however, with the continued rates of infections, we continue to deploy a variety of strategies to keep our campuses safe. Throughout the pandemic, we have not experienced a major outbreak on any of the 54 campuses of Minnesota State and that is due to the diligence and shared commitment by students, faculty, staff, and campus and system leadership.

Once the COVID vaccination were made available to the general public, we have been focused on educating and increasing awareness of the vaccine to both students, and faculty and staff.

For employees, the MMB Policy which requires employees to attest to vaccination or complete weekly testing has been in effect for just a little over a month. As of October 1, 2021, of the nearly 14,000 Minnesota State employees who are subject to the MMB Policy 91% have attested to their vaccination. Developing the infrastructure to executive this policy was not easy. I am appreciative of the many human resources staff across our system who have been responsible for the coordination and implementation, in a short timeframe, of this policy.

The requirement for certain segments of students to attest to vaccination or complete weekly testing is underway. Similar to the infrastructure needed for employees, our colleagues in student affairs have been working closely with their counterparts on campus. My thanks to the student affairs officers, registrars, residence life directors and others who are diligently implementing the needed processes and structures. We look forward to providing an update to the Board in November on our progress of increasing the vaccination rates of students on our campuses and the testing regimens deployed at campuses.

I would be remiss if I didn't also recognize the hard work of our Information Technology staff both at the system office and those on campus. The technology infrastructure needed to stand-up the employee attestation process was led by Minnesota State University, Mankato and the student technology was led by the system office ITS team.

As we continue to review and analyze the data a few observations by our team:

- We have many more faculty, students, and staff on campus this fall than last--a higher percentage of in-person courses, especially at the universities, more students living in campus housing and a much lower percentage of employees are teleworking.
- There are no restrictions on eating and drinking establishments and large group gatherings and events this fall. Last fall, there were limits in all of those settings.
- Testing volume is much higher (82% to be exact) this fall than last fall. So theoretically, our case reporting this fall should better reflect what's actually happening with case transmission than it was last fall. Even with that, our campus case reporting numbers are lower even on higher testing volume across

the state.

That is credit to the hard work of our campus leaders, faculty, staff, and students in following safety protocols.

Chair Cowles - It is Senate and House Capital Investment committee bonding tour season. In fact today, the House is visiting Minnesota West in Worthington and Minnesota State University, Mankato, and the Senate will be in the Southwest region of the state next week. We will continue to update the Board on the committee itineraries in the coming weeks and welcome you to attend any of these campus bonding visits if they fit your schedule.

I want to thank legislators and their staff for taking time to see first-hand Minnesota State's infrastructure needs. I also appreciate the campuses great work hosting the committees. Visiting our campuses, legislators are able to see how the bonding request you've put forward improves campus teaching and learning environments as well as student outcomes, and provides all Minnesotans with access to high quality, affordable educational programs that prepare our students to thrive.

I'd also like to extend my gratitude to Trustee Moe and Trustee Janezich for meeting with the committees, and to our facilities and government relations teams for their great work coordinating these visits and presidents and local campus advocacy teams for coordinating great presentations and tours.

In addition, on Monday, I along with Vice Chancellor Maki, Associate Vice Chancellor Yolitz, and Minneapolis College President Pierce, presented the board's capital bonding request to MMB Commissioner Showalter, his staff, and members from the Governor's team. This, along with the legislature's bonding tours are part of the process as we prepare for the upcoming session in late January 2022.

I also want to mention the work being done at the federal level. While much of the conversation is around President Biden's \$3.5 billion Build Back Better proposal, there is also movement on the appropriation bills. This year is the first time in more than a decade Congress is considering congressional directed spending, or "earmarks." In a few days you will receive a booklet that highlights the 22 project proposals that campuses submitted. Five of these projects have made it out of committee and will be part of negotiations.

I'd like to thank Trustee Erlandson for her leadership in helping guide Minnesota State through this process. Her advice and connections with the federal Minnesota delegation has been extremely helpful. I also want to thank the marketing and communications and government relations teams for their work in coordinating this process and putting together the packet you will be receiving shortly.

A few weeks ago, I had the honor to join the Minnesota State University Moorhead community to celebrate two great accomplishments:

First, the successful completion of the university's largest fundraising initiative: Vision 2020 which exceeded the original goal and ultimately raised \$59.1 million. My congratulations to President Blackhurst, the university and foundation leadership team and the countless alumni and donors for their contributions.

The university honored one such longstanding donor. In fact, one of our own – Trustee George Soule. Minnesota State University Moorhead honored Trustee Soule by recognizing his many contributions by renaming the American Indian Center to the George Soule American Indian Center which is designed to promote a sense of community among American Indian students. It also serves as a center of knowledge and understanding of traditional and contemporary American Indian culture.

On a personal note, I was touched by the remarks made by Trustee Soule and learning through his remarks, not only his personal connection to the university and how those experiences impacted his life but also his family connection. Trustee Soule's father worked at the university as a janitor, in the Comstock Memorial Union, the building where the center, named after Trustee Soule, now resides.

Trustee Soule's remarks were both humbling and inspiring as he recalled the transformative impact of the education he received at MSU Moorhead. His passion, commitment, and generosity has created transformative paths for our students. We heard a moving testimony in this regard from two recipients of the George Soule Scholarship.

An anchor for the local ABC station and a MSUM alum, I think said it best: Trustee Soule – "you set an amazing example for all of us Dragons past, present, and future."

I couldn't agree more. Thank you Trustee Soule for your ongoing engagement and support of Minnesota State University Moorhead and its students.

Chair's Report, Jay Cowles

I'd like to take a moment to thank trustees for their preparation for and participation in a successful board retreat last month. I was thrilled to have the opportunity to see trustees in person for board training on the first day of retreat – it made me even more eager for the return to in-person meetings! On that topic, I also want to share that the board will remain in virtual meeting mode for November meetings, under Minnesota State Statute 13D.021 which allows us to determine in-person meetings are not prudent due to health pandemic. We will reassess the mode for meeting in the new calendar year...I certainly hope we will be able to return to in-person meetings soon.

I also want to acknowledge and congratulate Trustee Dawn Erlandson who was honored

at the annual Leadership Congress for the Association for Community College Trustees (also known as ACCT), which was held in San Diego last week. Trustee Erlandson served as the Chair of the Board of Directors for ACCT in 2019-2020 and served as Immediate Past Chair over the last year. The pandemic prevented the annual Leadership Congress from convening in-person in 2020 which meant that the traditional celebration for the outgoing board chair was delayed until this year's Congress. I'm pleased that there was an opportunity for Trustee Erlandson to be celebrated and thanked for her service on the board of ACCT and want to add my voice to those sentiments. I am thankful for her service to Minnesota State, to ACCT, and look forward to her continued contributions to both organizations.

Consent Agenda

Chair Cowles asked if anyone wanted to remove an item from the Consent Agenda.

Chair Vekich made the motion to approve the consent agenda as amended and Trustee Cirillo seconded. A roll call vote was conducted. The vote was as follows:

Trustee Ajogun	Absent
Trustee Ayemobuwa	Yes
Trustee Cirillo	Yes
Trustee Cowles	Yes
Trustee Erlandson	Absent
Trustee Janezich	Yes
Trustee Moe	Yes
Trustee Morillo	Absent
Trustee Nishimura	Yes
Trustee Oballa	Absent
Trustee Rodriguez	Yes
Trustee Sheran	Absent
Trustee Soule	Yes
Trustee Tefer	Yes
Trustee Vekich	Yes

The board voted to approve the consent agenda as follows:

- 1. Minutes of the Special Board of Trustees Meeting, June 30, 2021**
- 2. Surplus Property Designation, Dakota County Technical College**

Board Standing Committee Reports

The board received reports from June meetings of the following committees:

- Committee of the Whole, Jay Cowles, Chair
- Academic and Student Affairs Committee, Cheryl Tefer, Chair
- Diversity, Equity, and Inclusion Committee, Rudy Rodriguez, Chair
- Finance Committee, Roger Moe, Chair

- Workforce and Organizational Effectiveness Committee, Michael Vekich, Chair
- Joint Meeting: Academic and Student Affairs and Diversity, Equity, and Inclusion Committees, Cheryl Tefer and Rudy Rodriguez, Co-chairs

Student Associations and Bargaining Units

Student associations and bargaining units were invited to submit written remarks and were given the opportunity to address the board in person. Written remarks were provided by Students United and have been posted to the board website.

In person remarks were provided by LeadMN President Axel Kylander; Students United State Chair Emma Zellmer and Treasure Pierre Young; Inter Faculty Organization President Brent Jeffers; and Minnesota State College Faculty President Matt Williams.

Trustee Reports

Additional reports were heard from Trustee Moe.

The next board meetings are scheduled for November 16-17, 2021.

Adjournment

Chair Cowles adjourned the meeting at 2:15 p.m.