



MINNESOTA STATE
Board of Trustees

January 2023 board and committee meetings

Minnesota State Colleges and Universities

System office, 30 East 7th Street, St. Paul, MN

Jan 24, 2023 11:00 AM - Jan 25, 2023 3:00 PM CST

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Board of Trustees
January 24 - 25, 2023
McCormick Room, 4th floor

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, January 24, 2023

- 11:00 a.m. Joint Meeting: Board of Trustees and Leadership Council
Room 3304/3306 *(Live stream will not be available during this session.)*
Roger Moe, Chair and Devinder Malhotra, Chancellor
1. The Pandemic Impact on the Workplace
- 12:00 p.m. Lunch, 3304/3306
- 12:45 p.m. Audit Committee, Alex Cirillo, Chair
Other board members may be present constituting a quorum of the board.
1. **Minutes of November 16, 2022**
 2. **Select Audit Firm for Systemwide External Auditing Services**
 3. **Select Audit Firm for Internal Auditing Services**
 4. **Revise Office of Internal Auditing Charter**
 5. **Proposed Amendment to Board Policies – Technical Changes**
 - a. **Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration**
 - b. **Policy 1A.4 System Administration Appointment of Administrators**
 - c. **Policy 1C.2 Fraudulent and Other Dishonest Acts**
 - d. **Policy 1D.1 Office of Internal Auditing**
- 1:15 p.m. Outreach and Engagement Committee, Dawn Erlandson, Chair
Other board members may be present constituting a quorum of the board.
1. **Minutes of November 16, 2022**
 2. Economic Impact Study
- 2:00 p.m. BREAK
- 2:15 p.m. Finance and Facilities Committee, Jay Cowles, Chair
Other board members may be present constituting a quorum of the board.
1. **Minutes of November 16, 2022**
 2. **Contracts Requiring Board Approval**
 - a. **Crawford B. Hall Restroom Renovation, Minnesota State University, Mankato**

- b. Social Media Ad Placement, Minnesota State University, Mankato
- c. eProcurement, Contracts, and Sourcing Enterprise Software Renewal, System Office
- d. External Auditing Services, FY23-25, System Office
- e. Internal Auditing Services, FY23-25, System Office
- 3. College and University Financial Performance Update

4:15 p.m. Meetings end

Wednesday, January 25, 2023

8:00 a.m. Board training (not a meeting)

10:00 a.m. BREAK

10:15 a.m. Closed Session: Workforce and Organizational Effectiveness Committee, George Soule, Chair
Other board members may be present constituting a quorum of the board.
Pursuant to Minn. Stat. § 13D.03, (2019) Closed Meetings for Labor Negotiations Strategy (Minnesota Open Meeting Law)

- 1. Update on Labor Negotiations Strategy

11:00 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 18, 2022**
- 2. Proposed Amendment to Board Policy 2.8 Student Life (First Reading)
- 3. Review of Board Policy 3.42 Posthumous Academic Awards
- 4. Institutional and Specialized Accreditation

12:15 p.m. Lunch, 4th floor

1:00 p.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 18, 2022**
- 2. Appointment of President for Hennepin Technical College**
- 3. Appointment of President for St. Cloud Technical and Community College**

1:45 p.m. Board of Trustees, Roger Moe, Chair

3:00 p.m. Meeting ends

Bolded items indicate action is required.



FY2023 and FY2024 Board Meeting Dates

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

Revised FY2023 Meeting Calendar

NOTE: if agendas require less time, the second date will be cancelled for joint Board and Leadership Council meetings and the first date will be cancelled for all other meetings

MEETINGS	OTHER IMPORTANT DATES
<p>July 19-20, 2022 Board Meeting/Combined meeting Leadership Council Location: System office</p>	
<p>August 2022 New Trustee Orientation – date TBD pending governor appointments</p>	
<p>September 7, 2022 Executive Committee</p> <p>September 20-21, 2022 Board Retreat Location: Riverland Community College</p>	
<p>October 5, 2022 Executive Committee</p> <p>October 18-19, 2022 Committee / Board Meetings</p>	<p><i>ACCT Leadership Congress: October 26-29, 2022, New York</i></p>
<p>November 2, 2022 Executive Committee</p> <p>November 15-16, 2022 Committee / Board Meetings Combined with Leadership Council Location: TBD</p>	

MEETINGS	OTHER IMPORTANT DATES
<p>December 2022 No meetings</p>	
<p>January 4, 2023 Executive Committee</p> <p>January 24-25, 2023 Committee/Board Meetings Combined meeting with Leadership Council Location: TBD</p>	
<p>February 2023 No meetings</p>	<p><i>ACCT National Legislative Summit: February 5-8, 2023, Washington, D.C.</i></p>
<p>March 1, 2023 Executive Committee</p> <p>March 21-22, 2023 Committee / Board Meetings</p>	
<p>April 5, 2023 Executive Committee</p> <p>April 18-19, 2023 Committee / Board Meetings</p>	<p><i>AGB National Conference on Trusteeship: April 2-4, 2023, San Diego</i></p>
<p>May 3, 2023 Executive Committee</p> <p>May 16-17, 2023 Committee / Board Meetings</p>	
<p>June 7, 2023 Executive Committee</p> <p>June 20-21, 2023 Committee / Board Meetings</p>	

Proposed FY2024 Meeting Calendar

MEETINGS	OTHER IMPORTANT DATES
<p>July 18-19, 2023 Board Meeting/Combined meeting Leadership Council Location: TBD</p>	
<p>August 2023 New Trustee Orientation – date TBD pending governor appointments</p>	
<p>September 19-20, 2023 Board Retreat Location: TBD</p>	
<p>October 4, 2023 Executive Committee</p> <p>October 17-18, 2023 Committee / Board Meetings</p>	<p><i>ACCT Leadership Congress:</i> October 9-12, 2023, Las Vegas</p>
<p>November 1, 2023 Executive Committee</p> <p>November 14-15, 2023 Committee / Board Meetings Combined with Leadership Council Location: TBD</p>	
<p>December 2023 No meetings</p>	
<p>January 3, 2024 Executive Committee</p> <p>January 23-24, 2024 Committee/Board Meetings Combined meeting with Leadership Council Location: TBD</p>	
<p>February 2024 No meetings</p>	

MEETINGS	OTHER IMPORTANT DATES
<p>March 6, 2024 Executive Committee</p> <p>March 19-20, 2024 Committee / Board Meetings</p>	
<p>April 3, 2024 Executive Committee</p> <p>April 16-17, 2024 Committee / Board Meetings</p>	
<p>May 1, 2024 Executive Committee</p> <p>May 21-22, 2024 Committee / Board Meetings</p>	
<p>June 5, 2024 Executive Committee</p> <p>June 18-19, 2024 Committee / Board Meetings</p>	

National Higher Education Conferences:

AGB is the Association of Governing Boards of Universities and College

ACCT is the Association of Community College Trustees

Committee Rosters*
2022- 2023

Executive

Roger Moe, Chair
George Soule, Vice Chair
Jay Cowles, Treasurer
Dawn Erlandson
April Nishimura
Kathy Sheran
Cheryl Tefer

Academic and Student Affairs

Cheryl Tefer, Chair
Alex Cirillo, Vice Chair
Victor Ayemobuwa
Jerry Janezich
Javier Morillo
Kathy Sheran
New Student Trustee 1

President Liaisons:
Deidra Peaslee
Scott Olson

Audit

Alex Cirillo, Chair
Jay Cowles, Vice Chair
Dawn Erlandson
Tim Huebsch
April Nishimura
New Student Trustee 2

President Liaisons:
Lori Kloos
Anne Blackhurst

Diversity, Equity, and Inclusion

George Soule, Chair
Javier Morillo, Vice Chair
Victor Ayemobuwa
Jim Grabowska
April Nishimura
Kathy Sheran
New Student Trustee 2

President Liaisons:
Annette Parker
Ginny Arthur

Finance and Facilities

Jay Cowles, Chair
April Nishimura, Vice Chair
Victor Ayemobuwa
Jim Grabowska
Tim Huebsch
Jerry Janezich
Kathy Sheran

President Liaisons:
Joe Mulford
Edward Inch



*Rosters will be updated when student trustee appointments are announced.

Outreach and Engagement Committee

Dawn Erlandson, Chair
Jerry Janezich, Vice Chair
Alex Cirillo
Jim Grabowska
Cheryl Tefer

New Student Trustee 1

New Student Trustee 2

President Liaisons:

Michael Raich

Kumara Jayasuriya

Workforce and Organizational

Effectiveness

George Soule, Chair
Kathy Sheran, Vice Chair
Dawn Erlandson
Tim Huebsch
Javier Morillo
Cheryl Tefer

New Student Trustee 1

President Liaisons:

Carrie Brimhall

Robbyn Wacker

Nominating Committee

Jerry Janezich, Chair
Jay Cowles, Vice Chair
Cheryl Tefer

Chancellor Performance Review

Roger Moe, Chair
George Soule, Vice Chair
Alex Cirillo
April Nishimura



**Joint Meeting
Board of Trustees and Leadership Council
January 24, 2023
11:00 a.m.
Rooms 3304/3306**

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](#).

1. The Pandemic Impact on the Workplace

Bolded items indicate action is required.





MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Joint Meeting: Board of Trustees and Leadership Council **DATE:** January 24, 2023

TITLE: The Pandemic Impact on the Workplace

- Proposed New Policy or Amendment to Existing Policy Approvals Required by Policy Other Approvals
- Monitoring/Compliance Information

PRESENTERS

Eric Davis, Vice Chancellor for Human Resources
Ginny Arthur, President, Metropolitan State University
Pat Rogers, President, Lake Superior College
Jestina Vichorek, Associate Vice President of Human Resources, Lake Superior College
Steve Barrett, Interim VP, HR and Employee Experience, Metropolitan State University

PURPOSE

The presentation will share information on workplace trends following the COVID19 pandemic and the strategies created by the Post Pandemic Workplace Leadership Action Team.

BACKGROUND INFORMATION

The COVID-19 pandemic caused a major disruption to the workplace over the past two years and accelerated long-term adoption of new ways of working, from regularly meeting and collaborating over platforms like Zoom, adapting to new service delivery models, less frequent business travel, and more regular telework. This presentation examines the pandemic's impact on the workplace with focused discussions on campus impacts and summary of recent campus pilots of recently developed resources and guidance for supervisors regarding telework.



Audit Committee
January 24, 2023
12:45 p.m.
McCormick Room, 4th Floor

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 November 16, 2022**
- 2. Select Audit Firm for Systemwide External Auditing Services**
- 3. Select Audit Firm for Internal Auditing Services**
- 4. Revise Office of Internal Auditing Charter**
- 5. Proposed Technical Changes to Policies**
 - a. Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration**
 - b. Policy 1A.4 System Administration Appointment of Administrators**
 - c. Policy 1C.2 Fraudulent and Other Dishonest Acts**
 - d. Policy 1D.1 Office of Internal Auditing**

Committee Members

Alex Cirillo, Chair
Jay Cowles, Vice Chair
Dawn Erlandson
Tim Huebsch
April Nishimura

President Liaisons

Lori Kloos, St. Cloud Technical and Community College
Anne Blackhurst, Minnesota State University Moorhead

Bolded items indicate action required.



**Audit Committee
Meeting Minutes
November 16, 2022**

A meeting of the Audit Committee of the Board of Trustees was held on November 16, 2022.

Committee members present: Alexander Cirillo, Chair; Jay Cowles, Vice Chair; Dawn Erlandson, Tim Huebsch, and April Nishimura

Committee members absent: None.

Other board members present: Victor Ayemobuwa, Jerry Janezich, Roger Moe, Kathy Sheran, George Soule, and Cheryl Tefer

Staff present: Devinder Malhotra, Chancellor; Amy Jorgenson

The meeting materials for this meeting are available [here](#), starting on page 29. An audio recording of the meeting is available [here](#).

Committee Chair Cirillo called the meeting to order at 12:25 p.m.

Agenda Item 1: Approval of the Meeting Minutes for June 21, 2022

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

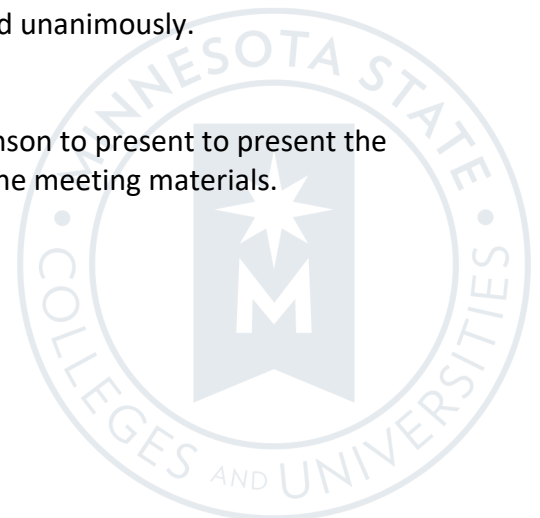
A roll call vote was conducted and the minutes were approved unanimously.

Agenda Item 2: FY23 Audit Committee Workplan and Update

Committee Chair Cirillo invited Chief Audit Officer Amy Jorgenson to present to present the FY23 Audit Committee Workplan and Update, as detailed in the meeting materials.

The meeting materials for this item begin on page 32.

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



Agenda Item 3: Review Audit Results and Approve Release of Audited Financial Statements and Federal Student Financial Aid Audit

Committee Chair Cirillo invited Mr. Bill Maki, Vice Chancellor for Finance and Facilities and Ms. Amy Jorgenson, to the table. He invited Mr. Don Loberg, Managing Principal with CliftonLarsonAllen, Ms. Brenda Scherer, Director with CliftonLarsonAllen, and Ms. Liz Cook, Manager with CliftonLarsonAllen, to present the audit results as detailed in the meeting materials. Vice Chancellor Maki presented a summary of the Minnesota State Fy2022 and Fy2021 results, the impact of HEERF and GASB #68 and #75 on the FY2022 results, as detailed in the meeting materials. The meeting materials for this item begin on page 40.

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

The Audit Committee has reviewed the fiscal year 2022 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 2022 audited financial statements as submitted.

Based on the review and recommendation of the Audit Committee, the Board of Trustees approves the release of the fiscal year 2022 audited financial statements as submitted.

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

Trustee Cowles	Yes
Trustee Erlandson	Yes
Trustee Huebsch	Yes
Trustee Nishimura	Yes
Trustee Cirillo	Yes

The committee voted to approve the recommended motion.

Adjournment

The committee chair adjourned the meeting at 1:26 p.m.



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Audit Committee

DATE: January 24, 2023

TITLE: Select External Audit Firm for Systemwide External Auditing Services

- Proposed New Policy or Amendment to Existing Policy Approvals Required by Policy Other Approvals
- Monitoring/Compliance Information

PRESENTERS

Amy Jorgenson, Chief Audit Officer
Bill Maki, Vice Chancellor for Finance / CEO

PURPOSE

The Audit Committee, pursuant to Board Policy 1A.2. Part 5, Subpart E, must select the external auditing firm(s) to recommend to the full Board of Trustees for appointment.

BACKGROUND INFORMATION

A competitive bidding process began in September 2022 to acquire external auditing services for three fiscal years with the right to extend the contract up to an additional three years as necessary in order to serve the best interests of the Minnesota State.

Proposals were sought from parties interested in providing external auditing services for Minnesota State for four financial statements audits for three fiscal years 2023, 2024 and 2025. Additional requested services include Uniform Guidance compliance audits of major federal programs, including student financial aid for three fiscal years 2023, 2024 and 2025, "Top 5" IT Security Domains Control Assessment for fiscal year 2025, completion of NCAA Agreed Upon Procedures at six universities for fiscal year 2024, and individual college and university Perkins Loans Closeout audits as needed.

The Chief Audit Officer and the Vice Chancellor – Chief Financial Officer led a process to identify external auditing firm(s) to recommend to the Board of Trustees for the above system audits. A request for proposals (RFP) was published on Minnesota State's Vendor Supplier Website. A post was made to the State Register and sent out through Minnesota State's Social Media outlet. In addition, the RFP was distributed to interested public accounting firms through a list maintained by the Office of Internal Auditing and the Vendor Supplier Site Listserv. Additional contacts were sought through the Minnesota Department of Administration's Targeted Vendors list and through the Office of Equity and Inclusion. The deadline for submitting

proposals was November 9, 2022.

The proposals were reviewed by representatives of the Office of Internal Auditing and the Finance Division. The group evaluated the proposals based on the selection criteria cited in the RFP, which included the qualifications of the firm and its personnel with an emphasis put on broad higher education experience and thought leadership, an expressed understanding of objectives, the proposed work plan, and the cost detail.

Based on its evaluation of the selection criteria, the review group recommends that the firm of CliftonLarsonAllen be appointed to serve as systemwide external auditor for the Minnesota State for fiscal years 2023, 2024, and 2025. CliftonLarsonAllen has extensive experience in serving higher education institutions and higher education systems nationally for over forty years. In addition, the firm has extensive experience with the Minnesota State system. The firm has consistently provided high quality services to the system and has a consistent and highly experienced team.

The proposed contract will exceed \$1 million and will need to be reviewed by the Finance and Facilities Committee and approved by the full Board.

RECOMMENDED COMMITTEE MOTION

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

RECOMMENDED BOARD MOTION

The Board of Trustees authorizes the chancellor or his designee to execute a contract with CliftonLarsonAllen for external auditing services for fiscal years 2023, 2024, and 2025, with an option to extend the contract an additional three fiscal years, for a total amount not to exceed \$1.343,500 million. The Board delegates to the chancellor, or his designee, authority to execute all necessary documents.

Date Presented to the Audit Committee: 01/24/23

Date Presented to the Board of Trustees: 01/25/23



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Audit Committee

DATE: January 24, 2023

TITLE: Select Audit Firm for Internal Auditing Services

- Proposed New Policy or Amendment to Existing Policy Approvals Required by Policy Other Approvals
- Monitoring/Compliance Information

PRESENTERS

Amy Jorgenson, Chief Audit Officer

PURPOSE

The Office of Internal Auditing plans to enter into a five-year contract with Baker Tilly to provide co-sourced strategic internal auditing services for a total amount not to exceed \$3 million.

BACKGROUND INFORMATION

A competitive bidding process began in September 2022 to acquire co-sourced strategic internal auditing services for five years.

Proposals were sought from parties interested in providing supplemental internal audit services with an established rate structure. The types of services and work requested will include but are not limited to, operational, financial, information technology, compliance audits, risk assessments, fraud investigations, advisory and consulting, program evaluation, data analytics, and professional training.

The Chief Audit Officer led a process to identify internal auditing firm(s) to recommend to the Board of Trustees for the above services and work. A request for proposals (RFP) was published on Minnesota State's Vendor Supplier Website. A post was made to the State Register and sent out through Minnesota State's Social Media outlet. In addition, the RFP was distributed to interested public accounting firms through a list maintained by the Office of Internal Auditing and the Vendor Supplier Site Listserv. Additional contacts were sought through the Minnesota Department of Administration's Targeted Vendors list and through the Office of Equity and Inclusion. The deadline for submitting proposals was November 9, 2022.

The proposals were reviewed by representatives of the Office of Internal Auditing and Lori Kloos, Audit Committee Presidential Liaison. The group evaluated the proposals based on the selection criteria cited in the RFP, which included the qualifications of the firm and its personnel with an emphasis put on broad higher education experience and thought leadership, an

expressed understanding of objectives, the proposed work plan, and the cost detail.

Based on its evaluation of the selection criteria, the review group recommends that the firm of Baker Tilly be appointed to serve as the internal auditing firm for the Minnesota State for five years beginning July 1, 2023. Baker Tilly has extensive experience in serving higher education institutions and higher education systems nationally. In addition, the firm has extensive experience with the Minnesota State system. The firm has consistently provided high quality services to the system and has a dedicated and highly experienced team.

The proposed contract will exceed \$1 million and will need to be reviewed by the Finance and Facilities Committee and approved by the full Board.

RECOMMENDED COMMITTEE MOTION

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

RECOMMENDED BOARD MOTION

The Board of Trustees authorizes the chancellor or his designee to execute a five-year contract with Baker Tilly to provide co-sourced strategic internal auditing services for a total amount not to exceed \$3 million. The Board delegates to the chancellor, or his designee, authority to execute all necessary documents.

Date Presented to the Audit Committee: 01/24/23

Date Presented to the Board of Trustees: 01/25/23



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Audit Committee

DATE: January 24, 2023

TITLE: Revise Office of Internal Auditing Charter

- Proposed New Policy or Amendment to Existing Policy Approvals Required by Policy Other Approvals
- Monitoring/Compliance Information

PRESENTERS

Amy Jorgenson, Chief Audit Officer

PURPOSE

The proposed revision to the Internal Auditing Charter consists of a minor technical edit to change the title of “executive director” to the new title “chief audit officer”.

BACKGROUND INFORMATION

Per Board policy 1D.1, Office of Internal Auditing requires the Office of Internal Auditing and its staff to adhere to an Internal Auditing Charter consistent with International Standards for the Professional Practice of Internal Auditing. The chief audit officer shall annually review the charter and present any changes and updates to the Audit Committee for approval.

RECOMMENDED COMMITTEE MOTION

The Audit Committee has reviewed the proposed revision and recommends that the Board of Trustees approves 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 Audit Committee: 01/24/23

Date Presented to the Board of Trustees: 01/25/23

Date of Implementation: 01/25/23



~~November 2021~~ January 2023

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

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

The ~~executive director~~chief audit officer 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.



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

The ~~executive director~~chief audit officer 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~~chief audit officer 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~~chief audit officer 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~~chief audit officer 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~~chief audit officer 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<u>chief audit officer</u> believes warrant notification. Similarly, the executive director<u>chief audit officer</u> 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~~ chief audit officer 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:

January XX, 2023

November 16, 2021

October 15, 2019



~~Eric Wien~~Amy Jorgenson, CPA, ~~CISA, CISSP~~
~~Executive Director~~Chief Audit Officer, Office of Internal Auditing

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MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Audit Committee

DATE: January 24, 2023

TITLE: Proposed Amendment to Board Policies – Technical Changes

- a. Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration
- b. Policy 1A.4 System Administration Appointment of Administrators
- c. Policy 1C.2 Fraudulent and Other Dishonest Acts
- d. Policy 1D.1 Office of Internal Auditing

- Proposed New Policy or Amendment to Existing Policy
 Approvals Required by Policy
 Other Approvals
 Monitoring/Compliance
 Information

PRESENTERS

Amy Jorgenson, Chief Audit Officer

PURPOSE

Board Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration, Part 6. Board Policies and System Procedures requires board review and approval of proposed board policy changes and states that technical changes may be approved in the same month as committee consideration of the proposed technical changes. The proposed amendments to the following policies consist of technical edits to change the title of “executive director” to the new title “chief audit officer”.

- a. Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration
- b. Policy 1A.4 System Administration Appointment of Administrators
- c. Policy 1C.2 Fraudulent and Other Dishonest Acts
- d. Policy 1D.1 Office of Internal Auditing

RECOMMENDED COMMITTEE MOTION (FIRST READING DRAFT)

The Audit Committee has reviewed the proposed amendments to polices 1A.1, 1A.4, 1C.2, and 1D.1 and recommends that the Board of Trustees approves the amended polices as presented.

RECOMMENDED BOARD MOTION (FIRST READING DRAFT)

Based on the review and recommendation of the Audit Committee, the Board of Trustees approves the amendments to polices 1A.1, 1A.4, 1C.2, and 1D.1 as presented.

Date Presented to the Audit Committee: 01/24/23
Date Presented to the Board of Trustees: 01/25/23
Date of Implementation: 01/25/23



Board Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration

Part 1. Name of Organization

The name of the organization is the Board of Trustees of the Minnesota State Colleges and Universities.

Part 2. Vision and Mission Statements

The following vision and mission statements have been adopted by the Board of Trustees.

Subpart A. Vision Statement

The core value of the Minnesota State Colleges and Universities is to provide an opportunity for all Minnesotans to create a better future for themselves, for their families, and for their communities.

Subpart B. Mission statement

The core commitments of Minnesota State Colleges and Universities are to ensure access to an extraordinary education for all Minnesotans, be the partner of choice to meet Minnesota's workforce and community needs, and deliver to students, employers, communities and taxpayers the highest value/most affordable higher education option.

Subpart C: College and Universities related missions

Each college and university has a distinct mission that is consistent with, and supportive of, the overall mission of Minnesota State Colleges and Universities.

Minnesota State Colleges and Universities provides high quality programs comprising:

1. Technical education programs delivered principally by technical colleges, which prepare students for skilled occupations that do not require a baccalaureate degree;
2. Pre-baccalaureate programs, delivered principally by community colleges, which offer lower division instruction in academic programs, occupational programs in which all credits earned will be accepted for transfer to a baccalaureate degree in the same field of study, and remedial studies;
3. Baccalaureate programs delivered by universities, which offer undergraduate instruction and degrees; and
4. Graduate programs delivered by universities, including instruction through the master's degree, specialist certificates and degrees, and applied doctoral degrees.

Part 3. Definitions

The following definitions apply to all board policies unless the text clearly indicates otherwise.

Board

The Board of Trustees of the Minnesota State Colleges and Universities.

Board policy

A policy statement enacted by the board to provide the governing authority and structure for Minnesota State and its constituents, in accordance with the Minnesota State mission and philosophy. Board policies are to be concise statements of the board on matters of governance it deems important to Minnesota State and its operation, consistent with governing law.

College and university policy or procedure

A policy or procedure approved by the president to govern the operation of the college or university, consistent with board policy and system procedure.

Consolidated colleges

The community and technical colleges that under Board direction have formally reorganized into single comprehensive institutions.

Executive officers

Persons appointed by the board to manage Minnesota State or one of its college or universities, and includes the chancellor, vice chancellors, and the presidents.

Minnesota State

See Minnesota State Colleges and Universities

Minnesota State Colleges and Universities

Minnesota State Board of Trustees, Office of the Chancellor, its colleges and universities, and the system office.

Operating instructions

Instructions approved by the chancellor, chancellor's designee responsible for the area, or ~~executive director~~ chief audit officer of internal auditing, giving explicit direction, instructions or guidance on internal forms, processes, and other administrative or managerial matters, consistent with board policy and system procedure.

Pilot program

An experimental program of limited duration supported by the chancellor and designed to promote the interests of students. The pilot program may be inconsistent with current board policy and may lead to amendments of board policy and system procedure.

Policy change

The adoption of a new board policy, or amendment or repeal of an existing board policy.

Procedure change

The adoption of a new system procedure, or amendment or repeal of an existing system procedure.

Statutes

Minnesota Statutes.

System

See Minnesota State Colleges and Universities.

System office

The central administrative and staff office under the direction and supervision of the chancellor.

System procedure

A procedure approved by the chancellor to implement board policies. System procedures specify the manner in which policies, law, or managerial functions must be implemented by the colleges, universities and system office.

Technical change

A change that does not alter the meaning of a board policy or system procedure, including correction of errors in spelling, case, or syntax, or format changes.

Part 4. Legal Basis

The legal basis for the Board of Trustees and the Minnesota State Colleges and Universities is established under Minn. Stat. Ch. 136F.

Part 5. Rules of Procedures

Robert's Rules of Order, in its most recent revised edition, must be the rules of procedure for all meetings to the extent that they are not inconsistent with law, these operating policies, or any special rule of the board.

Part 6. Board Policies and System Procedures

Subpart A. General authority to enact policies

The board is authorized by Minn. Stat. §136F.06, Subdivisions 1 and 2 to adopt suitable policies for the institutions it governs. These policies are broad general directions developed by the board to govern the colleges, universities, and system office. These policies are not subject to the administrative requirements of state agencies including public hearing examiners and contested case procedures required by Minn. Stat. Ch. 14.

Subpart B. Proposed changes to policies or procedures

The chancellor may convene working groups or seek consultation from any party to develop a proposed policy or procedure change. Before the adoption of any change in board policy or system procedure other than a technical change, the proposed change must be:

1. Submitted to the chancellor's cabinet and presidents for review and comment.
2. Published for comment through electronic posting or transmission to interested parties.
3. Discussed with bargaining groups in meet and confer when required under a collective bargaining agreement.

Any board policy change proposed by the system's executive officers must be approved by the chancellor or chancellor's designee prior to submission to the board for consideration.

Subpart C. Pilots

After consultation with the board chair, vice chair, and general counsel, the chancellor may institute a pilot program. The chancellor may temporarily suspend applicable board policies and system procedures to the extent necessary to implement the pilot. The board policies and system procedures suspended by the pilot must be identified in the pilot proposal. The chancellor shall inform the board of scheduled pilots before implementation, including the specific policies being suspended and provide updates as appropriate.

Subpart D. Policy adoption

Each proposed board policy change must be assigned to a committee by the chair, or to the board meeting as a committee of the whole. The committee shall take the matter under consideration and make such recommendations to the board as it deems appropriate. Except for technical changes, final board action must not occur earlier than the calendar month following the first committee reading. Technical changes may be approved by the board on its consent agenda and may be approved in the same month as committee consideration of the proposed technical changes.

Subpart E. Suspension

Any provision of these policies may be suspended in connection with the consideration of a matter before the board by an affirmative vote of two-thirds of the Board.

Subpart F. System procedures

The chancellor is authorized to approve system procedures when necessary to provide additional administrative instructions to board policy or to other administrative actions. These procedures must be made available electronically to the colleges, universities and the general public in the same manner as board policies.

Subpart G. Operating instructions

The chancellor, chancellor's designee responsible for the area, and ~~executive director~~chief audit officer of internal auditing are authorized to issue operating instructions consistent with board policy and system procedure.

Subpart H. College and university policies and procedures

College and university policies and procedures may be adopted by the president of a college or university consistent with board policy and system procedure.

Subpart I. Periodic review

The chancellor shall establish procedures to ensure that each board policy and system procedure is reviewed at least once every five years. The policy or procedure must be reviewed to determine whether it is needed, that it is current and complete, not duplicative of other policies, does not contain unnecessary reporting requirements or approval processes, and is consistent with style and format requirements. The chancellor shall periodically report to the board on the review of policies and may make recommendations for amendment or repeal if appropriate.

Subpart J. Form and effect

1. **Publication.** Board policies and system procedures must be maintained by the chancellor in hard copy format and on the Minnesota State website. Changes in board policies and system procedures must be entered on the system website as soon as practicable, but not later than ten business days following board adoption of policy changes or chancellor approval of procedures. The board must be notified when the policy or procedure has been published.
2. **Format.** Board policies and system procedures must be written in accordance with style and format standards established by the chancellor, and must include historical notations on changes made.
3. **Effect.** In the event of a conflict between board policy and any system procedure or operating instruction, or campus policy or procedure, board policy must govern. In the event of a conflict between system procedure and any campus policy or procedure, system procedure must govern.
4. **Severability.** Unless otherwise provided, the provisions of all board policies and system procedures must be severable.

Part 7. Legislative or Administrative Proposals

Interaction with the legislature and other state or federal agencies.

1. **Minnesota State legislative or administrative positions or proposals.** The board must have approved Minnesota State proposals brought before federal and state legislatures or executive branches on behalf of the board, Minnesota State or its institutions. Once board approval has been granted, all institutions are expected to actively support board approved requests and to respect the priority of the board. The board shall have a

method for timely response to proposals or positions not originated by the board, but which may affect the operation of Minnesota State.

- 2. Administrative or legislative appearances on Minnesota State concerns.** Employees asked to provide expert testimony before federal and state legislatures or executive branches on legislative issues shall make every effort to quickly accommodate requests, and shall notify the Minnesota State Government Relations Office of requests so the board will be aware of appearances and the office may provide logistical support, background assessments, and other assistance as needed. Employees covered by the Minnesota State Personnel Plan for Administrators, who are responsible for providing expert testimony on legislative or state agency issues, and take positions contrary to the board, must disclose at the outset that their testimony is contrary to the board's position.

Date of Adoption: 08/12/92
Date of Implementation: 08/12/92
Date of Last Review: 01/29/20

Date and Subject of Amendments:

01/XX/23 – technical change replaced the title executive director of internal auditing with chief audit officer.

01/29/20 - Organized the definitions in Part 3 in alphabetical order, added the definition of pilot and Minnesota State Colleges and Universities, replaced the definition of system with a reference to the Minnesota State Colleges and Universities definition, replaced system and MNSCU with Minnesota State, added information on pilots in Part 6, Subparts C and E, and applied the new writing and formatting standards.

01/25/17 - Amended to rename "guidelines" to "operating instructions" in an effort to clarify that compliance is mandatory.

Additional HISTORY.



Board Policy 1A.4 System Administration, Appointment of Administrators

Part 1. System Office Administrators

Deputy chancellor and vice chancellors are appointed by the Board of Trustees upon recommendation of the chancellor. Other system office administrators are appointed by the chancellor. The chancellor shall recommend salaries for the positions of deputy chancellor, vice chancellor, and general counsel subject to review and approval by the board chair and the chair of the Workforce and Organizational Effectiveness Committee.

Part 2. Deputy Chancellor and Vice Chancellors

Subpart A. Selection

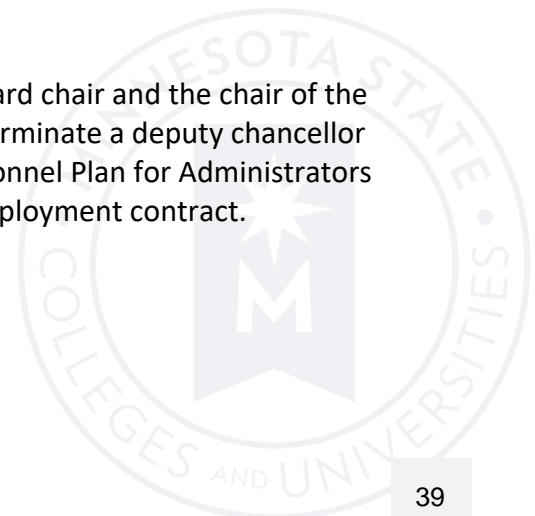
The chancellor may appoint an interim or acting deputy chancellor or vice chancellor for a term of up to one year with the option to extend the appointment for up to one additional year. The chancellor may establish search advisory committees to assist in the process of reviewing applications for the position of deputy chancellor or vice chancellor. The committee members shall be knowledgeable of the duties and responsibilities of the position to be filled and broadly representative of the interests of the system. As an alternative to a search process, the chancellor may use a consultative process. In the event a consultative process is used, the chancellor shall provide written justification to the board chair and the chair of the Workforce and Organizational Effectiveness Committee for that process, and shall consult with system staff, students, and members of the community.

Subpart B. Extensions of employment

The chancellor, in consultation with the board chair and chair of the Workforce and Organizational Effectiveness Committee, and with input solicited from the full board, may enter into an employment agreement to extend the employment of a deputy chancellor or vice chancellor.

Subpart C. Termination of employment

The chancellor, in consultation and with the approval of the board chair and the chair of the Workforce and Organizational Effectiveness Committee, may terminate a deputy chancellor or vice chancellor in accordance with the Minnesota State Personnel Plan for Administrators and, if applicable, the deputy chancellor or vice chancellor's employment contract.



Subpart D. Contract expiration

The employment of a deputy chancellor or vice chancellor ends upon expiration of the employment contract, unless otherwise provided in the employment contract. Expiration of a contract without extension or renewal does not constitute termination under this policy.

Part 3. Chief Audit Officer

The Audit Committee of the board shall appoint the Chief Audit Officer. The terms and conditions of the appointment must be governed by the Minnesota State Personnel Plan for Administrators. The chair of the Audit Committee will conduct an annual performance evaluation of the Chief Audit Officer and will consult with the chancellor and the Audit Committee. The annual performance process for the ~~executive director~~ Chief Audit Officer must be similar to the process used for vice chancellors. The chair of the Audit Committee, in consultation with the chancellor, will approve salary adjustments as merited. The Audit Committee of the board may terminate the employment of an individual serving as Chief Audit Officer of Internal Auditing in accordance with the Minnesota State Personnel Plan for Administrators.

Part 4. General Counsel

The general counsel is appointed by the Board of Trustees, upon the recommendation of the chancellor. The general counsel serves the system as a whole and does not represent the individual interests of the chancellor, board members, or other particular stakeholders.

The general counsel reports to the board chair and the chancellor and has the right and responsibility to bring issues to the board. The chancellor will consult with the board chair on the annual performance evaluation of the general counsel. The chancellor shall recommend the salary for the position of general counsel subject to review and approval by the board chair and the chair of the Workforce and Organizational Effectiveness Committee. The chancellor, in consultation with the approval of the board chair and the chair of the Workforce and Organizational Effectiveness Committee, may terminate the employment of an individual serving as general counsel in accordance with the Minnesota State Personnel Plan for Administrators.

Date of Adoption: 10/19/93
Date of Implementation: 10/19/93
Date of Last Review: 09/22/22

Date and Subject of Amendments:

01/XX/23 – technical change replaced the title executive director with chief audit officer.

06/22/22 – Was reviewed as part of the 5 year review process, removes Part 1 College and University Administrators which will become part of Board Policy 4.2 Appointment of Presidents. Further amendments remove all references to “president” and “presidents”. The policy is amended to require the chancellor to consult with the board

chair and the chair of the Workforce and Organizational Effectiveness Committee prior to termination of a deputy chancellor, vice chancellor, and general counsel.

09/21/16 - Amended Part 2 to include general counsel and requires salary changes to be reviewed by both the board chair and the chair of the Human Resources Committee. Combined Parts 3 and 4. Added Subpart B. Extensions of employment, Subpart C. Termination of employment, and Subpart C. Contract expiration. Part 4 was amended to clarify the process for the appointment and performance evaluation of executive director of Internal Auditing. Added Part 5. General Council. Additional wording and formatting changes throughout for consistency and clarity.

Additional HISTORY.



Board Policy 1C.2 Fraudulent or Other Dishonest Acts

Part 1. Purpose

MnSCU Minnesota State is committed to creating an environment where fraudulent and other dishonest acts are not tolerated. All MnSCU Minnesota State employees are responsible for complying with the State Code of Ethics (Minnesota Statutes Section 43A.38), other state statutes and board policies that govern their conduct, and ensuring that all resources entrusted to them are used ethically, prudently, and for their designated purpose. In addition, to ensure that MnSCU Minnesota State resources are used appropriately, managers and supervisors are responsible for educating employees about proper conduct, creating an environment that deters dishonesty and maintaining internal controls that provide reasonable assurance of achieving management objectives, and detecting dishonest acts. Furthermore, managers and supervisors must be cognizant of the risks and exposures inherent in their area of responsibility and be aware of symptoms of fraudulent or dishonest acts, should they occur. This policy establishes responsibilities for investigating potential incidents of fraud or other dishonest acts, taking remedial actions, and reporting evidence to the Legislative Auditor and other appropriate authorities.

Part 2. Applicability

This policy applies to all MnSCU Minnesota State trustees and, employees, including faculty (full-time, adjunct and part-time faculty), administrative staff, and student employees. It also requires employees to report the actions of other parties that may result in financial losses or possible criminal conduct affecting Minnesota State MnSCU resources or information. These other parties include (1) students; (2) contractors and vendors; (3) organizations affiliated with Minnesota State MnSCU, including foundations governed by MnSCU Board Policy 8.3; and (4) any other person or organization that uses Minnesota State MnSCU resources or information, with or without authorization.

This policy does not apply to destruction or misappropriation of personal or private property. Those matters shall be reported to appropriate college, university, or system office officials and to law enforcement officials when appropriate. Also, substantiated violations involving personal or private property are subject to personnel action or discipline under the student conduct code.

This policy does not apply to allegations of academic misconduct. Those matters shall be referred to appropriate college or university officials.

This policy also does not apply to allegations of discrimination or harassment. Those matters are governed by MnSCU Board Policy 1.B.1.

Part 3. Definitions

Subpart A. Dishonest act

A dishonest act generally involves a deliberate act or failure to act with the intention of obtaining an unauthorized benefit, destruction of property or otherwise fraudulent behavior. Dishonest acts include, but are not limited to:

- Theft or misappropriation of funds, long distance telephone services, supplies, property, computer software, intellectual property, or other resources;
- Forgery or alteration of documents;
- Bribery or attempted bribery;
- Unauthorized use of records or access to information systems, including unauthorized sharing of computer security clearances;
- Unauthorized alteration, manipulation, or destruction of computer files and data;
- Falsification of reports to management or external agencies;
- Conflicts of interest that pursue a personal benefit or advantage while compromising the public interest;
- Improper handling or reporting of financial transactions;
- Authorizing or receiving compensation for goods not received or services not performed;
- Authorizing or receiving compensation for hours not worked;
- Incurring obligations in excess of appropriation authority, and
- Willful violation of laws, regulations or policies, or contractual obligations when conducting [Minnesota State MnSCU](#) business.

Subpart B. Fraud inquiry

A fraud inquiry is the initial process for examining complaints, allegations, and other possible evidence of dishonest acts. The objective of a fraud inquiry is to determine whether sufficient evidence exists to warrant a fraud investigation.

Subpart C. Fraud investigation

A fraud investigation is the process of collecting and examining evidence to determine whether a dishonest act involving possible criminal action or significant financial loss has occurred.

Part 4. Responsibilities

Subpart A. Compliance

Dishonest acts are prohibited pursuant to this policy and applicable law. Employees found to have committed a dishonest act as defined by this policy shall be subject to sanctions, restitution and other remedies as deemed appropriate by [Minnesota State MnSCU](#) officials.

Subpart B. Employee reporting of suspected fraudulent or other dishonest acts

An employee with a reasonable basis for believing fraudulent or other dishonest acts have occurred has a responsibility to report the suspected act in a timely manner. Reports should be made to the employee's immediate supervisor or manager, unless the employee suspects that the supervisor or manager has participated in or condoned the act. In that case, the employee should report the matter to the next highest level of supervision or management or directly to the college, university, or system office Director of Human Resources. Employees are encouraged to report matters through their designated college, university or system office channels, but may report any matters directly to the MnSCU Office of Internal Auditing. This policy shall not prohibit prompt notification to appropriate authorities when an immediate threat to personal safety exists or other circumstances justify such notice. Upon discovering evidence of possible fraudulent or dishonest acts, employees should not confront individuals suspected of wrongdoing or initiate fraud investigations on their own because such actions may compromise any ensuing investigation. Employees shall not make statements or disclosures knowing they are false or in reckless disregard of the truth.

Subpart C. Conducting a fraud inquiry

Presidents, the Chancellor, or the ~~Executive Director of Internal Auditing~~Chief Audit Officer shall be responsible for conducting fraud inquiries to determine whether evidence of fraudulent or other dishonest acts is substantiated and merits a fraud investigation or other remedy. Presidents or the Chancellor may seek the assistance of the Office of Internal Auditing in conducting fraud inquiries. If a fraud inquiry reveals evidence of possible criminal action or significant financial loss, then a fraud investigation shall be conducted pursuant to Part 4, Subpart D of this policy. If a fraud inquiry does not reveal evidence of possible criminal actions or significant financial loss related to a dishonest act, but substantiates a violation of state or federal law, Minnesota State MnSCU or college or university policies, or other applicable requirements, the matter shall be referred to the appropriate campus or system office official for further action. Any incident that reveals possible employee misconduct may be subject to a personnel investigation by the college, university, or system office, as appropriate, and subject to personnel action in accordance with the provisions of the applicable collective bargaining agreement or other personnel plan.

Subpart D. Conducting a fraud investigation

If it is determined under Part 4, Subpart C that a fraud inquiry merits a fraud investigation, the president or Chancellor shall report the matter to the Office of Internal Auditing. The president or Chancellor shall consult with the ~~Executive Director of Internal Auditing~~Chief Audit Officer to determine responsibilities for conducting the fraud investigation. The Minnesota State MnSCU General Counsel, the Legislative Auditor, or other administrative officials also shall be consulted, as appropriate and when required by this policy.

Part 5. Remedial Actions

If a fraud investigation substantiates that a violation has occurred, the following remedial actions against or by Minnesota State MnSCU employees shall be taken as appropriate:

Subpart A. Recovery of losses

Appropriate action will be taken to recover assets lost as a result of an act of dishonesty. Full recovery will constitute the value of benefits gained by an employee or beneficiary other than [Minnesota State MnSCU](#) or the documented loss, whichever is larger, and, if appropriate, the cost of investigation, recovery, or other costs. For misuse of long-distance telephone services, recoveries must include the fair market value of the service, taxes, and interest. All reasonable means, consistent with state law, will be sought to recover losses, including voluntary repayments, withholding from salary and wages, insurance proceeds when applicable, and legal action when necessary. Significant financial losses shall be reported to the Vice Chancellor - Chief Financial Officer. Dishonest acts that result in significant loss or damage to electronic information or information systems shall be reported to the [Minnesota State MnSCU](#) Chief Information Officer. The [Minnesota State MnSCU](#) General Counsel shall determine whether the evidence available and the cost of recovery justify legal action to recover losses.

Subpart B. Referral to law enforcement

A college, university or system office shall consult with the [Minnesota State MnSCU](#) General Counsel prior to disclosing private or confidential data on employees to law enforcement authorities pursuant to Minnesota Statutes section 13.43, subd. 15.

Subpart C. Internal control deficiencies

The Office of Internal Auditing shall consider whether evidence of possible fraudulent or other dishonest acts reveals areas or practices in college, university, or system internal controls needing modification. The Office of Internal Auditing shall recommend corrective actions to the president or chancellor, as appropriate, and the Vice Chancellor – Chief Financial Officer. Internal Auditing shall follow-up on its recommendations and report progress to the board of trustees consistent with procedures for audit follow-up.

Subpart D. Employee disciplinary actions

Employees found to have participated in fraudulent or other dishonest acts, or any employee who hinders a fraud inquiry or investigation by making a false or misleading statement, or any employee who has knowledge of a dishonest act, but fails to report it according to this policy shall be subject to disciplinary action. The appropriate campus official or Vice Chancellor for Human Resources shall determine whether employee disciplinary action is warranted. The provisions of collective bargaining agreements shall be observed for any employee disciplinary proceedings.

Part 6. Data Practices

Fraud inquiry or investigation data must be handled in accordance with the Minnesota Government Data Practices Act and other applicable law.

Part 7. Whistleblower Protection

Employees who report suspected fraudulent or other dishonest acts pursuant to Minnesota Statutes Section 181.932 shall be protected from retaliation. The identity of information

sources shall be protected when required by Minnesota Statutes Section 181.932 or Minnesota Statutes Section 13.392.

Part 8. Other Policies

This policy shall not be construed to limit the ability to enforce any other applicable policy or law not incorporated under this policy or to limit the remedies available for violations that occur.

Part 9. Reporting to the Board of Trustees and the Legislative Auditor

The ~~Executive Director of Internal Auditing~~Chief Audit Officer shall notify the Board of Trustees of any significant violations of law or board policies, as required by board policy 1D, or any material departures from this policy.

The ~~Executive Director of Internal Auditing~~Chief Audit Officer is responsible for reporting evidence to the Office of the Legislative Auditor as required by Minnesota Statutes Sections 10.47, 43A.39, and 609.456, Subdivision 2 and, if federal funds are involved, to the responsible federal authority. Employees who have reported evidence according to the provisions of this policy will have fulfilled their statutory reporting obligations for reporting to the Office of the Legislative Auditor.

Date of Adoption: 06/19/02

Date of Implementation: 06/19/02

Date of Last Review:

Date and Subject of Amendments:

01/XX/23 – technical change replaced MnSCU with Minnesota State and the title executive director of internal auditing with chief audit officer.

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.

6/19/02 – repeals Board Policy 7.2, Part 3.

No Additional HISTORY.



Board Policy 1D.1 Office of Internal Auditing

Part 1. Internal Auditing

Internal auditing is an independent, objective, and forward looking function designed to add value and improve the operations of Minnesota State. It offers a variety of services including assurance, advisory, and fraud inquiry and investigation support services.

Part 2. Authority and Responsibilities

Subpart A. Reporting Structure

The ~~executive director~~ Chief Audit Officer reports functionally to the Board of Trustees through the chair of the Audit Committee and administratively to the chancellor. The ~~executive director~~ Chief Audit Officer has direct and unrestricted access to the board.

Subpart B. Internal Audit Charter

The ~~executive director~~ Chief Audit Officer 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~~ Chief Audit Officer shall annually review the charter and present any changes and updates to the Audit Committee for approval.

Subpart C. Authorization to Conduct Engagements

Internal auditing is authorized 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.

Subpart D. Fraud Inquiry and Investigation Support Services

Fraud Inquiry and Investigation Support Services are intended to augment the efforts of colleges and universities to ensure that evidence of fraud or dishonest acts is investigated professionally and promptly. Internal auditing shall consult with legal counsel on any issues that may involve criminal action or reveal potential legal exposure. Internal auditing shall notify the legislative auditor as required by state law.

Subpart E. Reporting Significant Violations and Other Matters

The ~~executive director~~ Chief Audit Officer has the right and responsibility to report to the board any circumstances that are significant violations of internal controls, board policy or system procedures and any other matters that the ~~executive director~~ Chief Audit Officer believes warrant notification. The ~~executive director~~ Chief Audit Officer has the right and responsibility to report any matters to the chancellor and presidents that warrant their notification or will assist them in improving their operations.

Subpart F. Reporting Project Results

The ~~executive director~~ Chief Audit Officer will report to the Audit Committee and management the results of completed assurance and advisory projects.

Part 3. Internal Auditing Data

In accordance with Minn. Stat. § 13.392, subd. 1, data notes, and preliminary drafts of reports created, collected, and maintained by internal auditing are confidential data on individuals or protected nonpublic data while work is in progress. The final report is public data, except as provided under Minn. Stat. Ch. 13 or other applicable law.

In accordance with Minn. Stat. § 13.392 subd. 2, data on an individual supplying information for an audit or investigation that could reasonably be used to determine the individual's identity, must be classified as private data on individuals if the information supplied was needed for an audit or investigation and would not have been provided to internal auditing without an assurance to the individual that the individual's identity would remain private.

Related Documents

To view any of the following related statutes, go to the Revisor's Web site (<http://www.revisor.leg.state.mn.us/>). You can conduct a search from this site by typing in the statute number.

- Minn. Ch. 13 Government Data Practices Act
- Minn. Stat. § 13.392 Internal Auditing Data

Date of Adoption: 07/19/00
Date of Implementation: 07/19/00
Date of Last Review: 11/20/19

Date and Subject of Amendments:

01/XX/23 – technical change replaced the title executive director with chief audit officer.

11/20/19 – As a result of internal auditing developing a separate Internal Auditing Charter in compliance with the *International Standards for the Professional Practice of Internal Auditing*, the policy was amended to remove language that was duplicative and addressed operational matters that were not needed in board policy.

06/17/15 - Amended throughout to clean up language and comply with changes to the *International Standards for the Professional Practice of Internal Auditing*.

11/16/11 - Amended throughout to clean up language and comply with International Standards for the Professional Practice of Internal Auditing. Removed Part 5c, Consulting Services.

07/19/00 - repealed MnSCU Policy 7.2 Parts 1-2 & 4-7.

Outreach and Engagement Committee
January, 24, 2023
1:15 p.m.
McCormick Room, 4th Floor

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 November 16, 2022**
2. Economic Impact Study

Committee Members

Dawn Erlandson, Chair
Jerry Janezich, Vice Chair
Alex Cirillo
Jim Grabowska
Cheryl Tefer

President Liaisons

Michael Raich
Kumara Jayasuriya

Bolded items indicate action required.



**Outreach and Engagement Committee
Meeting Minutes
November 16, 2022**

A meeting of the Outreach and Engagement Committee of the Board of Trustees was held on Nov. 16, 2022, in the McCormick Room, 4th Floor.

Committee members present: Dawn Erlandson, Chair; Jerry Janezich, Vice Chair; Alex Cirillo, and Cheryl Tefer.

Committee members absent: Jim Grabowska.

Other board members present: Victor Ayemobuwa, Jay Cowles, Tim Huebsch, Roger Moe, April Nishimura, and George Soule.

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

The meeting materials for this meeting are available [here](#), starting on page 23. An audio recording of the meeting is available [here](#).

Committee Chair Erlandson called the meeting to order at 10:37 a.m.

Agenda Item 1: Approval of the Meeting Minutes for June 21, 2022

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 Tefer provided a second.

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

Agenda Item 2: FY2023 Committee Workplan

Committee Chair Erlandson invited Noelle Hawton, to review and discuss the proposed workplan for FY2023. The plan is a timeline of both Operational/Board Action Items and Proposed Strategic Agenda Items to be presented at the monthly board meetings by the Outreach and Engagement Committee.

The meeting materials for this item begin on page 26.

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

Agenda Item 3: United Way 211 Resource Helpline

Noelle Hawton presented on a new partnership that allows Minnesota State to leverage Greater Twin Cities United Way's 211 resource helpline to support students meet basic needs. Since the helpline went live eight weeks ago, nearly 300 students have accessed it to receive information and referrals to on-campus and community-wide resources, including mental health support. A WCCO news story featuring a North Hennepin Community College student who used the helpline was shown.

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

Agenda Item 4: Partnerships to Build Interest in STEAM Education

Noelle Hawton, Chief Marketing and Communications Officer, Jonathan Beck, Instructor, Northland Community College and Executive Director, National Center for Autonomous Technologies (NCAT), Aaron Sykes, Outreach Coordinator, NCAT STEAM, and Betsy Lulfs, Senior Project Manager, Technology, Thomson Reuters presented on a five-day event at the Mall of America in early August which showcased the kinds of activities and work that is possible through STEAM (science, technology, engineering, arts, math) education and careers. The National Center for Autonomous Technologies (NCAT), which is headquartered at Northland and Community College, hosted the interactive event and partnered with the National Science Foundation (NSF), other colleges and universities of Minnesota State and numerous industry leaders to make Experience STEAM a success.

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

Adjournment

The committee chair adjourned the meeting at 11:58 a.m.



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Outreach and Engagement Committee

DATE: January 24, 2022

TITLE: Economic Impact Study

Proposed New Policy or
Amendment to Existing Policy

Approvals Required by
Policy

Other Approvals

Monitoring/Compliance

Information

PRESENTERS

Nichole Parker, Parker Philips President

Noelle Hawton, Chief Marketing and Communications Officer

PURPOSE

The Outreach and Engagement Committee will be presented with a report detailing the economic impact Minnesota State and its colleges and universities have on the state of Minnesota, as well as the communications plan to publicize the results.

BACKGROUND INFORMATION

Minnesota State conducts an economic impact report every four years. Parker Philips, the firm that developed the most recent Minnesota State economic impact study in 2018, was hired again following a robust RFP process to develop an updated report. As a part of this work, the colleges and universities all had the option of requesting an individualized analysis to detail the economic impact each school has at the local community level.



Finance and Facilities Committee
January 24, 2023
2:15 p.m.
McCormick Room, 4th Floor

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 November 16, 2022**
2. **Contracts Requiring Board Approval**
 - a. **Crawford B. Hall Restroom Renovation, Minnesota State University, Mankato**
 - b. **Social Media Ad Placement, Minnesota State University, Mankato**
 - c. **eProcurement, Contracts, and Sourcing Enterprise Software Renewal, System Office**
 - d. **External Auditing Services, FY2023-FY2025, System Office**
 - e. **Internal Auditing Services, FY2023-FY2025, System Office**
3. College and University Financial Performance Update

Committee Members

Jay Cowles, Chair
April Nishimura, Vice Chair
Victor Ayemobuwa
Jim Grabowska
Tim Huebsch
Jerry Janezich
Kathy Sheran

President Liaisons

Edward Inch
Joe Mulford

Bolded items indicate action required.



FY2023 Board Committee Work Plan - Revised

Finance and Facilities Committee

	Oct 2022	Nov 2022 <i>Joint with Leadership Council</i>	Dec 2022	Jan 2023 <i>Joint with Leadership Council</i>	Feb 2023	March 2023	April 2023	May 2023	June 2023
Operational	FY2024-2025 Biennial Budget Request 1 st Reading FY2023 Operating Budget Update Contracts Requiring Board Approval	FY2024-2025 Biennial Budget Request 2 nd Reading FY2023 Capital Program Recommendations Approval Contracts Requiring Board Approval		College and University Financial Performance Update: System Procedure 7.3.16 Financial Health Indicators Contracts Requiring Board Approval		Minnesota State Environmental Health & Safety Overview Contracts Requiring Board Approval	FY2023-FY2024 Budget Update Contracts Requiring Board Approval	FY2024 Annual Operating Budget 1 st Reading 2023 Legislative Summary FY2024 Capital Program Recommendations 1 st Reading Contracts Requiring Board Approval	FY2024 Annual Operating Budget 2nd Reading FY2024 Capital Program Recommendations 2 nd Reading Contracts Requiring Board Approval
Board Policy Considerations						Board Policy 5.24 Safety and Security Compliance 1 st Reading	Board Policy 5.11 Tuition & Fees 1 st Reading Board Policy 6.7 Real Estate Transactions 1 st Reading Board Policies 7.4 Financial Reporting 1 st Reading Board Policy 5.24 Safety and Security Compliance 2 nd Reading	Board Policy 5.11 Tuition & Fees; 2nd Reading Board Policy 6.7 Real Estate Transactions 2 nd Reading Board Policies 7.4 Financial Reporting 2 nd Reading	
Strategic				Long-Term Financial Trends (Training Session)			Minnesota State Facilities Overview	System Procurement Strategy: Board Policy 5.14 Contracts, Procurement and Supplier Diversity	

**Finance and Facilities Committee
Meeting Minutes
November 16, 2022**

A meeting of the Finance and Facilities Committee of the Board of Trustees was held on Wednesday, November 16, 2022.

Committee members present: Jay Cowles, Chair; Victor Ayemobuwa, Tim Huebsch, Jerry Janezich, April Nishimura, and Kathy Sheran.

Committee members absent: Jim Grabowska

Other board members present: Alex Cirillo, Dawn Erlandson, Roger Moe, George Soule, Cheryl Tefer

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

The meeting materials for this meeting are available [<here>](#), starting on page 59. An audio recording of the meeting is available [<here>](#).

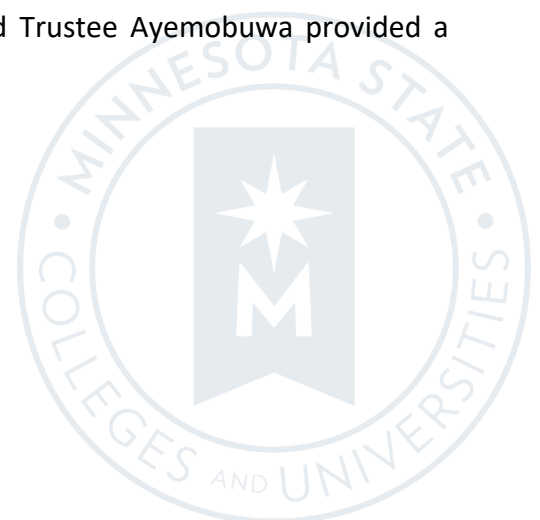
Committee Chair Cowles called the meeting to order at 1:27 p.m.

Agenda Item 1: Approval of the Meeting Minutes for October 19, 2022

Committee Chair Cowles asked if there were any changes or amendments to the minutes then asked for a motion. Trustee Janezich made the motion and Trustee Ayemobuwa provided a second.

A roll call vote was conducted. The vote was as follows:

Trustee Ayemobuwa	Yes
Trustee Cowles	Yes
Trustee Grabowska	absent
Trustee Huebsch	Yes
Trustee Janezich	Yes
Trustee Nishimura	Yes
Trustee Sheran	Yes



Agenda Item 2: Contracts Requiring Board Approval

Committee Chair Cowles invited Vice Chancellor Bill Maki along with Associate Vice Chancellor Brian Yolitz to present the three contracts that required board approval as detailed in the meeting materials. The meeting materials for this item begin on page 67.

Committee Chair Cowles asked committee members to consider the following recommended committee motion for **Agenda Item 2a: 100 Wing Nursing Education Suite Renovation, Minnesota State College Southeast:**

The Finance and Facilities Committee recommends that the Board of Trustees authorizes the chancellor or the chancellor’s designee to enter into a construction contract not to exceed \$2,250,000 to renovate the 100 Wing and create a Nursing Education Suite at Minnesota State College Southeast. The Finance and Facilities Committee further recommends that the Board of Trustees direct the chancellor or his designee to execute all necessary documents.

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

Trustee Ayemobuwa	absent
Trustee Cowles	Yes
Trustee Grabowska	absent
Trustee Huebsch	Yes
Trustee Janezich	Yes
Trustee Nishimura	Yes
Trustee Sheran	Yes

The committee voted to approve the recommended motion.

Committee Chair Cowles asked committee members to consider the following recommended committee motion for **Agenda Item 2b: Library Building Renovation Design, Normandale Community College:**

The Finance and Facilities Committee recommends that the Board of Trustees authorizes the chancellor or the chancellor’s designee to enter into a contract not to exceed \$2,500,000 for the design of the Library Building Renovation project at Normandale Community College. The Finance and Facilities Committee further recommends that the Board of Trustees direct the chancellor or his designee to execute all necessary documents.

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

Trustee Ayemobuwa	Yes
Trustee Cowles	Yes
Trustee Grabowska	absent
Trustee Huebsch	Yes
Trustee Janezich	Yes
Trustee Nishimura	Yes
Trustee Sheran	Yes

The committee voted to approve the recommended motion.

Committee Chair Cowles asked committee members to consider the following recommended committee motion for **Agenda Item 2c: Social Sciences Building Lease, Southwest Minnesota State University:**

The Finance and Facilities Committee recommends the Board of Trustees authorize the chancellor or the chancellor's designee to enter into a lease of the Social Sciences building to the Foundation for Innovation in Education with a term of 20 years with the provision for four (4) 5-year options for the creation of the Marshall Educational Learning Center. The Finance and Facilities Committee further recommends that the Board of Trustees direct the chancellor or his designee to execute all necessary documents.

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

Trustee Ayemobuwa	Yes
Trustee Cowles	Yes
Trustee Grabowska	absent
Trustee Huebsch	Yes
Trustee Janezich	Yes
Trustee Nishimura	Yes
Trustee Sheran	Yes

The committee voted to approve the recommended motion.

Agenda Item 3: FY2023 Capital Program Recommendation

Committee Chair Cowles invited Associate Vice Chancellor Yolitz to present an analysis of the FY2023 Capital Program Recommendation as detailed in the meeting materials. The meeting materials for this item begin on page 74.

Committee Chair Cowles asked committee members to consider the following recommended committee motion for the **FY2023 Capital Program Recommendation**:

*The Finance and Facilities Committee recommends the Board of Trustees approve the 2023 capital program recommendation as presented in **Attachment A**, specifically the projects and priorities for the 2023 legislative session. The chancellor is authorized to make cost and related adjustments to the request including those required by Minnesota Management and Budget. 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 Janezich made the motion and Trustee Ayemobuwa seconded. A roll call vote was conducted. The vote was as follows:

Trustee Ayemobuwa	Yes
Trustee Cowles	Yes
Trustee Grabowska	Absent
Trustee Huebsch	Yes
Trustee Janezich	Yes
Trustee Nishimura	Yes
Trustee Sheran	Yes

The committee voted to approve the recommended motion.

Agenda Item 4: FY2024-2025 Biennial Budget Request (Second Reading)

Committee Chair Cowles invited Vice Chancellor Bill Maki to present the second reading of the FY2024-2025 Biennial Budget Request as detailed in the meeting materials. The Vice Chancellor was joined by Satasha Green-Stephen, Senior Vice Chancellor for Academic and Student Affairs; Larry Lundblad, Executive Director for Workforce and Economic Development; Joe Mulford, President, Pine Technical and Community College; and Edward Inch, President, Minnesota State University, Mankato. The meeting materials for this item begin on page 80.

Committee Chair Cowles asked committee members to consider the following recommended committee motion for the **FY2024-2025 Biennial Budget Request**:

The FY2024-FY2025 legislative request strengthens the state’s commitment to inclusive excellence and ensuring our students receive an extraordinary, affordable, and accessible education. It further strengthens communities and the State or their continued economic and workforce viability. The Finance and Facilities Committee recommends that the Board of Trustees approve the FY2024-FY2025 biennial budget request in the amount of \$929,611,000 in FY2024 and \$999,611,000 in FY2025 for a total of \$1,929,222,000. This includes \$125 million for Student Support efforts, \$125 million for Minnesota State Stabilization, and \$100 million for Workforce & Economic Development efforts.

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.

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

Trustee Ayemobuwa	Yes
Trustee Cowles	Yes
Trustee Grabowska	Yes
Trustee Huebsch	Yes
Trustee Janezich	Yes
Trustee Nishimura	Yes
Trustee Sheran	Yes

The committee voted to approve the recommended motion.

Adjournment

The committee chair adjourned the meeting at 3:15 p.m.



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Finance and Facilities Committee

DATE: January 24, 2023

TITLE: Contracts Requiring Board Approval

- a. Crawford B. Hall Restroom Renovation, Minnesota State University, Mankato
- b. Social Media Ad Placement, Minnesota State University, Mankato
- c. eProcurement, Contracts, and Sourcing Enterprise Software Renewal, System Office
- d. External Auditing Services, FY23-25, System Office
- e. Internal Auditing Services, FY23-25, System Office

Proposed New Policy or
Amendment to Existing Policy

Approvals Required by
Policy

Other Approvals

Monitoring/Compliance

Information

PRESENTERS

Bill Maki, Vice Chancellor for Finance and Facilities

Paul Corcoran, Assistant Vice President for Facilities Management, Minnesota State University, Mankato

Sara Frederick, Senior Director of Marketing, Minnesota State University, Mankato

Kent Stanley, Vice President for University Advancement, Minnesota State University, Mankato

Tim Anderson, System Director for Procurement and Contract Management

Amy Jorgenson, Chief Audit Officer

PURPOSE

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.

Contract Requiring Board Approval: Crawford B. Hall Restroom Renovation, Minnesota State University, Mankato

BACKGROUND

Minnesota State University, Mankato (MSU) seeks board approval of a construction contract to renovate all four student bathroom suites in Crawford B Hall one of the university’s residential halls. The existing bathrooms do not meet current accessibility standards and have failing plumbing infrastructure and finishes. The new bathroom suite layout will be accessible and inclusive providing a semiprivate bathroom with individual toilet and shower rooms and a combination of both. These rooms will feature full height lockable doors for privacy. The bathrooms will be completely remodeled and include the complete replacement of the failing plumbing infrastructure and tile floor.

FINANCIAL TERMS

This construction contract will be funded through MSU Residential Life operating funds within the university’s Revenue Fund for an amount not to exceed \$1,700,000. Subject to board approval and design completion in March 2023, the construction contract will be publicly advertised via QuestCDN, our electronic bidding system, and awarded to the lowest responsible bidder.

RECOMMENDED COMMITTEE MOTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor’s designee to enter into a construction contract not to exceed \$1,700,000 to renovate Crawford B Hall restrooms at Minnesota State University, Mankato. The Board of Trustees directs the chancellor or their designee to execute all necessary documents.

RECOMMENDED BOARD MOTION

The Board of Trustees authorizes the chancellor or the chancellor’s designee to enter into a construction contract not to exceed \$1,700,000 to renovate Crawford B Hall restrooms at Minnesota State University, Mankato. The Board of Trustees directs the chancellor or their designee to execute all necessary documents.

Date Presented to the Finance and Facilities Committee: 01/24/23

Date Presented to the Board of Trustees: 01/25/23

Date of Implementation: 01/25/23

Contract Requiring Board Approval: Social Media Ad Placement, Minnesota State University, Mankato

BACKGROUND

This contract with Carnegie Dartlet is needed to manage Minnesota State University, Mankato's digital advertising investments. Their services are being sought in placing, managing and analyzing digital ad buys—but also in securing access to Carnegie's expertise as a higher education marketing firm, which will enhance the work to promote the university and its programs to target audiences.

The value of this contract to the university is threefold. First, it provides more robust reporting than can be created in-house, which will guide advertising decisions and allow more strategic use of ad dollars. Second, it provides more comprehensive digital advertising opportunities to others on campus looking to advertise—including the Graduate Studies and Online programs. Third, and perhaps most importantly, it provides additional support to the MSU Mankato Web Marketing Director, who has been managing all social media ads in addition to duties related to the website and organic social media. Contracting with the Carnegie Dartlet team creates additional capacity for a lean MSU Mankato marketing and communications team without adding additional costs (the contract is funded through existing dollars already allocated to digital advertising).

The benefits of this contract include enhanced reporting and analytics, which will help the marketing team make strategic decisions; an ability to be more nimble with advertising and to react in real-time to performance metrics shared by Carnegie Dartlet; and the ability to place ads for other campus entities as needed.

The overall objective is to grow enrollment through strategic, targeted digital advertising. Carnegie Dartlet's experience and expertise in higher education will help fine tune existing strategy and be more efficient in reaching prospective students. We expect to see measurable increases in requests for information, visits, applications and admits as a result of this partnership.

In addition, it is expected that this contract to allow for a more centralized approach to overall university advertising. By bringing campus partners—specifically, Graduate Education and Online—into the fold with Carnegie Dartlet, MSU Mankato will be able to better manage messaging and branding for the University.

Ultimately, this partnership with Carnegie Dartlet will help Minnesota State University, Mankato to build greater brand awareness, to enhance our audience's understanding of who we are, and to increase enrollment at the University. Specifically, Carnegie Dartlet will help place targeted advertisements that will drive engagement among target audiences in such a way that:

- Increases number of campus visits
- Increases number of applications for admission
- Increases number of admitted students
- Increases number of enrolled students

Progress made on those criteria will be reviewed annually, before renewing the contract with Carnegie Dartlet.

FINANCIAL TERMS

This contract of \$450,000 (with four one year options to renew for a total of \$2,250,000 over five years) will be paid out of an existing general fund budget that exists to cover the University's paid advertising costs. In addition, other units within the university (Graduate Education and Online, for example) will contribute dollars from their own budgets to our general fund account to cover the cost of their digital advertising campaigns, which will be managed by University Marketing and Communications. This is a new contract that is intended to run upon approval until the end of the fiscal year, with the option to renew it annually for four additional years. We do currently have an existing contract with this provider (Carnegie Dartlet) to provide similar services on a much smaller scale; that contract, which is not to exceed \$49,950.00, is effective from August 1, 2022 to June 30, 2023.

The vendor for this contract was selected through the RFP process (RFP #160605395). The process began in July 2022. Ten applications were received, and seven met qualifications. A committee of four people (Jeffrey Harris, AVP University Marketing and Communications; Sara Frederick, Senior Director of Marketing and Communications; Lindsey Beyer, Web Marketing Director; and Anders Rydholm, Assistant Director of Admissions) reviewed and evaluated the submissions beginning on August 29; the selection of Carnegie Dartlet was confirmed with Facilities Purchasing Coordinator Jill Rollings on Tuesday, September 27. There was a consensus during the committee discussion that, based on the proposals, Carnegie Dartlet offered the best price in relation to the level of service provided, which along with the scorecard, made them the clear choice.

RECOMMENDED COMMITTEE MOTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor's designee to enter a contract with Carnegie Dartlet, not to exceed \$2,250,000 and with a term of five years for the purposes of procuring a Digital advertising partner to strategize, advise on and implement ad campaigns on social media platforms. The Finance and Facilities 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 Carnegie Dartlet, not to exceed \$2,250,000 and with a term of Five years for the purposes of procuring a Digital advertising partner to strategize, advise on and implement ad campaigns on social media platforms. The Board of Trustees directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Finance and Facilities Committee: 01/24/23

Date Presented to the Board of Trustees: 01/25/23

Date of Implementation: 02/01/23

Contract Requiring Board Approval: eProcurement, Contracts, and Sourcing Enterprise Software Renewal, System Office

BACKGROUND:

The contract supports JAGGAER Marketplace for procurement and contracting support. Marketplace is the source for contracting, sourcing, vendor management, and spend reporting. JAGGAER is a procure-to-pay provider in the higher education and government sectors. JAGGAER eProcurement and strategic sourcing customers gain access to suppliers on a scalable, customizable platform.

Since 2015, Minnesota State has invested more than \$4.3 million in implementation, subscription, and maintenance costs for JAGGAER's system-wide procurement system. This investment does not include the cost of Minnesota State to support, train, and provide maintenance of this procurement system. This investment has created a centralized solution for much of procurement, invoicing, contracting, sourcing, and reporting for Minnesota State spend.

The current procurement and contract management strategy being developed leverages this centralized solution to enhance and mature processes. Examples of these strategies include (not all inclusive):

1. a focus on supplier diversity so spend reflects the demographics of Minnesota State businesses,
2. vendor performance for risk mitigation,
3. sourcing events to move more toward enterprise-wide contracts (e.g., master contracts), and
4. Implementation of a formal change management process to ensure the best of quality from the Minnesota State procurement support team.

Procurement and invoicing will migrate to Workday and contracting and sourcing will remain with JAGGAER until later. Minnesota State is procuring services to provide data integration between Workday and JAGGAER to ensure seamless transition to provide procurement and contract management functions for our colleges and universities.

Extending the JAGGAER contract is in the best interest of Minnesota State to maintain a centralized solution to ensure visibility and consistency in processes and compliance with Minnesota statutes regarding procurement and contracting. The current use of a centralized procurement system allows Minnesota state to focus on the core principles of minimizing manual processes, maintaining as single system of record, and operating as a system. Minnesota State is heavily reliant on JAGGAER's e-procurement solution. Decentralizing procurement and contracting management would be disruptive and would undo seven years of process improvement and would cost Minnesota State to uncouple data and processes from JAGGAER.

FINANCIAL TERMS:

The original contract was approved by the Board of Trustees in 2015. Seven prior amendments have been approved since that time to add additional functionality and training.

The current contract expires March 28, 2023 and is not to exceed four million three hundred fifty-

six thousand four hundred forty-one dollars (\$4,356,441). The current request is for Amendment 8, which will add two years and 93 days and an additional one million five-hundred and eight, nine-hundred ninety-two dollars (\$1,508,992) to the contract that would go through June 30, 2025. The request is to increase the not to exceed amount to five million eight hundred sixty-five thousand four hundred thirty-three dollars (\$5,865,433).

The annual subscription for JAGGAER is funded through an annual assessment to our colleges and universities

RECOMMENDED COMMITTEE MOTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor’s designee to enter into an amendment with JAGGAER to add \$1,508,992 and two years and 93 days to bring the total contract to a term of nine years through June 30, 2025, and not to exceed amount of \$5,865,433 for the purposes of providing e-procurement solutions. The Finance and Facilities 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 into an amendment with JAGGAER to add \$1,508,992 and two years and 93 days to bring the total contract to a term of nine years through June 30, 2025, and not to exceed amount of \$5,865,433 for the purposes of providing e-procurement solutions. The Board of Trustees directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Finance and Facilities Committee: 01/24/2023
Date Presented to the Board of Trustees: 01/25/2023
Date of Implementation: 01/25/2023

Contract Requiring Board Approval: External Auditing Services, FY23-25, System Office

BACKGROUND

Minnesota State plans to enter into a three-year contract with CliftonLarsonAllen.

The purpose of this contract will be to provide external auditing services for Minnesota State for four financial statements audits for three fiscal years 2023, 2024 and 2025. Additional requested services include Uniform Guidance compliance audits of major federal programs, including student financial aid for three fiscal years 2023, 2024 and 2025, “Top 5” IT Security Domains Control Assessment for fiscal year 2025, completion of NCAA Agreed Upon Procedures at six universities for fiscal year 2024, and individual college and university Perkins Loans Closeout audits as needed.

FINANCIAL TERMS

This will be a new three-year contract with the right to extend the contract up to an additional three years as necessary in order to serve the best interests of the Minnesota State.

A competitive bidding process began in September 2022 to acquire external auditing services for three fiscal years with the right to extend the contract up to an additional three years as necessary in order to serve the best interests of the Minnesota State. Proposals were due on November 9, 2022. The Chief Audit Officer and the Vice Chancellor for Finance and Facilities led a team to review proposals and identify external auditing firm(s) to recommend to the Board of Trustees for the above system audits.

RECOMMENDED COMMITTEE MOTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor’s designee to enter a contract with CliftonLarsonAllen, not to exceed \$1,343,500 over the course of three years for the purpose of providing external auditing services. The Finance and Facilities 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 CliftonLarsonAllen, not to exceed \$1,343,500 over the course of three years for the purpose of providing external auditing services. The Board of Trustees directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Finance and Facilities Committee: 01/24/23

Date Presented to the Board of Trustees: 01/25/23

Date of Implementation: 01/25/23

Contract Requiring Board Approval: Internal Auditing Services, FY23-25, System Office

BACKGROUND

The Office of Internal Auditing plans to enter into a five-year contract with Baker Tilly to provide co-sourced strategic internal auditing services for a total amount not to exceed \$3 million.

The purpose of this contract is to provide supplemental internal audit services with an established rate structure. The types of services and work requested will include but are not limited to, operational, financial, information technology, compliance audits, risk assessments, fraud investigations, advisory and consulting, program evaluation, data analytics, and professional training.

FINANCIAL TERMS

In 2017 it was decided that six open positions in the Office of Internal Auditing would not be filled in order to bring in the flexibility of external expertise. Each fiscal year salary savings of \$600,000 are set aside for an internal auditing services contract. This proposed contract is not to exceed \$3,000,000.00 over the life of the five-year contract.

An RFP was published in September 2022 with a deadline of November, 9, 2022. Proposals were sought from parties interested in providing supplemental internal audit services with an established rate structure. The types of services and work requested will include but are not limited to, operational, financial, information technology, compliance audits, risk assessments, fraud investigations, advisory and consulting, program evaluation, data analytics, and professional training. For each project on an as-needed basis, Minnesota State will provide the selected vendor with a project description by means of a Work Order, which will formally authorize the vendor to proceed with the work and establish the terms of compensation for each project.

RECOMMENDED COMMITTEE MOTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor’s designee to enter a contract with Baker Tilly Virchow Krause, LLP, not to exceed \$3,000,000.00 over the course of five years for the purposes of providing Internal Auditing Services. The Finance and Facilities 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 Baker Tilly Virchow Krause, not to exceed \$3,000,000.00 over the course of five years, for the purposes of providing internal auditing services. The Board of Trustees directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Finance and Facilities Committee: 01/24/23

Date Presented to the Board of Trustees: 01/25/23

Date of Implementation: 01/25/23



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Finance and Facilities Committee

DATE: January 24, 2023

TITLE: College and University Financial Performance Update

Proposed New Policy or
Amendment to Existing Policy

Approvals Required by
Policy

Other Approvals

Monitoring/Compliance

Information

PRESENTERS

William Maki, Vice Chancellor for Finance and Facilities

Denise Kirkeby, System Director for Financial Reporting

Steve Ernest, System Director for Financial Planning and Analysis

PURPOSE

A brief review of the Minnesota State fiscal year 2022 and fiscal year 2021 financial statement results, summary of college and university fiscal year 2022 financial health indicators per Board Procedure 7.3.16, and potential revisions to Board Procedure 7.3.16 based on experience and recent review.

BACKGROUND INFORMATION

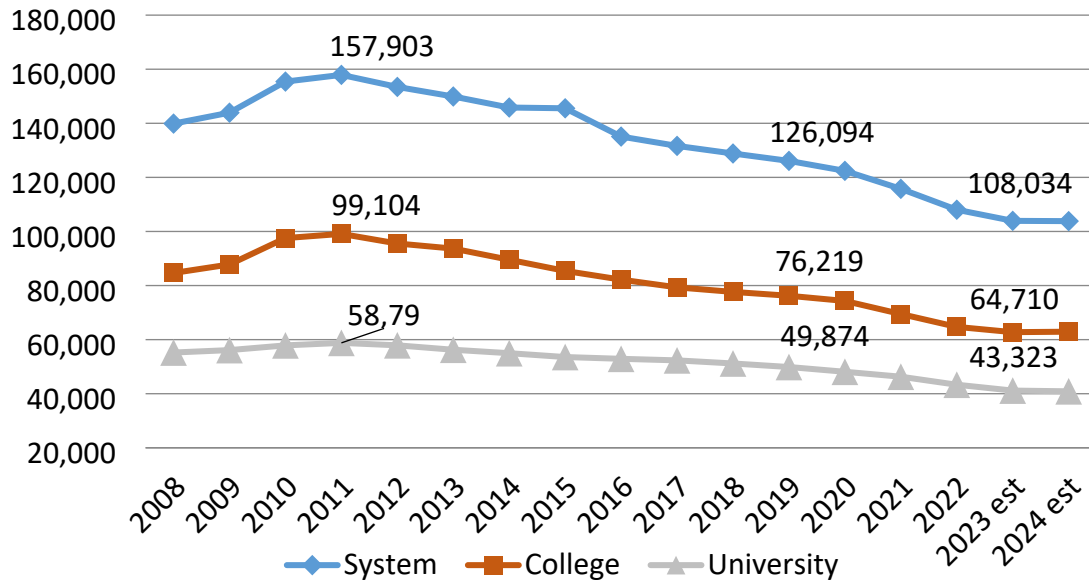
In November, the system's Audited Financial Statements for fiscal year 2022 were presented to the Audit Committee. This annual report will briefly recap the 2022 financial statement results and then present the 2022 financial health indicator results as provided for in System Procedure 7.3.16. Linking the two is the Composite Financial Index (CFI) measure, which is calculated at the system level and for each institution.

The Audited Financial Statements and the financial health indicators support the conclusion that the system's financial health is stable. Looking at individual measures, two of the most significant factors affecting both sets of results are enrollment and federal pandemic assistance. Declines in enrollment, exacerbated by the pandemic, caused significantly lower revenues in tuition and other areas. An influx of one-time federal assistance was able to fill in for those revenue losses to a large degree, but this assistance partially masks the significance that lower enrollment normally has on financial health. With prudent financial management, colleges and universities have successfully maintained educational operations, but continued declining enrollment remains a concern for most.

ENROLLMENT

Graph 1 shows enrollment history and projections as of the October 2022 budget update.

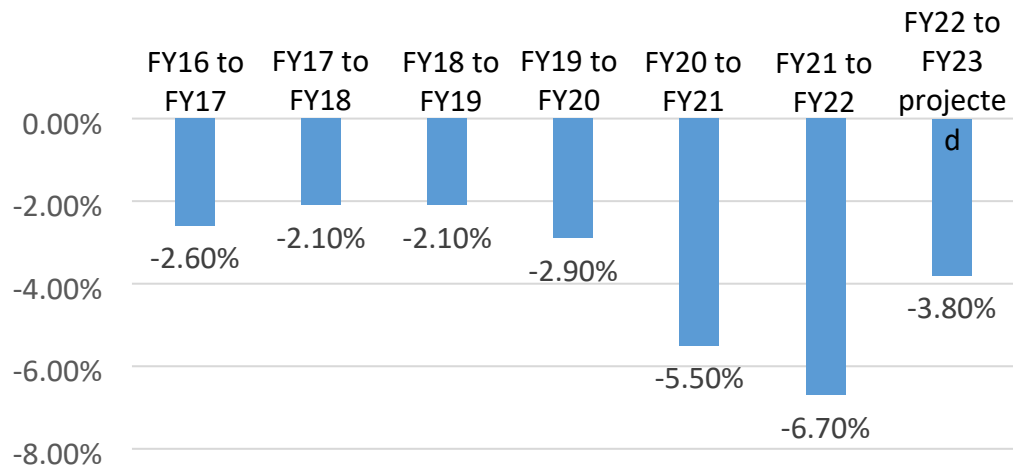
Graph 1. Historical and Projected Enrollment for the System



It is important to note that the system was already experiencing a decade-long decline in enrollment before the March 2020 pandemic. While most colleges and universities are projecting that enrollment will begin to stabilize next year, enrollment will continue to be one of the most important variables for maintaining financial health.

Graph 2 shows annual enrollment declines for the system.

Graph 2. Annual Enrollment Declines for the System



The decline in enrollment from fiscal year 2021 to fiscal year 2022 was 6.7 percent, annual declines in the preceding five years ranged from 2.1 percent to 5.5 percent each year. Current projections estimate that the fiscal year 2022 to fiscal year 2023 decline will be 3.8 percent. Fiscal

year 2023 updated enrollment projections will be presented later this spring. Efforts to analyze and address enrollment patterns are complex due to the multitude of factors that impact them such as demographics, the labor market, and the pandemic.

FEDERAL HIGHER EDUCATION EMERGENCY RELIEF FUNDS

Beginning in spring 2020, the colleges and universities of Minnesota State have individually been awarded federal Higher Education Emergency Relief Funds (HEERF) that together total over \$600 million. During fiscal years 2020 through 2022, roughly \$240 million was used in campus budgets to replace revenues lost due to the pandemic and to make sure institutions could provide alternative instructional delivery (online or hybrid learning) to continue operations. These funds went a long way in being able to support the two overarching commitments Minnesota State made during the pandemic: safeguarding the health, safety, and welfare of faculty, staff, and students and enabling students to continue progress towards their educational goals through quality, accessible education and services. Table A shows the use of HEERF dollars in fiscal years 2020 through 2022.

Table A. Federal HEERF Use FY2020-FY2022

	Response Funding for Institutions	Direct Grants to Students
FY2020	\$14 million	\$43 million
FY2021	\$97 million	\$59 million
FY2022	\$129 million	\$194 Million

Fiscal year 2023 is that last year that HEERF assistance is available and roughly \$70 million in HEERF is included in this year’s budgets. Of that, at least \$6 million has already gone out in direct student grants, bringing the four-year total granted to students so far to over \$300 million.

When HEERF assistance is used by institutions to weather the unusual and unforeseen financial challenges caused by the pandemic, much of that takes the place of spending fund balance for response activities. If not for the one-time assistance federal HEERF dollars provided in the way of lost revenue replacement and pandemic response expenses, more institutions would have been forced to utilize fund balance dollars in these years. Looking ahead, the ending of this financial support in fiscal year 2023 is not likely to correspond with an end of the enrollment concerns, meaning fund balance use will likely increase in the coming year or two. As a result, this will put financial pressures on many institutions as on-going revenues will need to replace one-time funds or spending reductions will be needed to have a structurally balanced budget.

MEASURES OF FINANCIAL HEALTH

There are several ratios derived from audited financial statements that are used to help assess an institution’s financial health. The Composite Financial Index (CFI) is a combination of four key financial ratios and part of why it is valuable to know is because it is widely used throughout higher education. The CFI score focuses on the ability of the institution’s financial reserves to

withstand unexpected pressures, the ability of the institution to pay off debts, how much the institution's assets have grown in the past year, and how well revenues matched expenses in the past year. The specific ratios included in the CFI score are:

1. The *primary reserve ratio* measures spendable resources on hand compared to the prior year's expenses. (35% weight)
2. The *viability ratio* measures spendable resources on hand compared to total debt and obligations for facilities. (35% weight)
3. The *return on net asset ratio* measures the change in net assets during the prior year compared to where they were at the beginning of the year. (20% weight)
4. The *operating margin ratio* measures the difference between revenues and expenses in the past year as a percentage of those revenues. (10% weight)

Each ratio on its own provides a valuable measure of financial health. When the four are combined and weighted (more heavily on the first two than the second two), the resulting CFI score is the most commonly used measure of financial health for higher education institutions. The system office calculates these values at the end of each year. An adjusted CFI score (separating out pension and other retirement benefits) averaging less than 1.5 over a 2-year period, or less than 0.5 in the most recent year triggers follow-up consultation. For institutions that trigger this indicator, system leadership partners with institutional leadership to better understand specific institutional concerns and plans to ensure financial health going forward.

More readily accessible than financial statement ratios, and often of more immediate importance, are measures of enrollment levels and general fund balance levels. Minnesota State's General Fund contains tuition revenues, state appropriation dollars, and other funds not dedicated or segregated for distinctly separate operations like unique facilities or activities. In addition to CFI, measures included in System Procedure 7.3.16 Financial Health Indicators are:

Enrollment based indicators

- A1. Long-term enrollment: triggered for follow-up by a decline of more than 8 percent over two years
- A2. Short-term enrollment: triggered for follow-up by a shortfall more than 2 percent compared to the change projected in the institution's annual budget

Cash-based indicators

- B1. General fund cash balance: triggered for follow-up by a cash balance of less than 20 percent of annual general fund revenue
- B2. General fund utilization: triggered for follow-up by a general fund balance decline of 10 percent or more over the most recent three-year period

Fiscal year 2022 measures for the system are described below. When any of these measures is triggered for follow-up, system procedure requires schools to prepare reports and plans to be reviewed with System Office leadership.

FISCAL YEAR 2022 FINANCIAL STATEMENT RESULTS

As was presented to the board in November, the [Audited Financial Statements for fiscal year 2022](#) showed slight improvement compared to the fiscal year 2021 results. The system's overall financial position increased by \$256.6 million in fiscal year 2022. Excluding the GASB Statements No. 68 and No. 75 effect, fiscal years 2022 and 2021 net position increased by \$60.5 million, or 2.5 percent and \$23.9 million or 1.0 percent, respectively. Changes in the main revenue and expenditure areas include the following.

- Income (loss) before other revenues, expenses, gains, or losses, experienced a gain of \$221.2 million and a loss of \$20.0 million in fiscal years 2022 and 2021, respectively. This compares to a loss of \$41.7 million in fiscal year 2020. Excluding the effects of GASB Statements No. 68 and No. 75, the system experienced a gain of \$25.1 million in fiscal year 2022, with losses of \$6.6 million and \$24.0 million in fiscal years 2021 and 2020, respectively.
- Compensation, the largest cost category in the system, decreased \$232.5 million, or 16.5 percent, in fiscal year 2022 and decreased \$9.1 million, or 0.6 percent, in fiscal year 2021. Excluding the GASB Statements No. 68 and No. 75 adjustments, the net decrease in compensation was \$21.3 million, or 1.5 percent, and a net decrease of \$4.8 million, or 0.3 percent, in fiscal years 2022 and 2021, respectively. This cost constitutes 62.3 percent of the system's fiscal year 2022 total operating expenses, compared to 68.7 percent for fiscal year 2021.
- The state appropriation and tuition charged to students are the system's two largest revenue sources. The state appropriation increased by \$27.4 million, or 3.6 percent, in fiscal year 2022 following an 0.8 percent increase in fiscal year 2021. Most of the fiscal year 2022 increase was for colleges and universities support.
- Gross tuition revenue decreased \$9.3 million, or 1.2 percent, in fiscal year 2022. This is compared to a decrease of \$27.3 million, or 3.5 percent, and an increase of \$3.6 million, or 0.5 percent, in fiscal years 2021 and 2020, respectively. Undergraduate tuition rates for two-year colleges increased by 3.3 percent on average and for state universities increased by 3.5 percent in fiscal year 2022. This follows tuition rates increasing 3.0 percent at two-year colleges and at state universities in fiscal year 2021. However, increases were not effective until spring term, with summer and fall rates frozen at fiscal year 2020.
- The number of full year equivalent students is a significant factor driving both tuition revenue and operating expenses. The number of full year equivalent for credit students in fiscal years 2022, 2021 and 2020 totaled 108,034, 115,758, and 122,483, respectively. Enrollment in fiscal year 2022 decreased 6.7 percent from fiscal year 2021. This follows an enrollment decrease of 5.5 percent between fiscal year 2021 and 2020.
- Federal grants increased by \$171.8 million, or 42.1 percent in fiscal year 2022 compared to fiscal year 2021, following an increase of \$64.6 million, or 18.8 percent in fiscal year 2021 compared to fiscal year 2020. This increase is primarily attributable to \$334.6 million and \$156.2 million in the Higher Education Emergency Relief Fund (HEERF I, II and III) grant revenue in fiscal years 2022 and 2021 respectively. The fiscal year 2021 HEERF grant revenue

increase was offset by an approximately \$29.0 million Pell grant decrease to account for the smaller total increase to federal grant revenue in that year.

- Financial aid expense increased by \$127.4 million or 119.6 percent in fiscal year 2022 compared to fiscal year 2021, following an increase of \$11.3 million or 11.9 percent in fiscal year 2021 compared to fiscal year 2020. The fiscal year 2022 and 2021 increases are attributable to additional financial aid disbursements to students financed by HEERF grant revenue.
- Total debt supporting the system's capital asset investment programs decreased in fiscal year 2022 by \$47.3 million to a total of \$445.4 million, a 9.6 percent decrease. This decrease was primarily due to the repayment of general obligation and revenue bonds of \$41.6 million. An additional \$56.0 of revenue bonds were refunded. These decreases were offset by \$50.3 million of new general obligation and revenue bonds.
- The system has been building up its cash in fiscal years 2021, 2020, and 2019 to adopt a new Enterprise Resource Planning (ERP) system which began implementation in fiscal year 2021. In fiscal year 2022 expenses outpaced revenues by \$4.0 million.

The slight increases in both revenues and expenses were largely due to the effect of federal HEERF dollars, but the operating margins remained stable with a \$6.6 million operating loss compared to a \$20.0 million operating loss the previous fiscal year. Generally speaking, as in the prior year, declining enrollment and declining operating revenues were offset by the influx of HEERF allocations, which reflects national patterns in higher education finance.

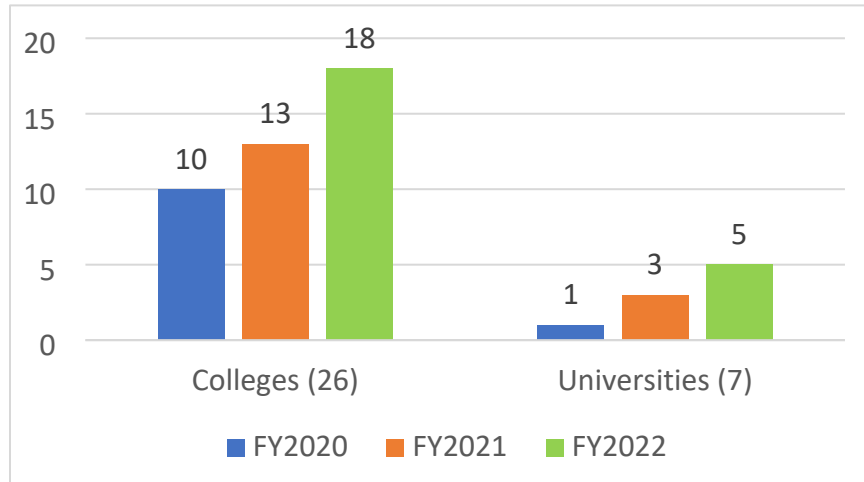
FINANCIAL HEALTH INDICATOR RESULTS

System Procedure 7.3.16 requires examination of the several measures of financial health for individual colleges and universities. The focus of this presentation is on the measures of long-term enrollment change, short-term enrollment change, maintenance of adequate general fund balance, recent use of general fund balance, and Composite Financial Index, CFI. System procedure identifies triggers for each measure which, if triggered, require specific follow-up actions. For historical comparison, the history of Minnesota North's five colleges, which had previously been separately accredited institutions, has been restated as one institution for the charts in this report.

ENROLLMENT-BASED INDICATORS

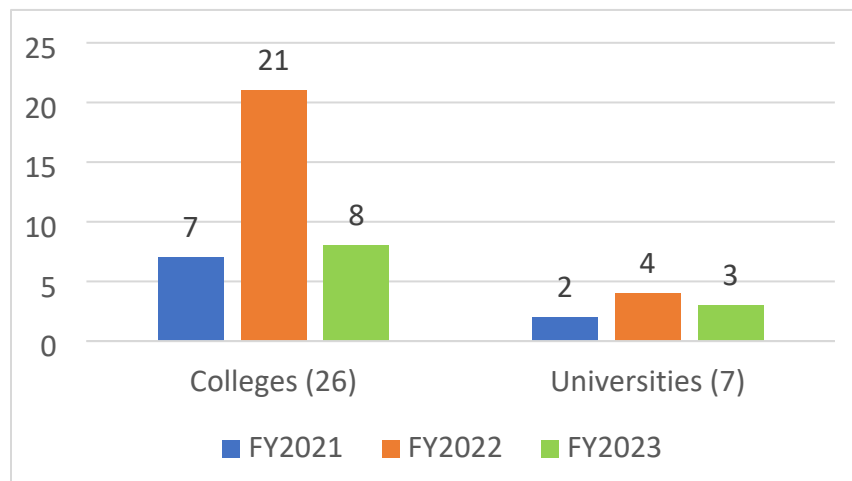
Subpart A1 of the system procedure measures enrollment change over time. For this measure, institutions trigger follow-up action if enrollment has declined more than eight percent over the past two years. Graph 3 shows that eighteen colleges and five universities triggered this measure for fiscal year 2022, numbers worse than fiscal year 2021 and more than twice as many as in fiscal year 2020. As stated above, a significant portion of the recent decline in enrollment does appear to be attributed to the pandemic. Colleges and universities continue to be committed to the implementation of their strategic enrollment management plans.

Graph 3. Enrollment Decline of More than 8% Over 2 Years (A1)



Subpart A2 of the system procedure measures year-to-date enrollment change compared to the annual enrollment change projected in each institution’s annual budget when it was approved at the start of the fiscal year. For this measure, institutions trigger follow-up action if the actual year-to-date enrollment change from the prior year is more than two percent lower than the assumption used in the approved operating budget, excluding concurrent enrollment, which is post-secondary instruction delivered off-campus in high schools. Graph 4 shows for fiscal year 2022 that eight colleges triggered this measure, as compared to twenty-one in fiscal year 2021, and three universities triggered this measure as compared to four in fiscal year 2021.

Graph 4. Year-to-date Enrollment Versus Budgeted (A2)

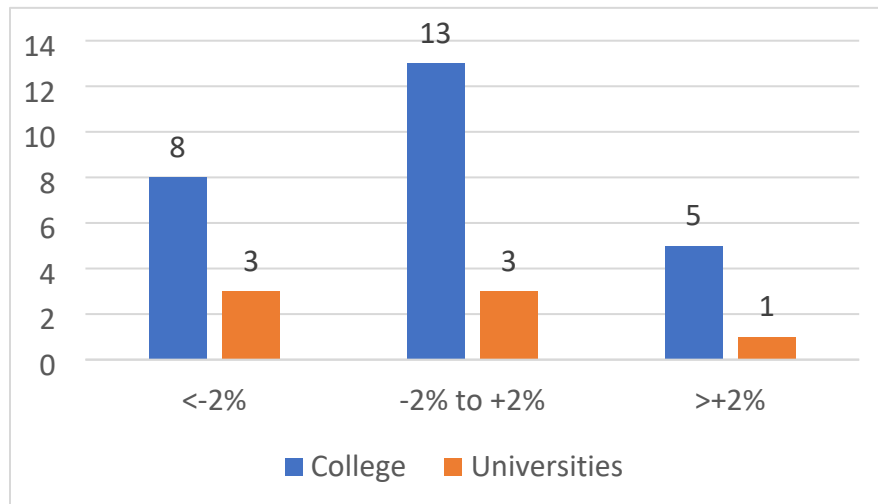


This would suggest that the experience from fiscal year 2021 did give institutions a better ability to predict fiscal year 2022 enrollment, but that it remains difficult to predict enrollment due to the many variables that need to be considered.

Graph 5 shows that thirteen colleges and three universities had fiscal year 2022 enrollment variances within a plus-or-minus two percent band as compared to budgeted enrollment. Five

colleges and one university out-performed their budgeted enrollment number by more than two percent.

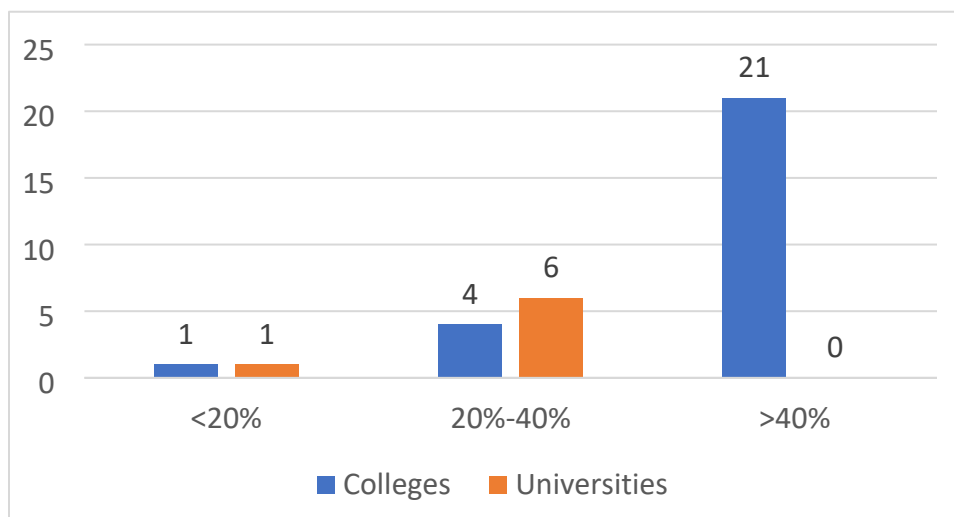
Graph 5. Year-to-date Enrollment Versus Budgeted (A2)



FUND BALANCE-BASED INDICATORS

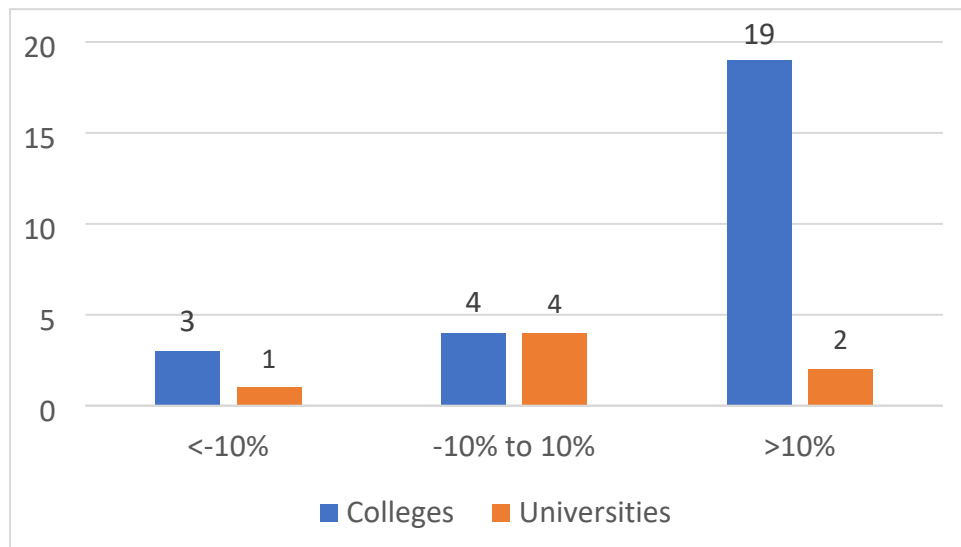
Subpart B1 of the system procedure measures the amount of general fund cash balance each institution has at the end of the fiscal year. For this measure, institutions trigger follow-up action if the cash balance is less than twenty percent of the general fund revenue in that year. As shown in graph 6, one college and one university triggered this measure for fiscal year 2022. Four colleges and the other six universities had fund balances between twenty and forty percent, while most colleges (twenty-one of the twenty-six) had cash balances equal to more than forty percent of the revenue they realized in fiscal year 2022.

Graph 6. Fund Balance Compared to Annual Revenues (B1)



Subpart B2 of the system procedure measures fund balance change over time. For this measure, institutions trigger follow-up action if the year-end general fund cash balance has declined by ten percent or more over the most recent three-year period. As graph 7 shows, three colleges and one university triggered this measure for fiscal year 2022. Four colleges and four universities ended the three-year period between ten percent down and ten percent higher; and nineteen colleges and two universities ended with fund balances more than ten percent higher over the three-year period.

Graph 7. General Fund Balance Change FY2020 to FY2022 (B2)



Triggering this measure sometimes indicates financial distress, but more often than not an institution had been designating fund balances in prior years for a future project or strategic initiative. It is important to compare the results of subpart B1 to this indicator to more fully understand the health of an individual institution’s fund balance.

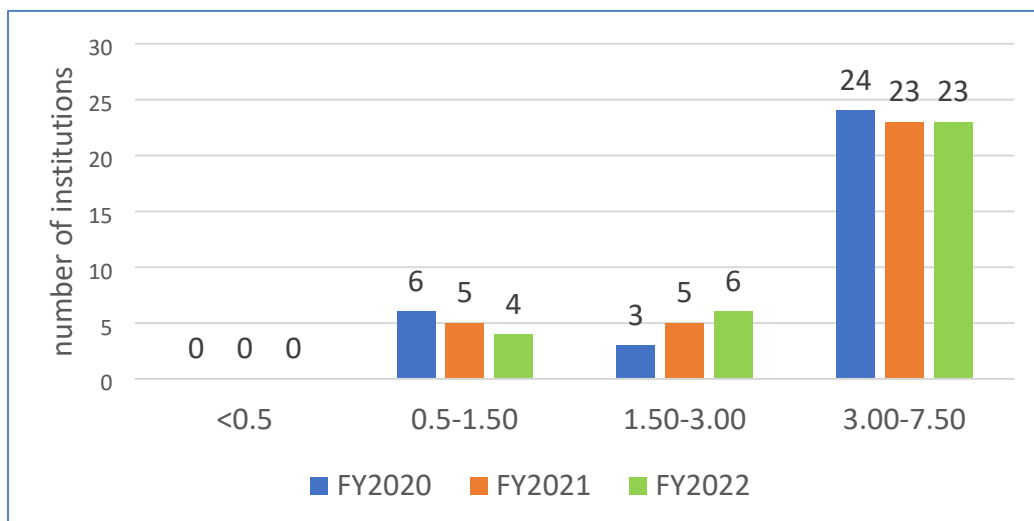
COMPOSITE FINANCIAL INDEX MEASURES

As described above, the CFI measure is derived from the financial statements by combining two ratios of financial position from the system’s balance sheet and two ratios of financial operation from the system’s income statements. CFI scores by definition range from a negative four to a positive ten. An annual CFI value of below 0.5 indicates that an institution could have issues with viability and survival and requires more intense analysis to make sure the situation is properly managed. A CFI of between 0.5 and 1.5 indicates that an institution needs to be re-engineered to have longer term financial stability. A value of 1.5 to 3.0 is considered to be signify stronger financial health and that the organization has moderate capacity to deal with adversity or invest in innovation and opportunity. A CFI value greater than three represents increasingly stronger financial health and the ability to be transformational and to allow for experimentation and new initiatives. It is important to note that this indicator only measures the financial component of an institution’s well-being and it must be analyzed in that context, especially with the achievement of mission.

While CFI measures are only operational at the individual institution level, the combined CFI measure for the system also provides a sense of financial health overall. From fiscal year 2021 to fiscal year 2022, the overall CFI for the system improved slightly from 2.70 to 3.28 when excluding the provisions of the Governmental Accounting Standards Board (GASB) Statements 68 and 75. These provisions address long-term pension and other post-employment benefit obligations which may have significant volatility due to projections of future values of invested funds and actuarial projections of the members covered by each of those retirement funds. In order to focus on nearer-term financial health, it is useful to look at the CFI without the effects of these retirement-related provisions. When including these provisions, the system’s CFI has improved from a 0.41 to a 3.62 CFI score. As a reminder, the audited financial statements use the full accrual method of accounting, so non-cash items like depreciation are included on the expense side and the ratios used in the CFI scores measure operating positions from a non-cash basis.

Looking at CFI results at the institutional level, Graph 8 summarizes the fiscal year 2022 CFI scores for the system’s colleges and universities.

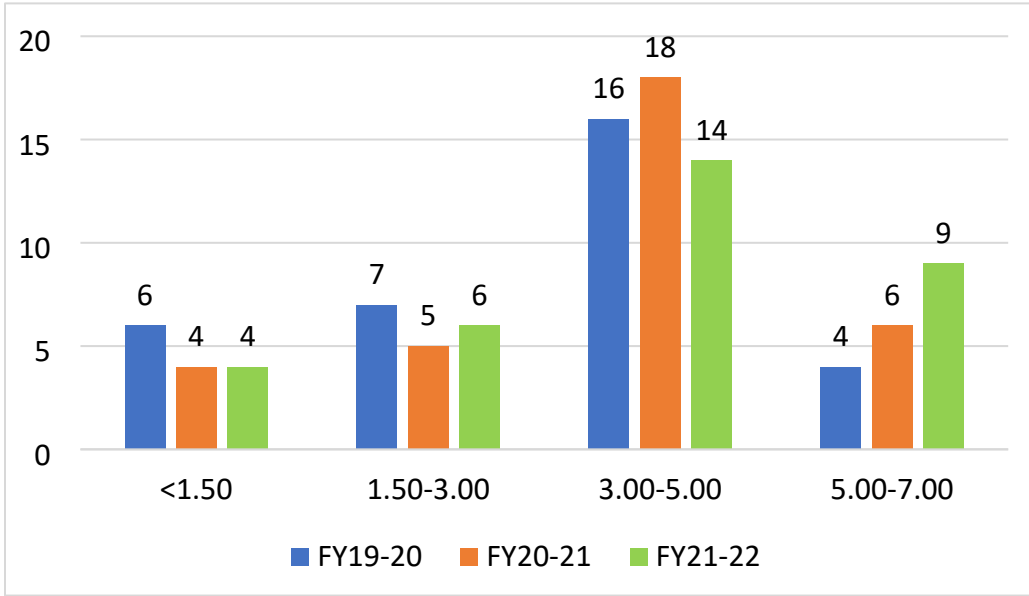
Graph 8. Annual Composite Financial Index (CFI) Scores for FY 2022



This graph shows that the overall pattern is one of stability. System procedure requires follow up if an institution’s annual CFI score is less than 0.5. As was the case in fiscal year 2021, the system did not have any college or university below 0.5 for fiscal year 2022. In previous years one or two institutions had been below 0.5. Looking at numbers between 0.5 and 1.5, four institutions fall in this range. Between 1.5 and 3.0, there were six institutions this past year. And looking at institutions between 3.0 and 7.0, there were 23.

To take a slightly longer-term look at CFI, the system procedure also sets a trigger for two-year average CFI scores. Looking at the two-year average CFI numbers, we do see some improvement but as in the past, some institutions have triggered this measure for review. As Graph 9 shows, four institutions had two-year average CFI scores of less than 1.5, six fell into the 1.5 to 3.0 range, fourteen fell into the 3.0 to 5.0 range, and nine achieved the 5.0 to 7.0 range.

Graph 9. Two-year Average CFI Scores for FY 2022

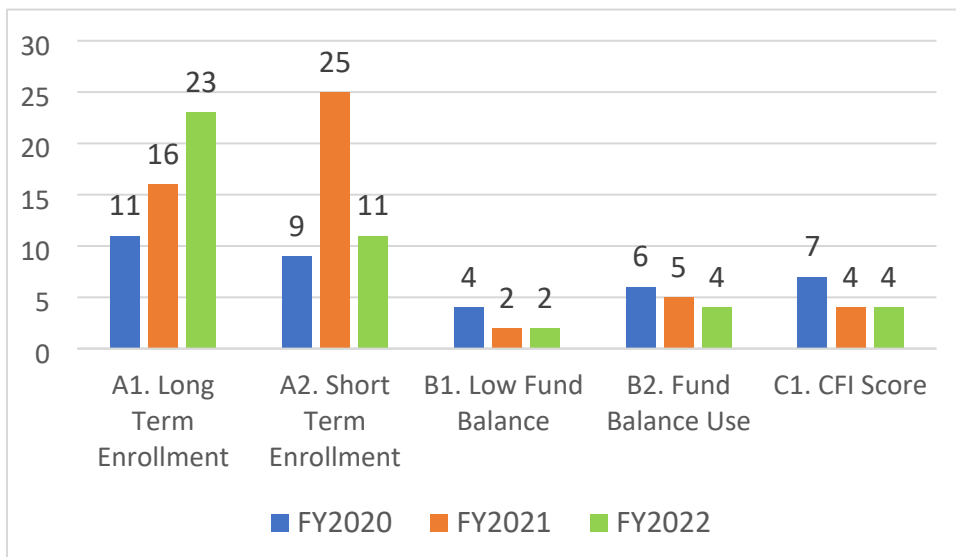


System procedure requires follow up if an institution’s two-year moving average CFI score is less than 1.5. These results show improvement over recent years and indicate that the institutions have managed to the unique dynamics of the pandemic and leveraged HEERF funds in ways that maintain their financial health.

SUMMARY OF FINANCIAL HEALTH INDICATORS AND FOLLOW-UP ACTIONS

Graph 10 summarizes the number of institutions that have triggered each financial health measure for the past three fiscal years.

Graph 10. Summary of Financial Health Indicators FYs 2020, 2021, 2022



This graph shows again the significance of the enrollment concerns currently challenging colleges and universities. The enrollment changes institutions have faced recently are significantly greater than pre-pandemic trends, significantly challenging budget and other planning processes. Of the five measures, four colleges triggered none of them, fifteen colleges triggered one, six colleges triggered two, and one college triggered three. One university triggered no measures, three universities triggered one, one university triggered two, one university triggered three, and one university triggered four.

While the fund balance measures show more stability, the effect of federal HEERF dollars that have supported general fund activities masks the true nature of the challenges posed by reductions in revenues and increases in costs brought on by the pandemic and declining enrollments. A return to a more normal structural balance between sources and uses of fund will likely require substantially more time than the federal assistance will last. With the extension of the availability of federal HEERF dollars, fiscal year 2023 is proving to have many similarities to fiscal year 2022 for many institutions. Expectations for fiscal year 2024 are that additional efforts will be required to meet the financial challenges in declining enrollments.

For colleges and universities that triggered one of the enrollment measures, system procedure requires preparation of revised enrollment plans and budgets that incorporate the associated revenue losses. Those institutions that triggered the short-term enrollment indicator have already provided responses for these variances.

For colleges and universities that triggered one of the fund balance measures or the CFI measure, financial plans must be developed to identify the changes that will bring the institution back into a financial situation that will not trigger the measure. These plans are being prepared this month. Once plans are submitted, discussions will take place to include the presidents and members of their leadership teams, the vice chancellor for finance and facilities, and others. The board will be updated on budgets and related matters in the coming months.

REVIEW AND UPDATES TO SYSTEM PROCEDURE 7.3.16

System Procedure 7.3.16 on financial health indicators was last updated in August 2016. Since then, the work done with colleges and universities to respond to situations that triggered these measures has prompted the question of whether there could be improvements to the effectiveness of the measures. The effects of the pandemic have provided new experience with unique new stresses on revenues paired with the one-time funding assistance provided by federal HEERF dollars.

Over the past several months, the Finance Resource Allocation and Policy (FRAP) group performed a review of System Procedure 7.3.16. The FRAP group operates in an advisory capacity to the Finance and Facilities division. FRAP includes members from colleges and universities, large and small in size, with single and multiple campuses and campuses that are urban and more rural. Members come from academic and student affairs, institutional research, equity and inclusion, finance, and business offices. During the review of System Procedure 7.3.16, the FRAP group discussed the overall policy goals behind the procedure, the rationale and usefulness of each existing measure, ideas for changing existing measures or adding additional measures. Based on

those discussions, the group made recommendations for updates to the procedure.

One of the main recommendations is to add measures specific to the Revenue Fund. The Revenue Fund exists separately from the General Fund for the campus facilities that have unique operations generating revenues expected to fund the costs of operating those facilities. This was not a new idea, but it did take on more importance during the pandemic, which caused significant reductions in the use of Revenue Fund facilities. Significant reductions in on-campus housing and dining facilities were especially prominent at universities. Both colleges and universities saw reductions in food service, parking facilities, and events and other ongoing activities that generated the revenues needed to run Revenue Fund facilities. While HEERF dollars provided support to backfill lost revenues at many institutions, ongoing enrollment declines and changes in the numbers of students and visitors to campus have been posing new challenges to Revenue Fund activities. Many colleges and universities have had to use fund balance to balance these budgets as HEERF funds were not adequate to fill the entire revenue gap. Operating budget updates provided to the board have separated out the Revenue Fund and have shown the effects of these changes at the system level. For example, the October budget update showed that Revenue Fund revenues were \$17 million (almost 15 percent) less in fiscal year 2023 compared to fiscal year 2019.

Because residential housing makes up roughly 74 percent of Revenue Fund revenues, one recommendation is to add a measurement of occupancy in on-campus housing. As reported in the October budget update, bed utilization declined by 29 percent between fiscal year 2019 and fiscal year 2023. Adding this as a measure in system procedure would provide consistency and transparency to our colleges and universities tracking of this revenue variable going forward.

At a higher level, fund balance measures already calculated for the Revenue Fund as part of ongoing reporting to national credit rating agencies could also be monitored within the context of the system procedure. Since one significant use of Revenue Fund revenues is the payment of debt service on funds borrowed, it would be useful to monitor at each college and university the ability of operating surpluses to cover annual debt service on an ongoing basis.

Another recommendation was to somehow expand the measurement of fund balance health to include more specifically how it is used to balance ongoing general fund operating budgets. Looking at budget numbers is more forward-looking than looking at year-end numbers. While budgets are plans subject to change, the thinking is a budget-related measure could prompt earlier discussions of potential concerns and the plans to address them.

Additional recommendations included better alignment and clarity on reporting dates, data requirements and resolution parameters, and focusing resolution requirements more on strategic management than addressing specific current numbers.

Based on these recommendations, formal edits to the procedure are being prepared for public review. After any changes made as a result of the public review process, it is anticipated that the updated procedure will be used in the fiscal year 2023 financial health review.

Workforce and Organizational Effectiveness Committee
January 25, 2023
10:15 a.m.
McCormick Room, 4th Floor

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.

In a closed session pursuant to Minn. Stat. §13D.03, Closed Meetings for Labor Negotiations Strategy, the Board will hear the current status of labor contract negotiations and will discuss strategy.

1. Update on Labor Negotiations Strategy

Committee Members

George Soule, Chair
Kathy Sheran, Vice Chair
Dawn Erlandson
Tim Huebsch
Javier Morillo
Cheryl Tefer

President Liaisons

Carrie Brimhall
Robbyn Wacker

Bolded items indicate action required.





MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Workforce and Organizational Effectiveness Committee **DATE:** January 25, 2023

TITLE: Update on Labor Negotiations Strategy

- Proposed New Policy or Amendment to Existing Policy Approvals Required by Policy Other Approvals
- Monitoring/Compliance Information

PRESENTERS

Eric Davis, Vice Chancellor for Human Resources
Chris Dale, Sr. System Director for Labor Relations

PURPOSE

In a closed session pursuant to Minnesota Statutes §13D.03, Closed Meeting for Labor Negotiations Strategy, the Board will hear the current status of labor contract negotiations.

BACKGROUND INFORMATION

Vice Chancellor for Human Resources Eric Davis, Sr. System Director for Labor Relations Chris Dale will provide an update on the upcoming round of bargaining for FY2024 and FY2025.



Academic and Student Affairs Committee
January 25, 2023
11:00 a.m.
McCormick Room, 4th Floor

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 18, 2022**
2. Proposed Amendment to Board Policy 2.8 Student Life (First Reading)
3. Review of Board Policy 3.42 Posthumous Academic Awards
4. Institutional and Specialized Accreditation

Committee Members

Cheryl Tefer, Chair
Alex Cirillo, Vice Chair
Victor Ayemobuwa
Jerry Janezich
Javier Morillo
Kathy Sheran

President Liaisons

Scott Olson
Deidra Peaslee

Bolded items indicate action required.





**Academic and Student Affairs Committee
Meeting Minutes
October 18, 2022**

A meeting of the Academic and Student Affairs Committee of the Board of Trustees was held on October 18th, 2022.

Committee members present: Cheryl Tefer, Chair; Alex Cirillo, Vice Chair; Victor Ayemobuwa, Jerry Janezich and Kathleen Sheran

Committee members absent: Asani Ajogun, Javier Morillo, April Nishimura, Oballa Oballa, Michael Vekich

Other board members present: Jay Cowles, Dawn Erlandson, Roger Moe, Rudy Rodriguez and George Soule

Staff present: Devinder Malhotra, Chancellor; Satasha Green-Stephen, Sr. Vice Chancellor for Academic and Student Affairs

The meeting materials for this meeting are available [here](#) starting on page 11. An audio recording of the meeting is available [here](#).

Committee Chair Tefer called the meeting to order at 11:30 a.m.

Agenda Item 1: Approval of the Meeting Minutes for June 21, 2022

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

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

Agenda Item 2: FY2023 Committee Workplan

Committee Chair Tefer invited Sr. Vice Chancellor Satasha Green-Stephen to present FY23 Committee Workplan, as detailed in the meeting materials. The meeting materials for this item begin on page 15.

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

Agenda Item 3: Academic and Student Affairs Planning Framework

Committee Chair Tefer invited Sr. Vice Satasha Green-Stephen to present Academic and Student Affairs Planning Framework, as detailed in the meeting materials. The meeting materials for this item begin on page 19.

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

Adjournment

The committee chair adjourned the meeting at 11:46 a.m.



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Academic and Student Affairs Committee

DATE: January 25, 2023

TITLE: Proposed amendment to Board Policy 2.8 Student Life (First Reading)

Proposed New Policy /
Amendment to Existing Policy

Approvals Required by Policy

Other Approvals

Monitoring/Compliance

Information

PRESENTERS

Satasha Green-Stephens, Senior Vice Chancellor for Academic and Student Affairs

PURPOSE

Board Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration, Part 6. Board Policies and System Procedures requires board review and approval of proposed board policy changes and that each board policy is reviewed at least once every five years.

BACKGROUND INFORMATION

The proposed amendment adds a reference to the consultation process in System Procedure 2.3.1 Student Involvement in Decision-Making to Part 3, Subpart D. Authority for expenditures. Several minor edits were also made to improve the clarity of the language.

RECOMMENDED COMMITTEE MOTION (FIRST READING DRAFT)

The Academic and Student Affairs Committee recommends that the Board of Trustees approve the proposed amendment to Board Policy 2.8 Student Life.

RECOMMENDED BOARD MOTION (FIRST READING DRAFT)

The Board of Trustees approve the proposed amendment to Board Policy 2.8 Student Life.

Date Presented to the xxx Committee: 01/25/23

Date Presented to the Board of Trustees: First reading – no action taken.

Date of Implementation: TBD

PROPOSED CHANGES (FIRST READING DRAFT)

Single underlining represents proposed new language.

Strikeouts represent existing language proposed to be removed.

1 **2.8 Student Life**

2

3 **Part 1. Purpose**

4 To provide student life programing resulting in a wide range of student activities that contribute
5 to the educational, cultural, or physical well-being of the student body.

6

7 **Part 2. Student Life/Activity Program**

8 Colleges and universities shall establish a student life/activity program. The revenue generated
9 by the student life/activity fee authorized by Board Policy 5.11 Tuition and Fees and by System
10 Procedure 5.11.1 Tuition and Fees must be used to fund student activities as defined in
11 ~~Minn.~~esota Stat.~~ute Section~~§ 136F.01, Subd. 5. The student life/activity program must be
12 administered in accordance with board policies and system procedures and consistent with
13 Minn. Stat. §136F.72, Subd. 3.

14

15 **Part 3. Student Life Committee**

16

17 **Subpart A. Establishment and membership.**

18 Each college and university shall have one or more student life/activity committees, as
19 appropriate. The campus student association(s) may serve in this capacity. The campus
20 student association(s) shall appoint the student members of the student life/activity
21 committee(s). The campus student association shall establish the membership structure of
22 the student life/activity committee, and at least two-thirds of the membership must be
23 ~~made up of~~ students.

24

25 After consulting with the college or university president or designee, the campus student
26 association(s) may review and amend the membership structure of the student life/activity
27 committee to take effect in the next academic year.

28

29 **Subpart B. Committee responsibility**

30 The committee(s) shall annually recommend to the campus student association(s) the
31 amount of the fee in the ensuing fiscal year, the allocation of revenues, policies and
32 procedures for oversight of the student life/activities budget, and expenditures consistent
33 with college or university policies and procedures, ~~and~~ Board Policy 5.11 Tuition and Fees, ~~and~~
34 ~~and~~ System Procedures 5.11.1 Tuition and Fees and 2.8.1 Student Life.

35

36 **Subpart C. Campus student association**

37 On each campus, the student life/activity fee must fund the campus student association as
38 defined in Board Policy 2.1 Campus Student Associations.

38

39 **Subpart D. Authority for expenditures**
40 The president of the college or university shall approve, reject, or modify the student
41 life/activity fee and/or budget and authorize the collection and expenditure of such fees. [In](#)
42 [alignment with System Procedure 2.3.1 Student Involvement in Decision-Making](#), ~~the~~
43 [college or university shall consult with the](#) campus student association(s) ~~must be consulted~~
44 [on](#)regarding any modification to their budget and expenditure recommendation prior to
45 implementation. Student life/activity fund balances must carry-over into the next fiscal
46 year.

47
48 **Subpart E. Budget reserves**
49 Budget reserves may be established for the student life/activity funds. The status of such
50 reserves must be reported annually to the student life/activity committee and campus
51 student association.

Related Documents

- [Board Policy 2.1](#) Campus Student Associations
- [Board Policy 5.11](#) Tuition and Fees
- [System Procedure 2.3.1 System Procedure 2.3.1 Student Involvement in Decision-Making](#)
- [System Procedure 2.8.1](#) Student Life
- [System Procedure 5.11.1](#) Tuition and Fees

To view the following related statutes, go to the Revisor's Web site (www.revisor.mn.gov). You can conduct a search from this site by typing in the statute number.

- Minn. Stat. § 135A.0434 Mandatory Student Activity Fees Referendum
- Minn. Stat. § 136F.01 Definitions, Subd. 5 Student activities

Policy History

Date of Adoption: 7/18/95
Date of Implementation: 7/18/95
Date of Last Review: 05/16/18

Date and Subject of Amendment:

XX/XX/23 – In Part 3, Subpart D, added a reference to the consultation process in System Procedure 2.3.1 Student Involvement in Decision-Making and wrote that section in the active voice. Minor edits were made regarding grammar and writing style.

05/16/18 – Updated the policy language, relocated the viewpoint neutral language to the corresponding System Procedure 2.8 Student Life, and applied the new formatting and writing styles.

6/16/04 - added a new Part 1 Student Life/Activity Program; deleted definitions; amended Part 2, Subpart A and Subpart B; Deleted Subpart C Budget Preparations; former Subpart D became the new Subpart C; Added a new Subpart D and Subpart E; Deleted Part 3.

*Additional **HISTORY***



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Academic and Student Affairs

DATE: January 25, 2023

TITLE: Review of Board Policy 3.42 Posthumous Academic Awards

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

PRESENTERS

Satasha Green-Stephens, Senior Vice Chancellor for Academic and Student Affairs

PURPOSE

Board Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration, Part 6. Board Policies and System Procedures requires board review and approval of proposed changes to board policy and that each board policy is reviewed at least once every five years.

BACKGROUND INFORMATION

Board Policy 3.42 Posthumous Academic Awards was reviewed, and no changes are being proposed.

RECOMMENDED COMMITTEE MOTION (FIRST READING DRAFT)

Information

RECOMMENDED BOARD MOTION (FIRST READING DRAFT)

Information

<i>Date Presented to the xxx Committee:</i>	<i>01/25/23</i>
<i>Date Presented to the Board of Trustees:</i>	<i>First reading – no action taken.</i>
<i>Date of Implementation:</i>	<i>TBD</i>

PROPOSED CHANGES (FIRST READING DRAFT)

3.42 Posthumous Academic Awards

Part 1. Purpose

To recognize the work and achievements of a student who completed a significant amount of the requirements for a degree, diploma, or certificate but dies before the degree, diploma, or certificate is conferred.

Part 2. Definition

Posthumous Academic Award

A degree, diploma, or certificate awarded after the recipient's death.

Part 3. Authorization

Colleges and universities may confer posthumous degrees, diplomas, or certificates in compliance with system procedures.

Related Documents:

- [Board Policy 3.18](#) Honorary Degrees
- [Board Policy 3.36](#) Academic Awards
- [System Procedure 3.18.1](#) Honorary Degrees
- [System Procedure 3.36.1](#) Academic Awards
- [System Procedure 3.42.1](#) Posthumous Academic Awards
- [System Procedure 5.12.2](#) Tuition Waivers, Deferrals, and Retroactive Drops

Policy History:

Date of Adoption: 10/17/18

Date of Implementation: 10/17/18

Date of Last Review: n/a

Date & Subject of Amendments:

Xx/xx/2023 – Full review, no changes.

No additional HISTORY



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Academic and Student Affairs

DATE: January 25, 2023

TITLE: Institutional and Specialized Accreditation

- Proposed New Policy or Amendment to Existing Policy Approvals Required by Policy Other Approvals
- Monitoring/Compliance Information

PRESENTERS

Satasha Green-Stephen, Senior Vice Chancellor for Academic and Student Affairs
Jesse Mason, Interim Associate Vice Chancellor for Academic Affairs
Nerita Hughes, Interim Associate Vice President of Academic Affairs and Workforce Innovation, North Hennepin Community College
Mary Fenske, Paralegal Program Director, North Hennepin Community College
Rebecca Bates, Professor and Chair, Department of Integrated Engineering, Minnesota State University, Mankato
Cody Mann, Director of Operations, Iron Range Engineering
Jayant Anand, Dean of the School of Science, Technology, Engineering and Math, North Hennepin Community College
Ashley Martin, Medical Laboratory Technology Coordinator and Faculty, North Hennepin Community College
Louise Millis, Medical Laboratory Science and Histotechnician Program Director and Professor of Biology, St. Cloud State University

PURPOSE

This informational presentation revisits the topic of accreditation, which was shared with the Academic and Student Affairs Committee in May 2022, and will highlight the importance of accreditation in providing an external evaluation of quality, both in academic programs and more broadly in areas such as governance, administration, and financial sustainability. This presentation will provide a brief summary of institutional accreditation through the Higher Learning Commission and the role of the Board of Trustees in the accreditation process. Additionally, it will describe the function and role of specialized accreditation and its relationship to licensure and certification in some disciplines. Representatives from colleges and universities will discuss examples of specialized accreditation.

BACKGROUND INFORMATION

Accreditation is the process by which entire institutions and/or programs and schools within institutions undergo an external peer evaluation to assess that institutions or program's quality and adherence to a set of accreditation criteria that typically cover curriculum, co-curriculum, assessment, leadership and governance, and financial sustainability.

The accreditation landscape in the United States includes both national and specialized accrediting bodies. National accreditors evaluate entire institutions. Historically, institutional accreditation was managed across six accreditation regions in the United States, the largest of which is the north central region of which Minnesota is a part. The Higher Learning Commission (HLC) is the accreditor for the north central region. More recently, accreditation has shifted from a regional model to a national model for institutional accreditation.

The HLC describes institutional accreditation as follows:

Institutional accreditation validates the quality of an institution's academic programs at all degree levels, whether delivered on-site, online or otherwise.

Institutional accreditation also examines the quality of the institution beyond its academic offerings and evaluates the institution as a whole, including the soundness of its governance and administration, adherence to mission, the sustainability of its finances, and the sufficiency of its resources.

There is a regular cycle of accreditation activities that institutions must complete in order to maintain accreditation with HLC.

In addition to institutional accreditation, there are more than 70 specialized accreditors that evaluate specific academic programs in disciplines such as teacher education, business, and many health professions. Because they most often accredit specific academic programs, these specialized accreditors are sometimes referred to as "programmatic" accreditors. Most colleges and universities manage multiple specialized accreditation relationships and review cycles in addition to their accreditation with HLC.



Workforce and Organizational Effectiveness Committee
January 25, 2023
1:00 p.m.
McCormick Room, 4th Floor

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 November 15 and 16, 2022**
- 2. Appointment of President for Hennepin Technical College**
- 3. Appointment of President for St. Cloud Technical and Community College**

Committee Members

George Soule, Chair
Kathy Sheran, Vice Chair
Dawn Erlandson
Tim Huebsch
Javier Morillo
Cheryl Tefer

President Liaisons

Carrie Brimhall
Robbyn Wacker

Bolded items indicate action required.





**Workforce and Organizational Effectiveness Committee
Meeting Minutes
November 15, 2022**

A meeting of the Workforce and Organizational Effectiveness Committee of the Board of Trustees was held on November 15, 2022.

Committee members present: George Soule, Chair; Kathy Sheran, Vice Chair; Dawn Erlandson, Tim Huebsch, Cheryl Tefer

Committee members absent: Javier Morillo

Other board members present: Victor Ayemobuwa, Alex Cirillo, Jay Cowles, Jerry Janezich, Roger Moe, April Nishimura

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

The meeting materials for this meeting are available [here](#), starting on page 15. An audio recording of the meeting is available [here](#).

Committee Chair Soule called the meeting to order at 3:09 p.m.

Agenda Item 1: Emeritus Recognition

Committee Chair Soule invited Chancellor Malhotra to present Emeritus Recognition, as detailed in the meeting materials. The meeting materials for this item begin on page 16.

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

Upon the recommendation of Chancellor Malhotra, in recognition that the following individuals have served as presidents with great distinction, the Board of Trustees hereby confers the honorary title of President Emeritus upon Dennis Bona, Northland Community and Technical College; Richard Davenport, Minnesota State University, Mankato; Connie Gores, Southwest Minnesota State University; Faith Hensrud, Bemidji State University and Northwest Technical College; Patrick Johns, Anoka-Ramsey Community College and Lake Superior College; Laura Urban, Alexandria Technical and Community College.

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

Trustee Erlandson	Yes
Trustee Huebsch	Yes
Trustee Morillo	Absent
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Tefer	Yes

The committee voted to approve the recommended motion.

Adjournment

The committee chair adjourned the meeting at 3:25 p.m.

**Workforce and Organizational Effectiveness Committee
Meeting Minutes
November 16, 2022**

A meeting of the Workforce and Organizational Effectiveness Committee of the Board of Trustees was held on November 16, 2022.

Committee members present: George Soule, Chair; Kathy Sheran, Vice Chair; Tim Huebsch, Cheryl Tefer

Committee members absent: Dawn Erlandson, Javier Morillo

Other board members present: Alex Cirillo, Jay Cowles, Jerry Janezich, Roger Moe, April Nishimura

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

The meeting materials for this meeting are available [here](#), starting on page 92. An audio recording of the meeting is available [here](#).

Committee Chair Soule called the meeting to order at 3:29 p.m.

Agenda Item 1: Approval of the Meeting Minutes for October 18, 2022

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

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

Agenda Item 2: Appointment of General Counsel

Committee Chair Soule invited Chancellor Malhotra to present Appointment of General Counsel, as detailed in the meeting materials. The meeting materials for this item begin on page 95.

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

The Board of Trustees, upon recommendation of Chancellor Malhotra, appoints Scott Goings as General Counsel, with the anticipated effective date of November 16, 2022, subject to the completion of an employment agreement. The Board authorizes the chancellor, in consultation with the chair of the board and chair of the Workforce and Organizational Effectiveness Committee, to negotiate and execute an employment agreement in accordance with the terms and conditions of the Minnesota State Colleges and Universities Personnel Plan for Administrators.

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

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

Trustee Huebsch	Yes
Trustee Erlandson	Absent
Trustee Morillo	Absent
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Tefer	Yes

The committee voted to approve the recommended motion.

Adjournment

The committee chair adjourned the meeting at 3:37 p.m.



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Workforce and Organizational Effectiveness Committee **DATE:** January 25, 2023

TITLE: Appointment of President for Hennepin Technical College

- Proposed New Policy or Amendment to Existing Policy
- Approvals Required by Policy
- Other Approvals
- Monitoring/Compliance
- Information

PRESENTERS

Devinder Malhotra, Chancellor

PURPOSE

A president will be selected for Hennepin Technical College

BACKGROUND INFORMATION

It is anticipated that Chancellor Malhotra will recommend an individual to appoint as President of Hennepin Technical College.

RECOMMENDED COMMITTEE MOTION

The Workforce and Organizational Effectiveness Committee recommends that the Board of Trustees adopt the following motion.

RECOMMENDED BOARD MOTION

The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoints _____ as President of Hennepin Technical College, with the anticipated effective date of _____, 2023, subject to the completion of an employment agreement. The board authorizes the chancellor, in consultation with the chair of the board and chair of the Workforce and Organizational Effectiveness Committee, to negotiate and execute an employment agreement in accordance with the terms and conditions of the Minnesota State Colleges and Universities Personnel Plan for Administrators.

Date Presented to the Workforce and Organizational Effectiveness Committee: 01/25/23

Date Presented to the Board of Trustees: 01/25/23

Date of Implementation: xx/xx/23



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Workforce and Organizational Effectiveness Committee **DATE:** January 25, 2023

TITLE: Appointment of President for St. Cloud Community and Technical College

- Proposed New Policy or Amendment to Existing Policy Approvals Required by Policy Other Approvals
- Monitoring/Compliance Information

PRESENTERS

Devinder Malhotra, Chancellor

PURPOSE

A president will be selected for St. Cloud Technical and Community College.

BACKGROUND INFORMATION

It is anticipated that Chancellor Malhotra will recommend an individual to appoint as President of St. Cloud Community and Technical College.

RECOMMENDED COMMITTEE MOTION

The Workforce and Organizational Effectiveness Committee recommends that the Board of Trustees adopt the following motion.

RECOMMENDED BOARD MOTION

The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoints _____ as President of St. Cloud Technical and Community College, with the anticipated effective date of _____, 2023, subject to the completion of an employment agreement. The board authorizes the chancellor, in consultation with the chair of the board and chair of the Workforce and Organizational Effectiveness Committee, to negotiate and execute an employment agreement in accordance with the terms and conditions of the Minnesota State Colleges and Universities Personnel Plan for Administrators.

Date Presented to the Workforce and Organizational Effectiveness Committee: 01/25/23

Date Presented to the Board of Trustees: 01/25/23

Date of Implementation: xx/xx/23



Board of Trustees Meeting
January 25, 2023
1:45 p.m.
McCormick Room, 4th Floor

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](#).

Call to Order, Roger Moe, Chair

Chancellor’s Report, Devinder Malhotra

Chair’s Report, Roger Moe

Consent Agenda

- 1. Minutes of the Board of Trustees Meeting, November 16, 2022**
- 2. Select Audit Firm for Systemwide External Auditing Services**
- 3. Select Audit Firm for Internal Auditing Services**
- 4. Revise Office of Internal Auditing Charter**
- 5. Proposed Amendment to Board Policies – Technical Changes**
 - a. Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration**
 - b. Policy 1A.4 System Administration Appointment of Administrators**
 - c. Policy 1C.2 Fraudulent and Other Dishonest Acts**
 - d. Policy 1D.1 Office of Internal Auditing**
- 6. Contracts Requiring Board Approval**
 - a. Crawford B. Hall Restroom Renovation, Minnesota State University, Mankato**
 - b. Social Media Ad Placement, Minnesota State University, Mankato**
 - c. eProcurement, Contracts, and Sourcing Enterprise Software Renewal, System Office**
 - d. External Auditing Services, FY23-25, System Office**
 - e. Internal Auditing Services, FY23-25, System Office**

Workforce and Organizational Effectiveness Committee, George Soule, Chair

- **Appointment of President for Hennepin Technical College**
- **Appointment of President for St. Cloud Technical and Community College**

Academic and Student Affairs Committee, Cheryl Tefer, Chair

- Report of the Committee

Audit Committee, Alex Cirillo, Chair

- Report of the Committee

Finance and Facilities Committee, Jay Cowles, Chair

- Report of the Committee

Outreach and Engagement Committee, Dawn Erlandson, Chair

- Report of the Committee

Student Associations

1. Lead MN, Ali Tomashek, President
2. Students United, Kaileigh Weber, State Chair

Minnesota State Colleges and Universities Bargaining Units

1. American Federation of State, County, and Municipal Employees Council 5, Minnesota State Policy Committee, Jennifer Erwin, President
2. Inter Faculty Organization, Jenna Chernega, President
3. Middle Management Association, Gary Kloos, Executive Director
4. Minnesota Association of Professional Employees, Nicole Emerson, Regional Director
5. Minnesota State College Faculty, Matt Dempsey, Acting President
6. Minnesota State University Association of Administrative and Service Faculty, Alex Kromminga, President

Trustee Reports

Adjournment

Bolded items indicate action is required.



Consent Agenda
January 25, 2023

-
- 1. Minutes of the Board of Trustees Meeting, November 16, 2022**
 - 2. Select Audit Firm for Systemwide External Auditing Services**
 - 3. Select Audit Firm for Internal Auditing Services**
 - 4. Revise Office of Internal Auditing Charter**
 - 5. Proposed Amendment to Board Policies – Technical Changes**
 - a. Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration**
 - b. Policy 1A.4 System Administration Appointment of Administrators**
 - c. Policy 1C.2 Fraudulent and Other Dishonest Acts**
 - d. Policy 1D.1 Office of Internal Auditing**
 - 6. Contracts Requiring Board Approval**
 - a. Crawford B. Hall Restroom Renovation, Minnesota State University, Mankato**
 - b. Social Media Ad Placement, Minnesota State University, Mankato**
 - c. eProcurement, Contracts, and Sourcing Enterprise Software Renewal, System Office**
 - d. External Auditing Services, FY23-25, System Office**
 - e. Internal Auditing Services, FY23-25, System Office**





**Board of Trustees
Meeting Minutes
November 16, 2022**

A meeting of the Board of Trustees was held on November 16, 2022.

Trustees present: Roger Moe, Chair; George Soule, Vice Chair; Alex Cirillo, Jay Cowles, Dawn Erlandson, Tim Huebsch, Jerry Janezich, April Nishimura, Kathy Sheran, Cheryl Tefer

Trustees absent: Asani Ajogun, Victor Ayemobuwa, Jim Grabowska, Javier Morillo, Oballa Oballa

Staff present: Devinder Malhotra, Chancellor

The meeting materials for this meeting are available [here](#), starting on page 96. An audio recording of the meeting is available [here](#).

Chair Moe called the meeting to order at 3:37 p.m.

Chancellor's Report, Devinder Malhotra

Chair Moe, Vice Chair Soule, and trustees:

Thank you and all the trustees for your engagement over these past few days. There was a lot of important work and discussions that took place and without a doubt we are energized for the work ahead. It was a pleasure to recognize several of our colleagues who earned emeritus status and to meet past trustees and presidents that helped build Minnesota State. It was an important reminder to me that relationships are crucial to our success and the deep commitment to Minnesota State remains strong with leaders of the past.

Chair Moe – you charged us back in July to think BOLD as we prepared ourselves for the upcoming biennial budget request. I think we have fulfilled that request. The budget that has been discussed over the past few months is the culmination of listening to both internal and external stakeholders led by Vice Chancellor Maki. I appreciate the efforts by him and his team to develop a budget that meets the needs of our students and to provide our faculty, staff, and campus and system leaders with the tools we need.

I am deeply appreciative of the support by Students United, LeadMN, IFO, MSCF, MSUAASF, AFSCME, and MAPE as expressed in their joint letter shared with us today.

It cannot be overstated the importance of the synergy of all Minnesota State partners working together to tell our story on how our campuses deliver for communities across Minnesota and the students in which we serve. We may have a BOLD request but only together will we be BOLD in our actions. Our request is going to need heavy lifting by all – our board, our presidents, and most importantly our campuses. The campus story is what makes our work real – it is what binds our policymakers to the communities they serve. Chair Moe, in the coming weeks your work in meeting statewide organizations as well as the charge to campus leaders to ask for support for our request will strengthen our message. We also will be executing a statewide media and coordinating legislative contacts which we will seek board engagement. In a few weeks we also will be gathering with our legislative advocacy network to add to these efforts. This is important work and as the letter from our Minnesota State partners remind us we are in this together.

Chair Moe, in closing - this week has been a somber week for the members of the Minnesota State community. Early Monday morning, we learned of the passing of one of our own – President Stephanie Hammitt of Fond du Lac Tribal and Community College, after a brief and courageous battle with cancer. Our thoughts continue to be with her husband, Brian, her children and grandchildren and the Fond du Lac community. Stephanie was a quiet soul but there was no doubt of her deep conviction for her students, her community, and her culture and heritage. She will be truly missed.

And with that Chair Moe, that concludes my remarks.

Chair's Report

Thank you, Chancellor Malhotra, for your remarks. The Board also gives its condolences to President Hammitt.

I start with an update on recent events since our last meeting in Hutchinson. I want to acknowledge that we have two new board members since our October meetings. We are excited to have Jim Grabowska and Tim Huebsch joining us and look forward to working with them in the years to come. November's joint meeting with Leadership Council was a success; it was good to connect with Leadership Council colleagues and I appreciated the presentation and discussion on the pandemic impact on teaching and learning. The study session on transfer was a deep dive into the myths around transfer in our system and provided clarity on the facts and actual stats for this topic. We also celebrated our six newly designated presidents emeritus. It was great to connect with current and former Minnesota State colleagues at the Celeste Hotel reception on Tuesday evening. Finally, Chancellor Malhotra, Trustees Erlandson and Sheran, and myself attended the Association of Community Colleges Trustees conference in New York City at the end of October. We celebrated with Dr. Lisa Bergin, faculty member from Minneapolis College. She was selected to receive the 2022 ACCT Central Regional Faculty Award; therefore, she was then in the running for the national award. While she

did not end up winning the national award, we are still extremely proud of her outstanding service to students and pleased that she was recognized for her service.

I also want to update you on the Chancellor search. We are now finalizing an agreement with a search consultant and have identified the co-chairs of search committee. Later this month we will invite nominations for members of the committee from all internal constituent groups including a university and college teaching faculty selected by the faculty organization; a member of the service faculty; one student each from the college and university sectors; one member from AFSCME, MAPE, MMA; and up to three members of the public joined by two administrators (presidents university, community college, technical college). We expect to advertise the position and begin active recruitment of candidates in December and continue through January and early February 2023. The SAC will review materials and conduct interviews with select semi-finalists in March and a second round will follow in April. The goal is for Trustees to appoint a chancellor at the May meeting with the appointment taking effect on August 1, 2023.

Chair Moe asked if anyone wanted to remove an item from the Consent Agenda and requested that Item 3.c. (Social Sciences Building Lease at MSC-Southeast) be removed. Trustee Cowles made the motion to approve the consent agenda (with exception of Item 3.c.) and Trustee Cirillo seconded. A roll call vote was conducted. The vote was as follows:

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

The board voted to approve the consent agenda (with the exception of Item 3.c.) as follows:

- 1. Minutes of the Board of Trustees Meeting, October 19, 2022**
- 2. Minutes of the Board of Trustees Special Meeting, November 3, 2022**
- 3. Contracts Requiring Board Approval**
 - a. 100 Wing Nursing Education Suite Renovation, Minnesota State College Southeast**
 - b. Library Building Renovation Design, Normandale Community College**

- 4. Review Audit Results and Approve Release of Audited Financial Statements and Federal Student Financial Aid Audit**
- 5. FY2023 Capital Program Recommendation**

Chair Moe then requested the vote for the item removed from the consent agenda (Item 3 c. Social Sciences Building Lease, Southwest Minnesota State University). A roll call vote was conducted. The vote was as follows:

Trustee Ajogun	Absent
Trustee Ayemobuwa	Absent
Trustee Cirillo	Yes
Trustee Cowles	Yes
Trustee Erlandson	Yes
Trustee Grabowska	Absent
Trustee Huebsch	Yes
Trustee Janezich	Yes
Trustee Moe	Abstained
Trustee Morillo	Absent
Trustee Nishimura	Yes
Trustee Oballa	Absent
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Tefer	Yes

The board voted to approve item pulled from the Consent Agenda as follows:

- 3. Contracts Requiring Board Approval**
 - c. Social Sciences Building Lease, Southwest Minnesota State University**

Board Standing Committee Reports

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

- Outreach and Engagement Committee, Dawn Erlandson, Chair
- Audit Committee, Alex Cirillo, Chair
- Finance and Facilities Committee, Jay Cowles, Chair
- Workforce and Organizational Effectiveness Committee, George Soule, Chair

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 AFSCME and MSUAAF, in addition to a joint letter in support of FY2024-25 Biennial Budget request and have been posted to the board website.

In person remarks were provided by:

- Students United: Kaileigh Weber, State Chair; Axel Kylander, State Vice Chair

- Inter Faculty Organization: Jenna Chernega, President
- Minnesota State College Faculty: Matt Dempsey, President
- Minnesota State University Association of Administrative and Service Faculty: Alex Kromminga, President

Trustee Reports

Additional remarks were made by Trustees Huebsch, Soule and Tefer.

The next board meetings are scheduled for January 24-25, 2023.

Adjournment

Chair Moe adjourned the meeting at 4:39 p.m.