Attendees: President Davenport, Scott Olson, Avra Johnson, Lori Lamb, Bryan Schneider, Pat Swatfager-Haney, Mike Fagin, Bob Arndt, Pat Pearce, Valerie Roberts, Jerry Harty, Rob McGinn, Mitch Wallerstedt, Matt Clay, Barry Wilkins, Brad Heilman, Toya Schmidtke, Mike Peters, Rick Straka and Vickie Hanson

Guests: Malcolm O’ Sullivan and Kathy Fodness

I. Information Items

A. **Reorder/Additions to Agenda** – The agenda was approved.

B. **Approval of Minutes from Previous Meeting** – A motion was made and seconded to approve the minutes.

C. **President’s Report** – President Davenport welcomed everyone back to spring semester. He has been in St. Paul the past two days at Board of Trustee meetings. There were lots of different topics, but the main concern was budget. The Board of Trustees is taking an interesting stance on a very, very conservative budget. There is not complete agreement among board members on how everything should be handled. Some board members would like to give specific direction to the universities on how they manage their budgets and other board members say “no” that’s not appropriate and that’s why we have Presidents and administration to help. There seems to be agreement on the issue of tuition. The Board is holding on 3% tuition increases at the universities and 2% at the two year colleges. This is on the table right now and an important issue. General consensus that they will not allow double digit increases which comes as no surprise. There was a lot of discussion on tuition and how to manage the budget and where the fund should come from.

VP Swatfager-Haney was there yesterday as we put in a request to renovate the two wings at McElroy Hall, H & I. Those did get approved to go forward. There was some discussion on bonding and HEAPR projects and the bonding projects there have wide-spread approval to move forward on projects as they tend to be one-time money to help stimulate the economy and get workers back to work. There is concern of taking federal stimulus money. Don’t think we have any shovel ready projects except for the city project. VP Straka, we have talked about grade separation at Stadium and Warren. The city has spent engineering money and has an agreement with SRF to do some type of underpass. This was put on as one of four city/county projects available for federal funds. President Davenport wants to make sure that everyone understands that this is a city project. They are requesting that
Women’s Regional Hockey Center be located on our campus at the far southeast side of campus. It will be south of our existing parking lots. The hockey center has a lot deeper concern. There was an error in the Free Press quoting that we are going to pay for half of the project, that’s not true. This is a city project to be funded by the state, along with the ½% sales tax the city has and it does help address what the city needs. I always wanted to say that the hockey center could have been downtown, but they were not able to secure the land they needed for whatever reason. It will be for K-12, youth hockey, women’s hockey, men’s practice facility and free skating for MSU students (figure skating, ice skating) which we currently have a problem with. We don’t have this luxury now. There is an NCAA title mind equity issue at stake. We have kept the NCAA aware of this issue because of the work and planning going into this center. I think that there is a possibility that the city might get funding for that.

President Davenport hasn’t had a chance to regroup and meet with the Cabinet since he has been back from the meetings but be aware that all the presidents at two and four year colleges are concerned. Some will have a lot more difficulties than others because they have no reserves even though we can’t spend down our reserves right now. There’s been discussion at the board meeting about giving money and loaning money to other colleges and universities. In the past it has been the two year institutions that have been in trouble. There’s not a lot of money to loan anymore and secondly, at a lot of the two year colleges their enrollment status is so poor that there is nothing in the immediate future about paying back the loans. This is the first time in memory that we are borrowing money to colleges without a payback plan. The board was alerted that this could be forthcoming.

Legislatures did come and do a panel presentation. Representatives Sheran, Rukavina, Senator Nornes and Robley presented. They gave a prospective on higher ed and what we should expect in the way of funding from the legislature. They are very supportive of higher ed, but they each have their own individual areas of interest which showed in the panel presentation. Bud Nornes talked about Fergus Falls and keeping higher ed alive there. Kathy Sheran kept her remarks very broad.

D. Bargaining Unit Leaders’ Reports

- **AFSCME (Pat Pearce)** – Opening negotiations with the state. Day on the Hill March 10-11. Front line conference in May.
- **MMA (Barry Wilkins)** – Nothing to report.
- **MAPE (Matthew Clay)** – Negotiations under way.
- **MNA (Toya Schmidtke)** – Nothing to report.
- **MGEC (Mike Peters)** – Nothing to report.

E. MnSCU/Legislative Relations (Standing Item) – Legislative relations were covered pretty good in the President’s Report. VP Straka added that we currently have some deeded moving forward clean up language to allow the Bio Energy Grant that we were partnering with Blue Earth County. They ran into some snags on how to implement that grant with our emissions testing center. They are putting out language
for us to get the money directly and avoid us doing a 40 year land lease with the county and back and forth.

President Davenport, the issues of travel came up at the Board meeting. That was interesting, but we have been dealing with this on our campus already. There is an educational process that needs to take place regarding things such as sabbaticals and all of the things included in various bargaining contracts. The Board of Trustees was surprised at the specificity of the language and the provisions of the various contracts. They did have HR people there to help to educate the board. We have a process in place for reviewing IFO, even though they have the flexibility of using professional development funds for travel.

President Davenport—there are just so many things going on and I’m anxious to get back to work on the budget including having a few more town hall meetings to find out what the concerns are here on campus.

II. Action Items

A. Comments on Policies Presented for Informal Review (Malcolm O’Sullivan)
   (Informal Review runs from November 13, 2008 to January 26, 2009)
   (Copies of the policies may be assessed at http://www.mnsu.edu/acadaf/policies/)
   1. Alcohol and Other Drugs
   2. Locks, Keys and Electronic Access Control
   3. Data Practices (formerly “Student Records”)

Malcolm O’Sullivan—The informal review ends for these three policies on Monday and I was wondering if you have any comments to share at this session or will have comments to me by Monday? Pat Pearce previously replied that AFSCME is o.k. with them to move forward. Another issue, now we will take the 14 polices and bring them through the second time for the formal review period beginning February 13 through April 10, 2009 (there will be two meet and confer sessions to comment on those). Drafters are working on them now and hope to have them out to you by the middle of February.

III. Discussion Items

A. Standing Items (If Needed)
   1. Parking—No discussion.

   2. Budget (Rick Straka)
   a. Unallotment

   VP Straka—It’s an interesting time for us and with the State of Minnesota. To forecast the difficulty in the November forecast and with the $400,000 million deficit the governor solved through a single unallotment and our share of that is $1.5 million. One thing we will have to talk about is how we will approach that. It’s fairly clear from the Office of the Chancellor and the Board of Trustees that we not use our reserve for the unallotment. The primary reason for that is that they think we will need our reserves when the real problem comes in with the FY10-11 budget. We will not be able to recognize all of those savings July 1. Especially personnel changes, if we are required to lay
off persons in current positions we are not going to garner savings until well after that with unemployment and severance cost. Saying we are going to eliminate a position July 1 doesn’t mean we will get the full amount of savings right away. That’s where you can use our reserve to cover that kind of transition. We will need that transition money and it’s a prudent financial strategy to follow.

We talked about addressing the $1.5 million at Cabinet. One is to not go forward with the secondary equipment allocation of $400,000 in the budget. In previous years in March and April if everything was going well we would release that money. We have really good news on enrollment for spring. Right now we project that we are going to be above our tuition budget for the year. We were a little below in fall. After this year and where all the credits landed we are ahead of budget for spring, enough to take over for fall ($150,000 to $200,000 ahead) which can be used as well to help get there, as well as some administrative travel savings and other non-salary savings as we have asked people to be frugal about their budgets for the rest of the year and look at wants vs. needs, and if something is crucial. We should pick up some dollars there as well as salary savings for positions throughout the university that we have held open and vacant longer than we normally do as we look at reviewing things.

VP Straka, the divisions have presented 3% budget reduction plans. Need to look at if there are portions of those that can be moved forward for implementation now. If we can implement some of those cuts now applying that against the dollar amount would be helpful. Rick received clarification today during the CFO (Chief Financial Officers) conference call from the System Office that the $20 million unallotment as far as the legislature is concerned is a one-time unallotment. Those things that we can cut now with our 3% budget reduction will go towards our unallotment in FY10. These are base cuts that won’t be doubled up on the unallotment; although anything can happen. Fair to say, that it’s the first unallotment and it’s fair to say there will be more. In the January economic outlook that reviews where revenue collections are, shows that we are $134 million behind in tax receipts from what the November forecast was. The governor and legislature will have to address that. Unless the economy starts to turn around in Minnesota, it’s likely we might see one after the February forecast, and then as we go out through the session and go out to the end of the year if tax collections continue to stay behind where they projected, there may be a series of unallotments to keep up with that. President Davenport, the trend in retail sales is down 2% from projections. He heard from MPR this morning that China is now beginning to see the impact in their economy. It’s relatively serious in terms of the global economy. VP Straka, as we have addressed some of the things we have to look at for unallotment, I appreciated the comments you have. The approaches we have talked about as an institution and some of the 3% plans that are out on the budget website give us your
comments on which things you think in how we propose to handle this. We need to report back to the Office of the Chancellor by the second week in February (February 15) on how we handled the $1.5 million unallotment. We don’t have a lot of time for shared governance, we’re going to have to make decisions on what we are going to do so if you have comments we certainly would appreciate those. By February 15 we must have the plan to the Office of the Chancellor and by March 1 they are going to want some type of a general plan of how we might deal with FY10-11. The question was raised from Mitch Wallerstedt about inviting all faculty and staff to the Town Hall meetings. They had some issues when some of their employees were chastised for attending those meeting. He wanted to clarify if that is appropriate. President Davenport, wants to keep these sessions open, but imagines that you will want to go through your supervisor to get approval. You wouldn’t want to jeopardize that relationship. He will make it clear in the next message that he welcomes and encourages employees to attend as well as students. Thanks for sharing that with us. It’s our intent to be as open and transparent as possible during this process. Lori Lamb, raise these issues through her office (H/R) and we’ll help resolve them.

b. M&E Personnel Summary-General Fund (Handout)
Val Roberts commented on finding the personnel summary interesting, looking at increases over the past 10 years. Discussion was held on classified staff. VP Straka, that’s why we wanted to put this out there as there has been rumors about growth in certain parts of the university. Bargaining Unit 211 University Administration is actually MSUAASF staff not administration. VP Swatfager-Haney, another issue is that this is a personnel summary for the general fund and it does not include some of the revenue funded positions in Student Affairs and Finance & Administration. There are a number of positions revenue funded that are classified positions (AFSCME-GMWs, CSU and Res Halls not included in this summary). There are externally funded positions all over campus.

VP Straka, that information and all of this information can be found on the budget website at www.mnsu.edu/finadm/budgetoffice/. There was an email sent December 30 from Vickie Hanson with the web link to the plans website where you can look at the 3% plans and other things http://www.mnsu.edu/finadm/plans/. We will have to make some final decisions but hope to make public the comments that we are receiving through the cost containment and budget strategies website. We’ve had great input so far in that process we are well over 100 suggestions already through the cost containment budget strategy website. I’m pretty happy with the quality of the vast majority of those suggestions. People have taken it very seriously.
3. **HR Topics (Lori Lamb)**

   a. Unclassified/Classified Lists-Updated lists were distributed. The unclassified list has been changed to three columns. One where positions are “Posted” another where “Vacancies to be Posted (Approved by Cabinet)” and “Vacancies on Hold or Under Review”. We hoped it would be more helpful for people to understand the ones that are approved to move forward at this point versus those in a holding pattern. I will be happy to address any questions. Pat Pearce, some of these show a failed search, will they fall back to be reapproved by the Cabinet? Lori Lamb, that’s a question that Cabinet needs to address and I will pose that question to Cabinet on Monday.

   b. Ethics Modules-President Davenport sent out an email to all staff in December to participate in the D2L system–wide training program about the Code of Conduct and Ethics. It can be found out on D2L. This is a very important topic for our employees on campus. There is a lot of useful information and it provides good examples. It only takes 15-20 minutes to take. In the facilities areas if there are issues with getting that done for folks that don’t have computers, contact Lori Lamb who will arrange times in the computer lab to help staff and for them to complete their training online.

   c. Implications of Possible Layoffs-Lori Lamb, some bargaining units have raised the question about layoffs, so we thought it would be a good idea to put on the agenda. There isn’t a lot to say because as of right now we are talking unallotment and current year budget reductions. We cannot use this to solve this year’s budget because there is not time. These things take time. We don’t know yet, but the 6% and 10% reduction plans the President has called for are not due until the end of February. That would be the time where we will know more clearly what some of the proposals are and if in fact as a result of those proposals there will be layoffs. I do know that under the philosophy that we are trying to deal with positions through attrition, retirement and holding those vacant positions open. Each bargaining unit has a different set of procedures and processes that would need to be followed if there were going to be layoffs. But I can tell you one thing that is common with all of them is that before those layoffs are implemented they would have to be talked about at Meet & Confer first. Each unit requires that. In March there should be more concrete information about what to expect in the future for FY10 regarding potential layoffs that are out there. As of today, I can tell you honestly that there are none in the terms of layoffs. Cabinet is holding open some positions, regardless of the funding sources, in case there are layoffs to allow that person to fill a position that is being held now. Regardless of the funding source. Non-general fund positions-layoffs are blind to funding sources. They are all seniority units. Cabinet is being as careful as possible and as of right now she does not know of any specifically planned. I will be sitting down with all the Vice Presidents and Deans within the next couple of months to discuss the implications of layoffs.
4. **Campus Safety**-Rob McGinn, we are having winter conditions now. There are a lot of slippery spots and we have been doing a lot about them. VP Straka, the Trafton plaza is a problem as the concrete is still curing and remains a problem spot for this year. You may want to send out a campus-wide email to let people know. Rob McGinn, the chipped rock put down is now helping and working into the ice. A comment was made to check and possibly shovel at the southwest corner plaza to Highland, as students are walking over snow mounds causing slippery conditions.

5. **Great Place to Work Initiative (Scott Olson and Lori Lamb)** An update was given at December’s Meet & Confer. By the end of the week President Davenport will be sending out an announcement on the Core Value Plan. A survey will follow for all students and staff. It will only take 30 seconds and will be asking for three words or statements that best describe what you believe are the core values of the university. This can only be important if we get input from everyone. We are expecting hundreds of words describing the core values. The Great Place to Work subgroup will be holding campus conversations to get feedback, including with the bargaining units. Mike Miller will be setting up the discussion times. If you are interested contact Mike Miller, Scott Olson or Lori Lamb.

President Davenport, it’s a challenge for us with budget concerns and constraints. We need to continue to be the institution where people want to work. This is my commitment to you.

**IV. Other Items**

Pat Pearce gave a thank you for putting on the Professional Development Day. He has received good feedback. Lori Lamb said that several sessions received such high marks that she is happy to report that there will be repeat performances of four of those sessions:

- Economic Development
- Disrupting Stressful Communication Patterns
- Mental Health Issues
- African Drumming

More information will follow.

The meeting was adjourned.

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**Spring Semester Meet & Confer Schedule**

- **February 5, 2009** 9:00 a.m. CSU204 (Note Time Change)
- **March 19, 2009** 10:00 a.m. CSU238
- **April 9, 2009** 10:00 a.m. CSU285
- **May 7, 2009** 10:00 a.m. CSU204

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