Attendees: President Davenport, Scott Olson, Lori Lamb, Avra Johnson, Walt Wolff, Marilyn Delmont, Bob Lutz, Pat Pearce, Valerie Roberts, Julie Dornack, Rob McGinn, Mitch Wallerstedt, Matt Clay, Barry Wilkins, Toya Schmidtke, Mike Peters and Rick Straka

Guests: Kathy Fodness, Dan Elliott and Barb Mitchell

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 stated we have many challenges ahead of us with the budget situation. He announced the Chancellor’s Office reached a tentative agreement with the state college faculty that calls for no across-the-board salary increases or annual step increases for the next two years and also recommends no salary increases for administrators. The current contract with MSU faculty is set to expire on June 30, 2009. The Chancellor and President Davenport praised the Minnesota State College Faculty representatives for reaching an early tentative agreement so we can focus on student learning.

President Davenport discussed the reorganization and restructuring of Student Affairs. There are four models at this time, but they welcome shared governance input and consultation. Walt Wolff will serve in a temporary interim capacity to work through transition issues and prepare for a national search for a permanent Dean of Students. The new dean will be part of Academic Affairs Council and also the President’s Cabinet.

Pat Swatfager-Haney will be working at the Chancellor’s Office on rolling out the stimulus bill to campuses and funding on the new student residence hall.

VP Delmont, the Oracle conversion went fairly well. If you are having any problems let us know.

D. Bargaining Unit Leaders’ Reports

- **AFSCME (Pat Pearce)** – Frontline Conference will be held on May 20-21 at Normandale Community College. The C. Willi Myles presentations went well and thanks to Lori Lamb for sending out announcements and assisting with the process of having this professional development opportunity.

- **MMA (Barry Wilkins)** – Nothing to report.

- **MAPE (Matthew Clay)** – Exchanged proposals with Governor’s staff.

- **MNA (Toya Schmidtke)** – Nothing to report.

- **MGEC (Mike Peters)** – Nothing to report.
E. MnSCU/Legislative Relations (Standing Item) – President Davenport-
The Governor is proposing to cut the MnSCU budget by $161.8M. This is actually an increase of $15.9M over the original budget of $146M cut that he recommended in January. The confusing part is that the Governor also recommended awarding MnSCU $130.4M in federal stimulus dollars for the next two years. That is FY2010-11, plus awarding $3.5M for the current fiscal year. But, the federal stimulus one-time money has to be spent in the next two years. That would mean a very severe cut to the System’s budget in 2012 and 2013. We will still be looking at some very hard cuts this year so we don’t have to wait until 2012-13 to make the base cuts.

One of the most important things we need to do during this economic downturn is be prepared to provide education for increasing Minnesota’s workforce. From the fall to spring semesters we say an overall increase in student enrollment of 4% for the System. Decisions regarding spending cuts on System campuses are going to be made at the local level by the 32 colleges and universities and the Chancellor has requested that we scrutinize all hiring and travel. The Office of the Chancellor will be cutting as much or more than cuts to campuses. Decisions will be made once the size of the budget is known. To help manage the budget reductions at MSU we are leaving vacant positions open, restricting staff assignments to delay hiring, using current staff rather than layoffs, pulling back on equipment spending and cutting repair and maintenance budgets.

The next town hall meeting will be March 27, 2009 at 11 a.m. You are all encouraged to attend.

II. Action Items

A. Policies Presented for Formal Review

There are a number of policies in the formal review process. You can access them at www.mnsu.edu/acada/policies/. If you have comments forward them to Malcolm O’Sullivan prior to April 3, 2009.

III. Discussion Items

A. Standing Items (If Needed)

1. Parking- An email was sent out yesterday to students and staff about the parking advisory committee meeting that will be held on March 19 at noon in the CSU lower level.

2. Budget (Rick Straka) VP Straka-

At the Board of Trustees meeting yesterday, it was clear that the Board is taking the position that the federal stimulus money will be used for transition into what we know will be base cuts in 2012-13. The Governor has said that our base budget is cut $161M and we know that will happen in 2012. Even with stimulus money there is still a major structural deficit in the state budget existing for 2012-13. We need to move forward and project what we think the impact will be in 2012-13 and have been asked by the Board of Trustees to develop budgets based on those scenarios.

A handout was distributed on the MSU FY10 General Fund Budget Assumptions Conservative Worse Case Scenario. Tuition of 4% is realistic. The appropriation adjustment is 13% ($161M) to MnSCU. 2.5% increase to compensation (actual wages plus fringes). With the IFO settlement there will still be some wage increases with career steps and promotions and we don’t know what happening in fair bargaining. We will have about 1% health insurance increases. Contract travel had an increase of $100,000. Utilities are almost 200% higher (8%). Will see increased debt services as we bring on the full debt service of Ford Hall and the Trafton renovation. These are great capital
projects and we’re only paying 1/6 of those costs because of the general obligation bonds. Last year we had a $600,000 carryforward from FY08 into FY09 so this year we were fine but were structurally out of balance last year. That gets us up to $8.9M deficit. That is the amount we were working on at Cabinet last week. We needed to act and get a plan in place so we could start an academic schedule for next year so the Deans know how many classes they could staff and what kind of schedule we could have.

The second handout provided information on what the 3%, 6% and 10% reduction plans will generate. 3% generated $3.1M, 6% $6.3M and the 10% plan generated $10.5M. We could buyback $1.5-$1.6 to get to the $8.9M. The President has been clear in his number one priority and strategy being enrollment management. Under that is direct classroom instruction. In the worse case scenario plan, the major reinvestment back is to reinvest in class instruction. Under the President’s Office, which includes Human Resources there are small changes in reinvestment, $35,000. $10,000 was reinvested in student services which is enrollment related. In Athletics $50,000 was reinvested so we didn’t have to eliminate a couple of sports.

The plan goes to Meet & Confers first. Then meetings are held with the individuals involved. We want to honor shared governance with the bargaining units, to honor the people involved and put out our commitment to transparency.

Our reserve level is at 7%. MnSCU recommends we stay between 5-7%. Our guiding principle will be enrollment management. We are in a different place than we were six months and a year ago. Our strategies have to react to our environment. Retention and recruiting of students is very important. Spring semester we were up 125 in FYE. We want to send some level of certainty and stability to the vast majority of our employees that are not affected. Reductions are difficult to make and we want feedback from all the bargaining units. We are still going to be a vibrant university and we will still be fulfilling dreams.

3. HR Topics (Lori Lamb)
   a. Unclassified/Classified Lists-Updated lists were distributed.
   b. Work Areas-Deferred to next month’s Meet & Confer.
   c. Seniority Rosters-Deferred to next month’s Meet & Confer.

4. Campus Safety (Rob McGinn)
  VP Straka publicly thanked Rob McGinn for the incredible job he has done while employed at MSU. Rob will be leaving MSU as he has accepted another professional opportunity in Duluth, MN. (Note: Rob has since decided to stay at MSU.)

IV. Other Items

1. Purchasing Card (Rick Straka)
   This topic will be deferred to next month’s Meet & Confer.

2. Honors Program (2:30 time certain) Brenda Flannery, Gina Wenger, Claudia Tomany)
   This was tabled due to discussion on budget and restructuring and they were invited back to the next Meet & Confer.
3. **Core Values Update (Scott Olson and Lori Lamb)**
   We have had two open forums on the core values plus the survey. We are offering to do a core value workshop exercise at your membership meetings. It’s about a 60 to 90 minute exercise where you really reflect on what the core values are. Let Lori or Scott know if you are interested in this for your group.

4. **MavCard Announcement (Rick Straka)**
   Wells Fargo will be our new MavCard and banking partner. This is no reflection on TCF. They were wonderful partners, but Wells Fargo came up with a phenomenal offer. You should see them on campus this summer.

5. **Reorganization (President Davenport)**
   We had a meeting last Friday where we had each Vice President do a presentation talking about possible changes to administration in each division. A number of ideas are still under review. Before we can go forward in defining what the Dean of Students position needs to be we need to finalize what all is in that portfolio. The plans are to provoke discussion. I would predict that the final plan that Cabinet adopts won’t exactly be any of those plans. It’s really a question on how you would like to provide feedback. Plans were sent via email to the bargaining presidents.

The meeting was adjourned.

**Spring Semester Meet & Confer Schedule**

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 9, 2009</td>
<td>10:00 a.m.</td>
<td>CSU285</td>
</tr>
<tr>
<td>May 7, 2009</td>
<td>10:00 a.m.</td>
<td>CSU204</td>
</tr>
</tbody>
</table>