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MINUTES

BOARD OF TRUSTEES MEETING

THOMAS EDISON STATE COLLEGE

December 7, 2007

MEMBERS PRESENT: George Pruitt; Marilyn Pearson, Chair; Fred Abbate; Richard Arndt; Nicholas Carnevale; George Fricke; Ida Hammond, E. Harvey Myers; Ann Pott, Student; and Ritamarie Giosa, Student.

MEMBERS ABSENT: J. Stanley Justice

ALSO PRESENT: William Seaton, Vice President and Provost; Michael Scheiring, Vice President and Treasurer; Penelope Brouwer, Vice President for Planning and Research; John Thurber, Vice President for Public Affairs; Esther H. Paist; Robin Smith; and Linda Vasbinder

Ms. Pearson officially called the public meeting to order at 10:00 a.m. She then expressed her thanks to Ms. Hammond for her service as Chairperson in the past.

MINUTES

The Minutes of the September 14, 2007, meeting were presented by Ms. Pearson for approval and adoption.

Mr. Abbate made, and Mr. Arndt seconded, a motion to accept the minutes. The motion carried unanimously.

PRESIDENT'S REPORT

Dr. Pruitt reported that the Governor has nominated George Fricke for reappointment and Gilbert Medina for initial appointment to the Board; the Senate must now approve. In discussing other matters, Dr. Pruitt said that the College's 34th Annual Commencement ceremony was wonderful, with our largest class. However, we need to find a larger venue. We very much want to stay in Trenton, but to do this, we may have to change the date. We are considering our options and will stay at the War Memorial for at least one more year. This year's Gala was also the most successful one we have ever had in terms of attendance and money raised. And Dr. Pruitt announced that Norma Blake has been named Librarian of the Year. This is a national award and we are very proud of her. The New Jersey State Library's Knowledge Initiative also

won a national award; however, if the state cannot come through with additional funding, we will have to shut it down.

He also noted that Middle States has reaffirmed our accreditation. Middle States is emphasizing outcomes assessment, and we are working to meet that demand. Dr. Pruitt then discussed the situation with the SCI report. He was disappointed with the report in that it did not seem to be evidence-based. This seems to be well recognized, however, along with the fact that a structure that insulates higher education from politics is needed. Rowan State College, Ramapo State College, Rutgers University, and Montclair State College, were investigated for the report. The rebuttals of the report from these institutions were not considered, and, in fact, there was nothing illegal that was done. The response from the Commission on Higher Education was especially gratifying, in that it said that the report was without merit. A concern about the report was that it was attempting to undermine the authority of Boards of Trustees. However, Dr. Pruitt is optimistic that the authority will not be undermined despite possible legislation on higher education as a result of the SCI report.

Finally, Dr. Pruitt discussed the Governor's upcoming budget message. There will be cuts that are unprecedented in order to present a balanced budget. There will probably be no new taxes, but there probably will be a push to do asset monetization. The College's appropriation now is at the level it was in 2000. Yet there will probably be further cuts to higher education. Thomas Edison State College has done a good job of insulating itself, however, in that we have built on our surpluses and increased enrollment revenues.

REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

Committee Chairman George Fricke elaborated on the events of the Administration and Finance committee's November meeting. Much time was spent on the external audit. The audit was clean and no significant adjustments were required. Mr. Scheiring added that our total assets were at \$62.8 million for the fiscal year. Financial ratios were also discussed. Our fund balance, as expressed in the second ratio, has remained consistent over the years. Mr. Fricke described the committee's meeting with the auditors, who praised the work of the Thomas Edison State College staff on the audit. Mr. Carnevale also expressed his positive feeling about the audit.

Mr. Fricke also discussed the state's audit, which was done in addition to the external audit. This was very thorough in that every document and transaction was assessed. One of the auditor's criticisms was that our fund balance is too high. However, we have always had the approach that we will accumulate fund balances because doing so is a good business practice that allows us to pay bills and insulate ourselves from the vagaries of changing state support. In addition, there was a criticism that we have not been following policy on accumulated vacation time. We concur with this, and the College has already implemented appropriate controls. That there were no adverse findings is very good, especially in this era of emphasis on ethics. Finally, Dr. Pruitt expressed appreciation to the Finance Committee for its work on a very long agenda at its last meeting.

Mr. Scheiring briefly discussed the first-quarter financial results. We are ahead of last year's numbers, having achieved 21 percent of our revenues; our appropriation disbursement is also on target. However, we are somewhat below our budget targets, even though our revenue amount is higher than it was last year. Mr. Scheiring went over the results contained in the Board book relative to revenues and expenses in the various budget areas: student revenues; revenues

from contracts; and revolving budget revenues. We are also below last year's expenditure rate, which is especially gratifying since it generates a margin of surplus. We are in very good shape financially.

CONSIDERATION OF BID WAIVERS

Mr. Fricke described each bid waiver item and said that the Administration and Finance committee recommends approval of all of them. In response to a question raised by a Board member, Mr. Thurber elaborated on the bid waiver regarding updating of records for alumni fund raising. Doing so will help us make better contact with our alumni. Mr. Carnevale pointed out that the Foundation Board is an increasing source of support for the College; the Foundation needs to have an increasing role in fund raising. Finally, Mr. Fricke mentioned the bid waiver tracking system for the elucidation of the Board.

Mr. Fricke presented the following resolution:

WHEREAS: The "State College Contracts Law," Chapter 64 of Title 18A of the New Jersey Statutes requires that any purchase exceeding \$28,300 must be publicly advertised for sealed bids in the local newspapers; and

WHEREAS: Section 5a of the additional article to Chapter 64 Title 18A of the New Jersey Statutes states that the College may waive the bidding procedures by resolution of the Board of Trustees of the College; and

WHEREAS: The purchasing policies of Thomas Edison State College approved by the Board of Trustees on October 10, 1986, provide for the granting of categorical prior approval and post reporting to the Board of such purchases; and

WHEREAS: Background information on each bid waiver will always be provided in one attached document entitled "Bid Waiver Request"; and

WHEREAS: The College is requesting bid waivers to do the following:

- engage a consulting firm to conduct a comprehensive operations review of selected services associated with prospective students, applicants, and enrolled students at an approximate cost of \$125,000;
- replace our current voice communication system at an approximate cost of \$500,000;
- use the services of our advertising agency, Princeton Partners, Inc., to continue the College's image and enrollment advertising campaigns at a cost of approximately \$500,000;
- Use the services of TMP Directional Marketing, a Search Engine Marketing firm, to increase the scope of our Web-based marketing work, which will include extended placement and

customized landing page designs at an approximate cost of \$175,000;

- engage a firm to conduct a telephone donor solicitation program in the early part of 2008 to seek contributions from up to 15,000 alumni at a cost of approximately \$30,000;
- hold an annual Institute on the Assessment of Experiential Learning at the Nassau Inn in Princeton, New Jersey, at an approximate cost of \$45,000; and
- use Princeton Partners, Inc., for military advertising at an approximate cost of \$152,423

in accordance with the explanation and description of each project as set out in the attached "Bid Waiver Request"; now, therefore be it

RESOLVED: That the Board of Trustees does hereby authorize bid waivers for the College and its affiliate, the New Jersey State Library, to do the following: engage a consulting firm to conduct a comprehensive operations review of selected services associated with prospective students, applicants, and enrolled students at an approximate cost of \$125,000; replace our current voice communication system at an approximate cost of \$500,000; use the services of our advertising agency, Princeton Partners, Inc., to continue the College's image and enrollment advertising campaigns at a cost of approximately \$500,000; use the services of TMP Directional Marketing, a Search Engine Marketing firm, to increase the scope of our Web-based marketing work, which will include extended placement and customized landing page designs at an approximate cost of \$175,000; engage a firm to conduct an alumni telephone donor solicitation program in the early part of 2008 to seek contributions from up to 15,000 alumni at a cost of approximately \$30,000; hold an annual Institute on the Assessment of Experiential Learning at the Nassau Inn in Princeton, New Jersey, at an approximate cost of \$45,000; and use Princeton Partners, Inc., for military advertising at an approximate cost of \$152,423.

Ms. Hammond moved, and Mr. Abbate seconded, the motion to adopt the resolution. After some discussion and further clarification on issues related to the item on replacement of the College's current voice communication system, the motion carried unanimously.

CONSIDERATION OF PROPOSED MANAGERIAL COMPENSATION PLAN

Mr. Fricke read the text of the resolution. He explained that the two attachments show the current ranges and the proposed increased ranges, respectively. These are ranges and not individual salaries. The increases effect some 40 managers and are made in accord with increases made in the AFT collective bargaining agreement. In response to a question raised by a Board member, Dr. Pruitt pointed out that the level and ranges are based on fairly scientific principles

that speak to levels of responsibility, etc. While AFT ranges are set through collective bargaining, the managerial ranges are set with approval of the Board. Our range changes have also been affected by studies done to determine the market value of various managerial positions.

Mr. Fricke presented the following resolution:

WHEREAS: Title 18A:64-6, as revised through the "Higher Education Restructuring Act of 1994," set forth the powers and duties of the State College Boards of Trustees; and

WHEREAS: Title 18A:64-6(h) provides that, excluding staff covered by the provision of Title 11 of revised Statutes (Civil Service), the State College Boards of Trustees shall, "upon nomination by the president appoint a treasurer and such deans and other professional members of the academic, administrative, and teaching staffs as defined in section 13 of P.L. 1986, c. 42 (C. 18A:64-21.2) as shall be required and fix their compensation and terms of employment in accordance with salary ranges and policies which shall prescribe qualifications for various classifications and shall limit the percentages of the education staff that may be in any given classification"; and

WHEREAS: The Board of Trustees previously adopted a compensation plan for the College which provided for salaries of managerial staff; and

WHEREAS: The College has adjusted the Thomas Edison State College Managerial Compensation Plan by setting new minimums and maximums for salary ranges; and

WHEREAS: The Administration and Finance Committee has reviewed the Thomas Edison State College Managerial Compensation Plan and has affirmed the President's recommendation for certification; now, therefore, be it

RESOLVED: That the Board of Trustees of Thomas Edison State College does hereby approve the revised Thomas Edison State College Managerial Compensation Plan as incorporated herein by reference.

Mr. Fricke moved, and Ms. Hammond seconded, the motion to adopt the resolution. After thorough review, the motion carried unanimously.

CONSIDERATION OF WHISTLEBLOWER POLICY

Mr. Fricke introduced the Whistleblower policy. Dr. Pruitt explained that we are obliged to have this policy by law. He also pointed out that having a policy provides protection for the institution in that it sets out protocols for ways in which complaints can be made. It has been prepared with the assistance of the Deputy Attorney General's office and codifies procedures to protect both the whistleblower and the college. Mr. Fricke presented the following resolution:

WHEREAS: The Board of Trustees of Thomas Edison State College has the authority and the responsibility to determine policy for the College; and

WHEREAS: Thomas Edison State College is committed to establishing appropriate protections for “whistleblowers,” employees who disclose an activity, policy, or practice that they believe is in violation of a law or is fraudulent or criminal; and

WHEREAS: The proposed policy has been drafted in accord with New Jersey’s Conscientious Employee Protection Act; and

WHEREAS: the President of the College recommends that the proposed Whistleblower Policy be adopted as presented; now, therefore, be it

RESOLVED: That the Board of Trustees of Thomas Edison State College does hereby accept the recommendation to approve the Thomas Edison State College Whistleblower Policy as presented and incorporated herein by reference.

Mr. Fricke moved, and Mr. Myers seconded, the motion to adopt the resolution. The motion carried unanimously.

CONSIDERATION OF CANDIDATES FOR DEGREE

Mr. Seaton announced that we have our first graduate from Thailand. We had 605 graduates, compared to 509 at this quarter last year.

Mr. Seaton presented the following resolution:

The Board of Trustees of Thomas Edison State College does hereby approve the awarding of the appropriate degrees to those December 7, 2007, candidates indicated on the lists provided and incorporated herein by reference.

The action herein taken is pursuant to a certification by the President that the aforementioned candidates have satisfied all relevant degree requirements as recommended by the Academic Council and as established by the Board of Trustees.

Mr. Abbate made, and Mr. Myers seconded, the motion to adopt the resolution. The motion carried unanimously.

CONSIDERATION OF CONTRACT RENEWALS

Dr. Pruitt presented a resolution for contract renewals as follows:

The Board of Trustees of Thomas Edison State College does hereby approve the contract recommendations as indicated on the lists provided and incorporated herein by reference.

The action taken herein is pursuant to an evaluation of each employee’s work performance and the recommendation of the President.

Ms. Hammond made, and Mr. Carnevale seconded, a motion to adopt the resolution. The motion carried unanimously.

CONSIDERATION OF PERSONNEL ACTIONS

Dr. Pruitt presented the following resolution:

The Board of Trustees of Thomas Edison State College does hereby approve all appointments as indicated on the lists provided and incorporated herein by reference.

The action herein taken is pursuant to a recommendation by the President of the College.

Mr. Carnevale made, and Mr. Arndt seconded, a motion to adopt the resolution. The motion carried unanimously.

NEW BUSINESS

There being no further business, Mr. Carnevale made, and Mr. Fricke seconded, a motion to adopt a resolution to adjourn. The motion carried unanimously.

CONSIDERATION OF RESOLUTION TO GO INTO EXECUTIVE SESSION

Ms. Pearson presented the following resolution:

BE IT HEREBY RESOLVED pursuant to N.J.S.A. 10:4-13 and 10:4-12 that the Board of Trustees of Thomas Edison State College hold a closed session at 12:00 noon or immediately following the public meeting of December 7, 2007.

It is expected that the discussion undertaken in closed session will not be made public due to the confidentiality of matters discussed.

Mr. Carnevale made, and Ms. Hammond seconded, a motion to adopt the resolution. The motion carried unanimously.

During the Executive Session, there was rigorous discussion of the provision of severance agreements for certain College staff. After careful consideration, the following resolution was adopted by unanimous vote.

WHEREAS: It is in the public interest for Thomas Edison State College to attract and retain competent executive leadership; and

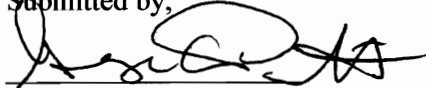
WHEREAS: It is common business practice to mitigate retention risk for certain institutional officers; and

WHEREAS: The President of the College has identified Vice President and Provost William Seaton, Vice President Michael Scheiring, Vice President John Thurber, Vice President Penelope Brouwer, Executive Assistant to the President Esther Paist, and Assistant to the President, Linda Vasbinder, by the nature of their positions and tenure of service, as worthy of special consideration; and

WHEREAS: It may also be appropriate in future for the President to identify other employees who report directly to him and who have served at least five full years in such a capacity to be included among those who, by nature of their positions and tenure of service, as worthy of special consideration; now, therefore, be it

RESOLVED: That the Board of Trustees of Thomas Edison State College does hereby authorize the President of the College to execute an agreement with the aforementioned employees which will provide that in the event of the nonrenewal of their employment contracts for any reason other than cause, the College will provide a severance payment equal to one year's annual compensation plus one year's COBRA payments. This agreement shall not appertain if employment is terminated for cause or if the employee has undertaken voluntary separation. Cause shall be defined as an act of omission or commission that constitutes gross misconduct. Examples shall include, but are not limited to: insubordination, sexual harassment, criminal acts, dishonesty, or gross negligence.

Submitted by,



George A. Pruitt
Secretary of the Board

Approved by,

Marilyn R. Pearson
Chairperson