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MINUTES

BOARD OF TRUSTEES MEETING

THOMAS EDISON STATE COLLEGE

March 5, 2010

MEMBERS PRESENT: George Pruitt; J. Stanley Justice, Chair; Eric Lear, Vice-Chair; Fred Abbate; Richard Arndt; George Fricke; Ida Hammond; Gualberto Medina; E. Harvey Myers; Stacy Slomko, Student; and Marilyn Pearson (via teleconference).

MEMBERS ABSENT: Barbara Hare

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; Norma Blake, New Jersey State Librarian; Esther H. Paist; Terri Tallon-Hamill; and Robin Walton

Reverend Justice officially called the public meeting to order at 10:00 a.m.

SWEARING IN OF TRUSTEES

Gualberto (Gil) Medina was duly sworn in as a new Trustee and was welcomed to the Board. Eric Lear was duly sworn in as a Trustee to succeed himself for another term. Having read and signed the swearing-in documents, both gentlemen expressed their pleasure at serving as a member of the Board of Trustees.

CONSIDERATION OF MINUTES

The Minutes of the December 11, 2009, meeting were presented by Reverend Justice for approval and adoption.

Mr. Abbate made, and Mr. Arndt seconded, a motion to adopt the minutes. The motion carried unanimously/(10-0).

PRESIDENT'S REPORT

Dr. Pruitt thanked Mr. Fricke for his willingness to stay on the Board until his replacement is identified. Brian Maloney has been proposed to the Governor's Office to complete Mr. Fricke's term. We are awaiting the outcome. Mr. Fricke has also asked to be replaced on the NJASCU Board. Mr. Abbate will take his place on that board. Dr. Pruitt introduced the new Executive Assistant to the President, Terri Tallon-Hamill, to the Board. He also commented on Esther Paist's transition to her new position as Associate Vice Provost for Directed Independent Adult Learning (DIAL), stating that this was a most beneficial move for the College in that it strengthens us in a key area.

Dr. Pruitt mentioned the continuing cuts to higher education in the State Budget. Because we have such a small appropriation to begin with, our cut is proportionally rather small and can be accommodated. On March 16, 2010, Governor Christie will deliver his speech on the State budget. The State in reality is bankrupt and we assume that further cuts will be made to higher education and the State Library. Further cuts to higher education may also take the form of withdrawal or reduction of state support for fringe benefits and facilities. We have done some modeling to prepare for this. On the other hand, the federal government has established a floor below which state support for higher education cannot go. This may also mitigate the cuts to higher education. Dr. Pruitt emphasized that regardless of the anticipated cuts, Thomas Edison State College is having a good year with increased revenues and effective cost-containment. We are in good shape and well positioned. The State Library has already withstood major cuts. State Librarian, Norma Blake, explained that she has already frozen positions, furloughed employees, and scaled back the acquisition of databases.

In other news, Dr. Pruitt reported that the College's Master of Arts in Educational Leadership was granted accreditation by the Teacher Education Accreditation Council (TEAC). Ours is the first non-classroom-based institution to have achieved this distinction. The College was also awarded a \$250,000 FIPSE grant for our Mobile Learning Initiative, Flash Track. In addition, the New Jersey Presidents' Council has approved our new Master of Science degree in Applied Science and Technology.

REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

Committee Chairman George Fricke reported on the Administration and Finance Committee meeting held in February. He reiterated that the College is in good financial shape and expressed confidence in the contingency plans that are in place to cope with coming budget cuts. Mr. Fricke reported on the discussion of budget issues regarding the State Library and acknowledged that this is a truly difficult situation. In answer to a request, Mr. Scheiring elaborated on the financial conditions. He commended the group's attention to the financial reports contained in the President's Report, saying that the Library's cuts amount to more than \$2 million dollars and that Norma Blake's leadership has been paramount in keeping things going. Further cuts for the State Library may compound the situation as it may prevent us from being able to meet the Federal match requirement. Ms. Blake is now challenged to think about how the Library can continue to exist and in what format and structure. Mr. Scheiring called attention to the College's need for consideration of tuition increases, use of reserves, and containment of costs in an effort to grow enrollments and build programs. College revenues are up 9.5% over last year. Expenses are up as well due to increased enrollment, though salary payments are lower than they were last year. As a result of the salary freeze and furlough program, the College saved money. An increase in course enrollments was also good for our financial situation.

CONSIDERATION OF BID WAIVERS

Mr. Fricke elaborated on each bid waiver request. Mr. Fricke also commended the group's attention to the tracking system for bid waivers approved in the past. The system allows Trustees to see how much money was expended and for which projects. Mr. Fricke pointed out that College and Library managers have never exceeded the approximate amounts approved by 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 \$30,100 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:

- use the services of mentors and course-construction consultants for the College's Center for Directed Independent Adult Learning and its courses offered through the various Schools at a cost that may exceed the bid threshold of \$30,100; and
- purchase a statewide software license from The Learning Express Library, at an approximate cost of \$200,000
- conduct usability studies on our online College catalog, registration bulletin, MyEdison, and Blackboard platforms, at an approximate cost of \$50,000; and
- implement a new Prospect Response Initiative at an approximate cost of \$150,000; and
- use an integrated Web-based system for telephone services and licenses for the Office of Military and Veterans' Education at an approximate cost of \$85,200

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: use the services of mentors and course-construction consultants for the College's Center for Directed Independent Adult Learning and its courses offered through the various Schools at a cost that may exceed the bid threshold of \$30,100; purchase a statewide software license from The Learning Express Library, at an approximate cost of \$200,000; conduct usability studies on our online College catalog, registration bulletin, MyEdison, and Blackboard platforms, at an approximate cost of \$50,000; implement a new Prospect Response Initiative at an approximate cost of \$150,000; and use an integrated

Web-based system for telephone services and licenses for the Office of Military and Veterans' Education at an approximate cost of \$85,200.

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

CONSIDERATION OF GRADUATION RE-ENROLLMENT FEE

Mr. Fricke presented the following resolution:

WHEREAS: The President's Council reviewed and recommended for approval the adoption of a Graduation Re-enrollment Fee Policy as presented; and

WHEREAS: The Administration and Finance Committee of the Board of Trustees has reviewed and concurred with the recommendation as presented; and

WHEREAS: The President of the College recommends adoption of the Graduation Re-enrollment Fee Policy as presented; now, therefore, be it

RESOLVED: That the Board of Trustees of Thomas Edison State College, upon the recommendation of the President, does hereby approve the adoption of a Graduation Re-enrollment Fee as indicated on the document entitled Graduation Re-enrollment Fee Policy and incorporated herein by reference.

Mr. Arndt moved, and Mr. Abbate seconded, the motion to adopt the resolution. The motion carried unanimously.

CONSIDERATION OF CANDIDATES FOR DEGREE

As articulated by Mr. Seaton, the Heavin School has graduated its first student in the Homeland Security Area of Study. The College is 15% ahead of last year in number of graduates and has awarded 62% more graduate-level degrees.

Mr. Abbate presented the following resolution:

The Board of Trustees of Thomas Edison State College does hereby approve the awarding of the appropriate degrees to those March 5, 2010, 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 Ms. Hammond 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.

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

NEW BUSINESS

Dr. Pruitt explained that this requirement by Bank of America and standard business practices requires approval through resolution of renewal of the contract for Bank of America services and line of credit for the College. The renewal is for the same amount (\$1.2 million) as it was for the previous contract.

Dr. Pruitt presented the following resolution:

RESOLUTIONS TO OBTAIN CREDIT (STATE COLLEGE)

RESOLVED, that this State College, Thomas Edison State College., may:

1. borrow money from Bank of America, N.A. ("Bank");
2. obtain for the account of this State College commercial and standby letters of credit issued by Bank;
3. obtain for the account of this State College Bank's acceptance of drafts and other instruments; and
4. discount with or sell to Bank notes, acceptances, drafts, receivables and other evidences of indebtedness, and assign or otherwise transfer to Bank any security interest or lien for such obligations;

from time to time, in such amount or amounts as in the judgment of the Authorized Officers (as hereinafter defined) this State College may require (the credit facilities

described in the first part of this resolution are collectively referred to herein as the "Credit Facilities").

RESOLVED FURTHER, that this State College is authorized to enter into one or more agreements with the Bank or an affiliate of the Bank that provide for an interest rate, credit, commodity or equity swap, cap, floor, collar, forward foreign exchange transaction, currency swap, cross currency rate swap, currency option, securities puts, calls, collars, options or forwards or any combination of, or option with respect to, these or similar transactions, which agreements may be oral or in writing (collectively, "Hedge Agreements") and to execute and deliver any master agreement and the related schedule, confirmation or other agreement or certificate as the Bank or its affiliate may require relating to such Hedge Agreements, including without limitation, any security or other collateral documentation as Bank or its affiliate may require in connection therewith.

RESOLVED FURTHER, that the Authorized Officers are hereby authorized and directed, as security for any obligation or obligations of this State College to Bank, whether arising pursuant to these Resolutions or otherwise, to grant in favor of Bank a security interest in or lien on any real or personal property belonging to or under the control of this State College.

RESOLVED FURTHER, that

Any ONE (1) of the following:

Dr. George A. Pruitt the President

Michael J. Scheiring the Vice President and Treasurer, Administration and Finance

Farouk A. Hassieb the Associate Vice President and Treasurer
Administration and Finance

of this State College, acting individually or in any combination as may be set forth above (the "Authorized Officers"), are hereby authorized and directed, in the name of this State College, to execute and deliver to Bank, and Bank is requested to accept:

- a. the notes, credit agreements, advance account agreements, acceptance agreements, letter of credit applications and agreements, purchase agreements, sale agreements or other instruments, agreements and documents which evidence the obligations of this State College under the Credit Facilities obtained or to be obtained pursuant to these resolutions;
- b. any and all security agreements, deeds of trust, mortgages, financing statements, fixture filings or other instruments, agreements and documents with respect to any security interest or lien authorized to be given pursuant to these resolutions;

- c. any master agreement and the related schedule, confirmation or other agreement or certificate as Bank may require relating to Hedge Agreements; and
- d. any other instruments, agreements and documents as Bank may require and the Authorized Officers may approve.

RESOLVED FURTHER, that the Authorized Officers are hereby authorized and directed, in the name of this State College, to endorse, assign to Bank, and deliver to Bank, any and all notes, acceptances, drafts, receivables and other evidences of indebtedness discounted with or sold to Bank, together with any security interest or lien for such obligations, and to guarantee the payment of the same to Bank.

RESOLVED FURTHER, that any and all of the instruments, agreements and documents referred to above may contain such recitals, covenants, agreements and other provisions as Bank may require and the Authorized Officers may approve, and the execution of such instruments, agreements and documents by the Authorized Officers shall be conclusive evidence of such approval, and that the Authorized Officers are authorized from time to time to execute renewals or extensions of any and all such instruments, agreements and documents.

RESOLVED FURTHER, that Bank is authorized to act upon the foregoing resolutions until written notice of revocation is received by Bank, and that the authority hereby granted shall apply with equal force and effect to the successors in office of the Authorized Officers.

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

ADJOURNMENT

There being no further business, Mr. Arndt made, and Ms. Hammond seconded, a motion to adjourn. The motion carried unanimously.

EXECUTIVE SESSION

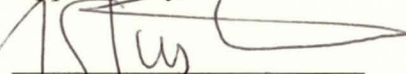
Dr. Pruitt briefed the Board on matters related to a review of the College currently being conducted by the New Jersey State Commission of Investigation (SCI). Attorney Bill Harla is advising the College on the SCI review. Mr. Harla elaborated on Dr. Pruitt's briefing and was available to answer questions posed by the Trustees. Dr. Pruitt also discussed various personnel matters updating the Board on these, as well.

Submitted by,



George A. Pruitt
Secretary of the Board

Approved by,



Reverend J. Stanley Justice
Chairperson