



101 W. State St.
Trenton, NJ 08608-1176
www.tesc.edu

Office of the President
(609) 984-1105
FAX: (609) 989-9321
gpruitt@tesc.edu

MINUTES

BOARD OF TRUSTEES MEETING

THOMAS EDISON STATE COLLEGE

September 13, 2013

MEMBERS PRESENT: Eric R. Lear, Chairman; Gualberto Medina, Vice Chairman; George A. Pruitt; Fred Abbate; J. Stanley Justice; Brian Maloney; E. Harvey Myers; Marilyn Pearson; Valerie Sampson (student trustee); and Frances Parrales (student trustee)

MEMBERS ABSENT: Ida Hammond and Richard Arndt;

ALSO PRESENT: William Seaton, Vice President and Provost; John Thurber, Vice President for Public Affairs; Dennis Devery, Vice President for Planning and Research; Mary Ellen Caro, Vice President for Enrollment Management and Learner Services; Robin Walton, Vice President for Community and Government Affairs; Christopher Stringer, Vice President of Administration and Finance; Mary Chute, State Librarian; Barbara Kleva, General Counsel; Linda Meehan, Chief of Staff; Esther H. Paist, Secretary to the Board of Trustees; and Ann Marie Senior, Associate Vice President for Planning and Research.

Mr. Lear officially called the public meeting to order at 10:00 a.m., followed by a statement of public notice pursuant to the Open Public Meetings Act, N.J.S.A. 10:4-6 to 10:4-21.

SWEARING IN OF STUDENT TRUSTEE

Mr. Lear presented the following resolution:

WHEREAS: New Jersey state law and the Bylaws of Thomas Edison State College provide for student representation on the Board of Trustees; and

WHEREAS: Said Bylaws specify criteria for the selection of student trustees; and

WHEREAS: The President of the College has certified that Frances C. Parrales meets the criteria; and

WHEREAS: The President of the College does hereby nominate Frances C. Parrales as a student trustee alternate in accordance with the procedures of the Board; now, therefore, be it

RESOLVED: That the Board of Trustees of Thomas Edison State College does hereby elect Frances C. Parrales as student trustee alternate effective September 13, 2013, for a term of one year, followed thereby as student trustee for a period of one year, which shall conclude at the annual meeting of the Board to be held in June 2015.

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

CONSIDERATION OF MINUTES

The Minutes of September 13, 2013, were presented by Mr. Lear for approval and adoption. Mr. Maloney made, and Mr. Myers seconded, a motion to accept the resolution. The motion carried unanimously.

CONSIDERATION OF RESOLUTION TO ACCEPT THE FY 2013 EXTERNAL AUDIT REPORT

Ms. Jane Letts-Parvesse, of KPMG, presented information on the audit. The audit will be reviewed in detail by the Administration, Audit, and Finance committee at its meeting in November. Ms. Letts-Parvesse pointed out that the audit is clean with no exceptions or material weaknesses, and that it included a review of the travel activities of College managers, as well as operating practices. She briefly described the audit results and commended a handout she prepared to the attention of the Board.

Mr. Maloney presented the following resolution:

WHEREAS: It is the policy of the Board of Trustees to subject the College's finances and relevant administrative practices, and the finances and relevant administrative practices of its affiliate, the New Jersey State Library, to an independent audit; and

WHEREAS: It is the practice of the Board of Trustees to have said audit reviewed by the Administration, Audit, and Finance Committee of the Board, acting as an audit committee and reporting its findings and conclusions to the Board; and

WHEREAS: In the presence of representatives of the external accounting firm that conducted the audit, the President has certified to the Board of Trustees that said audit contains no significant adverse findings; now, therefore, be it

RESOLVED: That the Board of Trustees of Thomas Edison State College does hereby receive and accept the final audit report for the fiscal year ending June 30, 2013, as presented and incorporated herein by reference, and to have said audit reviewed by the Administration, Audit, and Finance Committee of the Board, acting as an audit committee, reporting its findings and conclusions to the Board.

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

PRESIDENT'S REPORT

Dr. Pruitt welcomed everyone to the newly renovated Board Room and stated that the College has had a very good year, despite the fact that, for the first time, general college enrollment has declined nationally. The proprietaries, especially, have had steep declines in enrollments.

Dr. Pruitt discussed the litigation with Edison State College in Florida concerning use of trademark. It has now been determined that Edison State College has no viable case against us and, in fact, they are now considering changing the name of that institution. Dr. Pruitt also discussed the transfer of funds from the State, as reflected in the Budget, so that we can assume the leases for our Academic Center and, next year, our Canal Banks Building. The lease-purchase agreement for the Academic Center is forthcoming in the next week or so. For the first time, we will have control over the buildings on our campus. The College is also embarking on many capital projects, and this is a watershed year for us: we will soon have a small, elegant campus in the City of Trenton and will not be overly burdened by debt even as we do this. The College has closed on the NJBIA building, and the demolition of the Glen Cairn Arms building will soon begin. We will also acquire N. C. Wyeth's picture of George Washington entering the City of Trenton on permanent loan from Wells Fargo Bank. Another forthcoming gift, from Foundation Board Director Eileen Martinson, is a large collection of Thomas Edison memorabilia, and we are working with our architect on identifying the best ways to display these materials.

Dr. Pruitt provided a context for presentations on the FY 2013 Financial Results, the FY 2013 Key Numbers, and progress on the current Strategic Plan. He discussed the College's enrollment growth, the use of this growth as a revenue strategy through careful management involving targeting specific student types, and the infrastructure we are preparing to serve students and support development of high-quality, mission-driven programs. For example, we have identified low-margin student groups (military) and deemphasized enrolling those students while increasing enrollment of traditional, noncontract, students. This is reasonable, given the general decline in tuition support by the military. During FY 2013, there was a 20% decline in military enrollment; a 1% increase in enrollment in general; and a 9% increase in revenue, due to our enrollment of student types with large margins for tuition as well as a modest tuition increase. This year's performance has been extraordinary and has laid a firm foundation for the future. However we must continue to manage our margins carefully.

Dr. Senior presented information on FY 2013 demographics and key statistics. There was a 1% increase in enrollments in general and a 7% enrollment increase among graduate students. There has been a steady increase in nonmilitary students, and now we stand at 68% nonmilitary and 32% military. Nonmilitary, in this sense, includes other contract students (e.g., students coming from UPS). There was a 5% increase in the number of degrees awarded.

Mr. Maloney inquired about enrollment growth by programs. Ms. Caro explained that new programs (e.g., Accelerated 2nd Degree BSN and MBA) are growing well and offsetting losses in some liberal arts programs; while interest in liberal arts areas is waning, demand for practitioner-based programs is increasing. She also explained that we anticipate growth in many of our master's degree programs. Mr. Medina stated that he was impressed by the racial/ethnic diversity among our students, and Ms. Caro described our marketing efforts that are aimed at Hispanic students. Dr. Pruitt pointed out that we must continue to differentiate ourselves, as more and more bricks-and-mortar institutions enter the online marketplace.

Mr. Stringer presented information the College's fiscal status. The College had more than \$8.5m in surplus this year, which positions us well to carry out the Strategic Plan, including the capital improvements. Our debt will actually decrease, even as we build a new facility and improve others. Graduate-student margins are high and we have increased residency requirements for some contract students. Thus, we now average \$2500 per student in revenue, which is at target. Expenses during the year involved salary increases mandated by union negotiations, a 3.5% raise for managers, hiring of new staff, and increased costs for fringe benefits not paid for by the State. Mentor costs also went up as the number of enrollments and course offerings increased. Our other expenses actually dropped. The State Library is also in good financial shape.

Mr. Devery presented information on the progress with our Strategic Plan. He also referred the Board to handouts on his presentation. The College has just completed year one of the plan. Many goals are aggressive, especially those involved with the regulatory environment. Mr. Medina commented that our pass rate for the CPA, nursing, and school-administrator licensures should be emphasized in marketing efforts. Mr. Medina is also interested in getting educational opportunities to minority groups who are incarcerated. Ms. Caro described our efforts on this.

Dr. Pruitt described challenges going forward. If we are to continue to be successful, we must continually generate new enrollments and counter irrational regulatory requirements, most notably those dealing with state authorization of distance-education providers. Defining what constitutes "physical presence" is of paramount importance in this regard. The reauthorization of the federal Higher Education Act next year will also have regulatory fallout. However, we are now a member of a coalition that can provide advice on regulating nontraditional institutions as this reauthorization is taken up. Much regulation has been directed at proprietary institutions, and we public institutions wish to be positive and realistic on advising on this. To

that end, Dr. Pruitt has accepted positions on the Middle States Commission and on the CHEA board. Facilities and new program development will also figure largely in the Strategic Plan.

REPORT OF THE ACADEMIC AFFAIRS COMMITTEE

Mr. Abbate responded to Mr. Seaton's mentioning a report that cited a decline of interest in liberal arts degrees: he linked questions of value, such as those raised in the Strategic Plan's Goal 6, to the need to think critically, a skill often connected to a solid liberal arts education. He then went on to report on the meeting of the Academic Affairs Committee and its consideration of the new joint degree program with UMDNJ (now Rutgers) and of the appointments to the academic council.

CONSIDERATION OF JOINT DEGREE WITH RUTGERS: ASSOCIATE IN SCIENCE IN OCCUPATIONAL THERAPY ASSISTANT

Mr. Seaton explained that we already have five such joint degree programs, all of which provide opportunities to meet stated demand. As is typical, Rutgers will provide the technical, practitioner-based courses, and we will provide the general education component.

Mr. Abbate presented the following resolution:

WHEREAS: The Board of Trustees of Thomas Edison State College has the authority and the responsibility to determine the educational curricula and academic policies of the College; and

WHEREAS: The Academic Council reviewed and recommended the Associate in Science, Occupational Therapy Assistant, joint degree program with Rutgers, The State University of New Jersey, as presented; and

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

WHEREAS: The President of the College recommends the proposal as presented; now, therefore, be it

RESOLVED: That the Board of Trustees of Thomas Edison State College does hereby approve the Associate in Science, Occupational Therapy Assistant, joint degree program with Rutgers, The State University of New Jersey, as presented and incorporated herein by reference.

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

CONSIDERATION OF APPOINTMENTS TO THE ACADEMIC COUNCIL

Mr. Seaton explained that a number of new Academic Council members must be sought to replace others who are retiring or stepping down for various other reasons. The new members are all highly qualified and enthusiastic about joining the Council.

Mr. Abbate presented the following resolution:

The Board of Trustees of Thomas Edison State College does hereby appoint Dr. Deborah Sanders, Dr. Ting Ho, Marilyn Puchalski, Dr. Nina Haydel, Dr. Albert Lozano-Nieto, Dr. Rochelle Zozula, Dr. William Reed, and Dr. Toby Tetenbaum to three-year terms on the Academic Council of Thomas Edison State College. The action herein taken is pursuant to a recommendation by the President of the College.

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

CONSIDERATION OF CANDIDATES FOR DEGREE

Mr. Seaton explained that for the first time we have more than 1000 candidates being presented at a single board meeting, a 7% increase over the last year at this time. This group also includes the first MBA candidate.

Mr. Abbate presented the following resolution:

WHEREAS: The Board of Trustees of Thomas Edison State College has the authority and the responsibility to determine the educational curricula and academic policies of the College; and

WHEREAS: The Board of Trustees of Thomas Edison State College also has the authority and the responsibility to approve the awarding of the appropriate degrees to those September 13, 2013, candidates cited on the lists provided and incorporated herein by reference; and

WHEREAS: The action taken herein 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, now, therefore, be it

RESOLVED: That the Board of Trustees of Thomas Edison State College does hereby approved the awarding of the appropriate degrees to those September 13, 2013, candidates.

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

CONSIDERATION OF PURCHASE OF REAL PROPERTY—PARKING LOT

Dr. Pruitt explained that the College needs more space for employee parking, now that the State can no longer provide it. The State needs its own increased parking, since more state workers are coming into Trenton from other areas. The College had the opportunity to purchase a new lot recently, and we needed to seize this opportunity. Mr. Medina commented that this is a very good thing to do.

Dr. Pruitt presented the following resolution:

WHEREAS: New Jersey law, N.J.S.A. 18A:64-6(q), authorizes the Board of Trustees of Thomas Edison State College to purchase real property which is necessary or desirable for College purposes; and

WHEREAS: A certain property, located in the City of Trenton, County of Mercer, State of New Jersey, and shown on the City of Trenton tax map as Lot 22, Block 3401, and commonly known as 60 West Hanover Street, hereinafter the "Property," is available for purchase; and

WHEREAS: It is in the best interest of the College to purchase this Property for the College's use, consistent with the College's mission; and

WHEREAS: The Property is a paved surface lot that contains 36 parking spots that will be used for College staff; and

WHEREAS: Representatives of the College will negotiate the purchase price of said Property, at a purchase price that takes into account the independent appraisal, which terms will be memorialized in a certain document, "Contract for Purchase of 60 West Hanover Street," the "Contract," which Contract is not yet executed and is subject to and conditioned upon approval of the Board of Trustees; now, therefore, be it

RESOLVED: That the Board of Trustees hereby approves the purchase of said Property in accordance with the terms and conditions set forth in a Contract to be negotiated for the purchase price to not exceed \$525,000; and be it further

RESOLVED: That the Board of Trustees hereby authorizes and directs the President, or his designee, to negotiate, execute, and deliver said Contract, and any and all reasonable and necessary amendments thereto, and any other agreements or documents as may be necessary to enter into the purchase of the Property, in accordance with the terms of a Contract, and to take such actions and execute such documents as are necessary or appropriate to consummate the closing of said purchase of the Property, in accordance with the terms of the Contract and any amendments thereto; and be it further

RESOLVED: That the Board of Trustees hereby directs the President to report back to the Board with the executed contract.

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

CONSIDERATION OF LEASE OF REAL PROPERTY

Dr. Pruitt explained that we need to relocate staff from the Center for Learning and Technology for about 12 months while renovations are being made to the new space for this unit in the NJBIA building.

WHEREAS: New Jersey law, N.J.S.A. 18A:64-6(q), authorizes the Board of Trustees of Thomas Edison State College to lease real property which is necessary or desirable for College purposes; and

WHEREAS: A certain property, including 3,666 square feet of office space on the tenth floor of a building located in the City of Trenton, County of Mercer, State of New Jersey, and shown on the City of Trenton tax map as Lots 3405, Block 4, and commonly known as 50 West State Street, hereinafter the "Property," is available for lease; and

WHEREAS: It is in the best interest of the College to enter into a lease of this Property for the College's use, consistent with the College's mission; and

WHEREAS: The College wishes to lease the office space during the renovation of the Kelsey and Townhouse complex for twelve months, with an option to renew for an additional six months; and

WHEREAS: The proposed lease terms for the Property involve an annual rent of \$104,481, or \$28.50 per square foot, that is paid monthly in twelve equal payments, with a \$.50 per-square-foot escalation if the lease is extended for an additional six months; and

WHEREAS: Representatives of the College will negotiate the contract that includes the annual rent of \$104,481, or \$28.50 per square foot, which terms will be memorialized in a certain document, "Contract for Lease of Office Space located at 50 West State Street," the "Contract," which Contract is not yet executed and is subject to and conditioned upon approval of the Board of Trustees; now, therefore, be it

RESOLVED: That the Board of Trustees hereby approves the lease of said Property in accordance with the terms and conditions set forth in the lease; and be it further

RESOLVED: That the Board of Trustees hereby authorizes and directs the President, or his designee, to negotiate, execute and deliver said lease, and any and all reasonable and necessary amendments thereto, and any other agreements or documents as may be necessary to enter into the lease of the Property.

Reverend Justice made, and Mr. Medina seconded, a motion to adopt the resolution. The motion carried unanimously.

CONSIDERATION OF PERSONNEL ACTIONS

Dr. Pruitt called the group's attention to the recent hiring of two new deans (Williams and Aje) and the fact that there are once again two separate schools (Business and Technology), each of which is headed by one of the new hires.

Dr. Pruitt presented the following resolution:

WHEREAS: The Board of Trustees of Thomas Edison State College is authorized to approve and act on contract renewal recommendations for employees of the College, pursuant to N.J.S.A. 18A: 64-6(h) and (i), as well as for State Library employees, pursuant to N.J.S.A. 18A: 73-34; and

WHEREAS: The President has made the contract recommendations as indicated on the lists provided and incorporated herein by reference; and

WHEREAS: The action taken herein is pursuant to an evaluation of each employee's work performance; now, therefore, be it

RESOLVED: That 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.

Mr. Maloney made, and Mr. Medina seconded, a motion to adopt the resolution. The motion carried unanimously.

EXECUTIVE SESSION

Mr. Lear asked for a motion to enter Executive Session to consider Dr. Pruitt's evaluation.

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

Following the Executive Session, the Board reconvened in Public Session at 1:15.

REPORT OF THE COMPENSATION COMMITTEE

Mr. Lear explained that the Board met in Executive Session to evaluate the President's performance and agreed that accepting the Compensation Committee's recommendation concerning Dr. Pruitt's salary increase was reasonable and proper, given the very good year the College has had under his leadership.

CONSIDERATION OF THE PRESIDENT'S SALARY

Mr. Lear presented the following resolution:

WHEREAS: The Board of Trustees of Thomas Edison State College is authorized to determine the compensation of the College President, pursuant to N.J.S.A. 18A: 64-6(g); and

WHEREAS: The President enjoys the full confidence and support of the Board of Trustees; now, therefore, be it

RESOLVED: That the Board of Trustees of Thomas Edison State College does hereby fix the base annual salary of the President at \$320,000, effective July 1, 2013.

Mr. Medina made, and Reverend Justice seconded, a motion to adopt the resolution. The motion carried unanimously.

NEW BUSINESS

CONSIDERATION OF NAMING OF NURSING EDUCATION CENTER —GEORGE A. PRUITT HALL

Mr. Lear explained that, in conjunction with the consideration of Dr. Pruitt's salary increase, the Board also considered the matter of naming the new Nursing Education Center George A. Pruitt Hall upon Dr. Pruitt's retirement.

Mr. Lear presented the following resolution:

WHEREAS: Dr. George A. Pruitt has served Thomas Edison State College as its President with distinction and devotion for more than thirty years; and

WHEREAS: He has displayed an unswerving commitment to the creation of a campus in downtown Trenton and to the growth of the College's campus through the restoration of historic buildings and planning for the strategic development of properties responsive to the needs of the College's students; and

WHEREAS: The Board of Trustees has authorized the construction of the Nursing Education Center at its December 14, 2012, meeting; and

WHEREAS: The Board of Trustees has determined it to be a fitting recognition of Dr. Pruitt's leadership and vision that the Nursing Education Center bear his name, now, therefore, be it

RESOLVED: That, in recognition of his thirty years of leadership and vision, and in anticipation that his presidency will continue for many years to come, the Nursing Education Center shall be named "George A. Pruitt Hall;" and be it further

RESOLVED: That this designation shall be effective upon Dr. Pruitt's retirement from his position as President of the College; and be it further

RESOLVED: That the December 6, 2002, Board of Trustees resolution designating the name of the Townhouse Complex be hereby rescinded.

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

REPORT OF THE NOMINATING COMMITTEE

Reverend Justice explained that the committee met and recommended that Mr. Medina, be elected as chairman, and Mr. Maloney, as vice chairman. The board voted unanimously to take the suggestion of the committee, and Mr. Medina and Mr. Maloney were duly elected.

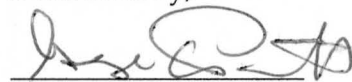
ADJOURNMENT

Mr. Lear asked for a motion to adjourn the meeting.

Mr. Abbate made, and Mr. Myers seconded, a motion to adjourn the meeting. The motion carried unanimously.

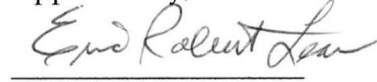
The meeting adjourned at 1:30.

Submitted by,



George A. Pruitt
Secretary of the Board

Approved by,



Eric R. Lear
Chairperson