



**2007 Report on the
Minnesota State
High School League**

**Report
To the
Legislature**

**As required by
Minn. Stat. §
128C.20**

COMMISSIONER:

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Upon request, this report can be made available in alternative formats.

ESTIMATED COST OF PREPARING THIS REPORT

This report provides information that is maintained and published by the Department of Education as a part of its normal business functions. Therefore, the cost information reported below does not include the cost of gathering the data but rather is limited to the estimated cost of actually analyzing the data, determining recommendations and preparing this report document.

Special funding was not appropriated for the costs of preparing this report.

The estimated cost incurred by the Minnesota Department of Education in preparing this report is \$350.00.

REPORT ON THE MINNESOTA STATE HIGH SCHOOL LEAGUE

Purpose of the Report

Minnesota Statute § 128C.20, Subdivision 1, requires the Commissioner of Education (Commissioner) to conduct an annual review of the Minnesota State High School League (MSHSL). The MSHSL “is a nonprofit corporation that is a voluntary association of high schools . . . whose governing boards have delegated their control of extracurricular activities . . . to the [MSHSL].” Minn. Stat. § 128C.01, Subd. 1. Minnesota Statute § 128C.20, Subdivision 1, specifically directs the Commissioner to obtain and review the following information about the MSHSL:

1. An accurate and concise summary of the annual financial and compliance audit prepared by the state auditor that includes information about the compensation of and the expenditures by the executive director of the MSHSL and MSHSL staff;
2. A list of all complaints filed with the MSHSL, all lawsuits filed against the MSHSL, and the disposition of those complaints and lawsuits;
3. An explanation of the executive director’s performance review;
4. Information about the extent to which the MSHSL has implemented its affirmative action policy, its comparable worth plan, and its sexual harassment and violence policy and rules; and
5. An evaluation of any proposed changes in MSHSL policy.

The Commissioner has obtained the following sources of data for this report: correspondence from the President of the MSHSL Board of Directors (Board President); Department of Employee Relations notice to MSHSL of compliance with Local Government Pay Equity Act dated October 6, 2006, Minutes; Meeting of the Representative Assembly, March 16, 2007; MSHSL Activity Advisory Committee Process; MSHSL Policy Changes: 2006-2007; MSHSL 2006-2007 Annual Report; the Annual Financial Report and Management Letter completed by the State of Minnesota, Office of the State Auditor, for the year ended July 31, 2006; and the MSHSL Annual Financial Report 2005-2006 year ended July 31, 2006.

State Auditor’s Financial and Compliance Audit

The Commissioner must obtain and review an accurate and concise summary of the annual financial and compliance audit prepared by the state auditor that includes information about the compensation of, and the expenditures by, the executive director of the MSHSL and MSHSL staff.

The Minnesota State Auditor’s report reviewed the basic financial statements of the MSHSL for fiscal year 2006. In its Management Letter, the state auditor included the following schedule of findings and recommendations:

1. It is the responsibility of the MSHSL and each region committee to continue to be aware of the risks associated with limited segregation of duties. The MSHSL and region committees should continue to monitor financial activity and provide oversight in this area. This was a previously reported item not resolved.

2. Region secretaries are employees and, as such, are subject to MSHSL policies and guidelines. The MSHSL's *Board of Directors Policy Manual and Guidelines* requires the use of special expense forms to document prior approval and authorization of expenses incurred in connection with official functions of the MSHSL that do not fall under regular expense and travel policies. In two regions, one instance was noted each where special expense forms were not used to document approval and authorization of expenses that met the criteria for special expense. In another region, three instances were noted where invoices were not submitted as support with a special expense form. It was recommended the MSHSL continue its efforts to clarify management's expectations and guidelines for special expenses. The MSHSL should monitor and work with region secretaries to ensure the consistent use of appropriate forms to document and authorize special expenses. This was a previously reported item not resolved.

In accordance with Minn. Stat. § 128C.12, the state auditor performed tests of compliance with appropriate laws and regulations. The results of their tests indicated that, for the items tested, the MSHSL complied with the material terms and conditions of applicable legal provisions.

A. Compensation of the MSHSL's Executive Director and Staff

According to the Board President, staff salaries are based on a range established in policy by the Board of Directors. Salaries are based, among other criteria, upon a comparison of similar athletic and activity associations in the states that comprise the Big Ten athletic conference (Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, Pennsylvania, and Wisconsin). The Department of Employee Relations (DOER) affirmed MSHSL's compliance with pay equity laws in a letter to the MSHSL dated October 6, 2006.

B. Expenditures of the MSHSL's Executive Director and Staff

According to the Board President, the director and his staff were reimbursed a total of \$15,275 for statewide travel during the 2006-2007 school year. The Board President states that expenses are reimbursed as identified in the Board of Directors policy and in Minnesota Statute § 43A.18, Subdivision 2, the Commissioner's Plan.

Complaints and Lawsuits

The Commissioner must obtain and review a list of all complaints filed with the MSHSL, all lawsuits filed against the MSHSL, and the disposition of those complaints and lawsuits.

State law does not proscribe a dispute resolution method for the MSHSL, but the MSHSL has established a policy for hearing disputes regarding student eligibility including hearing and hearing review procedures. During the 2006-2007 school year, there was one hearing held to resolve disputes over eligibility and three legal actions filed against the MSHSL.

Description of the hearing held during the 2006-2007 school year are as follows:

- October 2006 – Bylaw 205, Chemical Eligibility
Hearing Officer recommended and Board of Directors approved that the MSHSL sustain the determination of ineligibility of the student as made by the high school.

Description of legal actions filed during the 2006-2007 school year are as follows:

- August 25, 2006 (refilled August 28, 2006) – Temporary Restraining Order was filed against the MSHSL along with the applicable school district pertaining to the school district’s determination of student ineligibility. The action was vacated.
- September 5, 2006 – Ex parte proceeding involving determination of student ineligibility during a divorce proceeding.

Executive Director’s Performance Review

The Commissioner must obtain and review an explanation of the executive director’s performance review. The annual evaluation of the executive director was completed in 2007 and is positive. According to Board President: “[Executive director] is without peer as a leader and executive director of a state association. Minnesota is recognized as one of the leaders in high school fine arts and athletics, and this is a reflection of [executive director’s] committed, unselfish leadership.”

MSHSL Program Implementation

The Commissioner must obtain and review information about the extent to which the MSHSL has implemented its affirmative action policy, its comparable worth plan, and its sexual harassment and violence policy and rules.

According to the Board President, the Board’s affirmative action policies ensure that jobs within the MSHSL are equally accessible to all qualified persons. The Board President states that staff follow Minn. Stat. § 128C.15, Subd. 2, when employment opportunities become available.

According to the Board President, the MSHSL’s comparable worth plan was initially adopted in the fall of 1988. A consultant was subsequently hired to evaluate jobs and assign pay grades. The comparable worth plan submitted by the consultant was approved by the Board on August 14, 1997. In January 2006, the League sent its most recent pay equity report to DOER. DOER notified the MSHSL that it was in compliance in October 2006.

According to the Board President, the MSHSL’s Sexual, Racial and Religious Harassment and Violence and Hazing Policy was adopted as a Bylaw, and it is enforced statewide. The MSHSL has shared the vision of the harassment/hazing policy with all of the states in the National Federation of State High School Associations.

Evaluation of Proposed Changes in League Policy

The Commissioner must obtain and review an evaluation of any proposed changes in MSHSL policy. The Board President provided a list of policy changes made during the 2006-2007 school year. The changes are as follows:

- Changes in Policy. Employee Recognition Program – outlining limits to recognize milestone years of services by MSHSL employees and non-MDHSL employees.
- Changes in Policy. Rules Meeting Attendance by Head Coach – outlining mandatory head coach attendance to a pre-season rules meeting (if a meeting is conducted for that sport) and penalties for failure to comply.
- Changes in Policy. Sale of Items at State Tournament Sites – outlining procedures for vendors at tournaments.
- Changes in Policy. Definitions – revisions to definitions to “move,” “dual residence,” “emancipated student,” “good standing,” “guardianship,” “high school,” “parents,” “high school district,” and “transfer student.”
- High School League Bylaw Change. Transfer Students – outlining the eligibility criteria for transfer students.

Conclusion

Minnesota Statute § 128C.20, Subdivision 1, requires the Commissioner of MDE to conduct an annual review of the Minnesota State High School League. This report documents the required review.