



**2006 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:

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, MSHSL Board Policy Committee – Board Policy Handbook Review, MSHSL Policy Changes: 2005-2006, MSHSL 2005-2006 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, 2005, the MSHSL Annual Financial Report 2004-2005 year ended July 31, 2005.

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 2005. 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 one region, a special expense form was not used to document approval and authorization of expenses that meet the criteria for special expenses. In another region, there were three instances where invoices were not submitted as support with a special expense form. While acknowledging the MSHSL has made progress in the area of special expenses, 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 \$16,579 for statewide travel during the 2005-2006 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 2005-2006 school year, there were 12 hearings held to resolve disputes over eligibility; one legal action filed against the MSHSL pending from prior years was dismissed.

Descriptions of the hearings held during the 2005-2006 school year are as follows:

- July 2005 – Bylaw 205, Chemical Eligibility. Hearing Officer recommended and Board approved that student-athlete was ineligible to participate in MSHSL sponsored activities for the next six consecutive interscholastic contests or three weeks, 21 calendar days, whichever is greater, in which the student is a participant.

- September 2005 – Bylaw 111, Transfer and Residence. Hearing Officer recommended and Board approved that student-athlete was ineligible to participate in varsity competition for a period equal to 50% (rounded up to the next number) of the regular season varsity games scheduled in each sport in which the student participates for one calendar year (365 days) beginning with the first day of attendance at the High School.
- September 2005 – Bylaw 111, Transfer and Residence. Hearing Officer recommended and Board did not approve that student-athlete was ineligible to participate in varsity competition for a period equal to 50% (rounded up to the next number) of the regular season varsity games scheduled in each sport in which the student participates for one calendar year beginning with the first day of attendance at the High School.
- September 2005 – Bylaw 111, Transfer and Residence. Hearing Officer recommended and Board approved that student-athlete was ineligible for varsity competition for a period equal to 50% of the regular season varsity games scheduled in each sport in which the student participates with the period extending from the date of admission of the student at the High School in the fall of 2005 through the end of the winter sports season in March 2006 and the student being 100% eligible for the spring sports season of 2006 at the High School.
- September 2005 – Bylaw 111, Transfer and Residence. Hearing Officer recommended and Board approved that student-athlete was ineligible for 50% of the regular season games scheduled in each sport in which the student participates, for one year from the date he entered the High School, on or about August 30, 2005, and since student has previously served said penalty for boys' soccer, he is immediately eligible for said sport.
- September 2005 – Bylaw 110, Semester Enrolled. Hearing Officer recommended and Board approved that student-athlete was ineligible to participate in MSHSL sponsored activities.
- October 2005 – Bylaw 205, Chemical Eligibility. Hearing Officer recommended and Board approved that student-athlete was immediately eligible to participate in MSHSL sponsored activities.
- October 2005 – Bylaw 206, Good Standing and General Eligibility Requirements. Hearing Officer recommended and Board approved that the MSHSL support the four-game/meet suspension by the school and that the suspension commence on October 17, 2005, thus including all games through November 1, 2005.
- November 2005 – Bylaw 205, Chemical Eligibility. Hearing Officer recommended and Board approved that student-athlete was immediately eligible to participate in MSHSL sponsored activities.
- December 2005 – Bylaw 206, Good Standing. Hearing Officer recommended and Board voted to reinstate eligibility under special and unusual circumstances to uphold the Executive Director's determination of ineligibility of student-athlete to participate in varsity sports at the High School.
- April 2006 – Bylaw 205, Chemical Eligibility. Hearing Officer recommended and Board approved that the Board sustain the determination of ineligibility as made by the High School hearing panel.

- May 2006 – Bylaw 205, Chemical Eligibility. Hearing Officer recommended that the Board may reverse the determination that the student-athlete was ineligible to participate as made by the High School’s hearing panel or, in the alternative, the Board may return the matter to the High School for them to determine whether to conduct a new hearing in compliance with the bylaws and policies or withdraw their determination of ineligibility, the Board recommended that the matter be returned to the school for further determination.

A complaint and motion for a preliminary injunction was filed in Federal District Court and served on the MSHSL on November 26, 2003, over the use of different facilities for boys’ and girls’ state hockey tournaments. The essence of the complaint, filed by several female student-athletes who play interscholastic ice hockey, is that it is unfair that the boys’ tournament is held at the Xcel Energy Center in St. Paul while the girls’ tournament is not. The Plaintiffs sought the requirement that the girls’ state hockey tournament be held at the Xcel Energy Center. The MSHSL has agreed to hold the 2006 through 2008 girls’ tournament at the Xcel Energy Center. The lawsuit was dismissed April 1, 2006.

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 2006 and is positive. According to President Todd Lundberg: “The MSHSL is very blessed to have an Executive Director of David Stead’s quality. A major reason that Minnesota is looked upon as a leader in high school fine arts and athletics is because of the strong leadership of Mr. Stead. His dedication to all of the member schools over the years is outstanding.”

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 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 2005-2006 school year. The changes are as follows:

- Changes in Policy: Corporate Partnership Agreements – outlining guidelines for the MSHSL to follow when entering into corporate partnership/sponsorship agreements.
- Changes in Policy: Sales of Items at State Tournament Events – allows only items offered by and through MSHSL approved vendors to be sold at State Tournament venues.
- Changes in Policy: MSHSL Whistleblower Policy -- outlining MSHSL employee obligation to perform ethically and to comply with MSHSL policies relating to financial integrity and to report material violations or suspected violations in accordance with Whistleblower Policy.

It is further reported by the Board President that the Policy Committee of the MSHSL's Board of Directors completed a thorough review of the Board policies which resulted in minor editorial changes.

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.