



2011 Report on the Minnesota State High School League

**FY 2011
Report
To the
Legislature**

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

COMMISSIONER:
Brenda Cassellius

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Minnesota State
High School League**

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Minnesota Statutes
Statute
§ 128C.20**

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Cost of Report Preparation

ESTIMATED COST OF PREPARING THIS REPORT

This report provides information that is maintained and published by the Minnesota 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); Notice of Pay Equity Compliance presented to MSHSL by Minnesota Management & Budget dated January 6, 2010; MSHSL 2010-11 Annual Report; and the State of Minnesota, Office of the State Auditor, Management Letter as a Result of the Audit of the MSHSL, for the year ended July 31, 2010.

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 2010. In its Management Letter, the state auditor included the following schedule of findings and recommendations:

1. EACH REGION HAS AN ADMINISTRATIVE SECRETARY WHO IS RESPONSIBLE FOR THE ACCOUNTING FUNCTIONS. ESTABLISHING AND MAINTAINING INTERNAL CONTROL OVER THE VARIOUS ACCOUNTING CYCLES, THE FAIR PRESENTATION OF THE FINANCIAL STATEMENTS AND RELATED NOTES, AND THE ACCURACY AND COMPLETENESS OF ALL FINANCIAL RECORDS AND RELATED INFORMATION IS THE RESPONSIBILITY OF EACH REGIONAL SECRETARY, EACH REGIONAL COMMITTEE, AND THE MSHSL. ADEQUATE SEGREGATION OF DUTIES IS A KEY INTERNAL CONTROL IN AN ORGANIZATIONS ACCOUNTING

SYSTEM. THE SIZE OF THE REGIONS AND THEIR STAFFING LIMITS THE INTERNAL CONTROL THAT CAN BE DESIGNED AND IMPLEMENTED INTO THE ORGANIZATION. MANAGEMENT SHOULD BE AWARE THAT SEGREGATION OF DUTIES AT THE REGIONAL LEVELS NOT ADEQUATE FROM AN INTERNAL CONTROL POINT OF VIEW.

MANAGEMENT OF EACH REGION AND THE MSHSL ARE RESPONSIBLE FOR THE ACCURACY AND COMPLETENESS OF ALL FINANCIAL RECORDS AND RELATED INFORMATION. ALSO, MANAGEMENT IS RESPONSIBLE FOR CONTROLS OVER THE PERIOD-END FINANCIAL REPORTING PROCESS, INCLUDING CONTROLS OVER PROCEDURES USED TO ENTER TRANSACTION TOTALS INTO THE GENERAL LEDGER; INITIATE, AUTHORIZE, RECORD, AND PROCESS JOURNAL ENTRIES INTO THE GENERAL LEDGER; AND RECORD RECURRING AND NONRECURRING ADJUSTMENTS TO THE FINANCIAL STATEMENTS.

DURING THE REGIONAL AUDITS, MATERIAL ADJUSTMENTS WERE PROPOSED TO CONVERT SIX OF THE REGION'S FINANCIAL RECORDS TO THE FINANCIAL STATEMENTS AS REPORTED. THESE ADJUSTMENTS INCREASED ASSETS AND LIABILITIES, AND RESULTED IN A NET INCREASE IN RELATED EXPENSES. IT WAS RECOMMENDED THAT EACH REGIONAL COMMITTEE AND THE BOARD AND MANAGEMENT OF THE MSHSL BE MINDFUL THAT LIMITED STAFFING CAUSES INHERENT RISKS IN SAFEGUARDING THE ORGANIZATION'S ASSETS AND THE PROPER REPORTING OF ITS FINANCIAL ACTIVITY. IT WAS FURTHER RECOMMENDED THE REGIONAL COMMITTEES AND THE BOARD AND MANAGEMENT OF THE MSHSL CONTINUE TO IMPLEMENT OVERSIGHT PROCEDURES AND MONITOR THOSE PROCEDURES TO DETERMINE IF THEY ARE STILL EFFECTIVE INTERNAL CONTROLS.

THIS WAS A PREVIOUSLY REPORTED ITEM NOT RESOLVED.

2. REVIEW OF THE TOURNAMENT REVENUES AND REPORTS AT EACH OF THE REGIONS FOUND THAT: 1) TWO REGIONS HAD TOURNAMENT REPORTS WITH MISSING BEGINNING AND ENDING TICKET NUMBERS OR IMPROPER TICKET NUMBERS; 2) ONE REGION HAD A TOURNAMENT REPORT THAT WAS NOT SIGNED; 3) TWO REGIONS HAD TOURNAMENT REPORTS WITH TICKET NUMBERS THAT DID NOT RECONCILE TO THE REVENUE RECEIVED; AND 4) ONE REGION HAD MISSING TOURNAMENT REPORTS.

IT WAS RECOMMENDED THAT REGIONAL SECRETARIES MORE CLOSELY MONITOR SITE PERSONNEL AND TOURNAMENT MANAGERS TO ENSURE THAT TOURNAMENT REPORTS ARE COMPLETE, ACCURATE, AND SUBMITTED FOR ALL TOURNAMENTS.

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 MINNESOTA MANAGEMENT AND BUDGET (MMB) FORMERLY

KNOWN AS DEPARTMENT OF EMPLOYEE RELATIONS (DOER), AFFIRMED MSHSL'S COMPLIANCE WITH PAY EQUITY LAWS IN A LETTER TO THE MSHSL DATED JANUARY 6, 2010.

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 \$22,156.00 FOR STATEWIDE TRAVEL DURING THE 2010-2011 SCHOOL YEAR. THE BOARD PRESIDENT STATES THAT EXPENSES ARE REIMBURSED AS IDENTIFIED IN THE BOARD OF DIRECTORS POLICY AND IN MINN. STAT. § 43A.18, SUBD. 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.

A description of the hearings held during the 2010-2011 fiscal year are as follows:

- SEPTEMBER 17, 2010 – BYLAW 111, TRANSFER AND RESIDENCE
HEARING OFFICER RECOMMENDED AND BOARD OF DIRECTORS APPROVED THE STUDENT'S INELIGIBILITY FOR VARSITY COMPETITION FOR 365 DAYS FROM THE DATE OF REENROLLMENT.
- SEPTEMBER 28, 2010 – BYLAW 111, TRANSFER AND RESIDENCE
HEARING OFFICER RECOMMENDED AND BOARD OF DIRECTORS APPROVED THE STUDENT'S IMMEDIATE ELIGIBILITY FOR VARSITY COMPETITION.
- SEPTEMBER 30, 2010 – BYLAW 111, TRANSFER AND RESIDENCE
HEARING OFFICER RECOMMENDED AND BOARD OF DIRECTORS APPROVED THE STUDENT'S IMMEDIATE ELIGIBILITY FOR VARSITY EXTRA-CURRICULAR ACTIVITIES.
- OCTOBER 8, 2010 – BYLAW 111, TRANSFER AND RESIDENCE
HEARING CANCELLED.
- OCTOBER 13, 2010 – BYLAW 111, TRANSFER AND RESIDENCE
HEARING OFFICER RECOMMENDED AND BOARD OF DIRECTORS APPROVED THE STUDENT'S INELIGIBILITY FOR VARSITY COMPETITION FOR A PERIOD OF 365 DAYS COMMENCING FROM THE FIRST DAY OF STUDENT'S ATTENDANCE.
- NOVEMBER 3, 2010 – BYLAW 111, TRANSFER AND RESIDENCE
HEARING OFFICER RECOMMENDED AND BOARD OF DIRECTORS APPROVED THE STUDENT'S IMMEDIATE ELIGIBILITY FOR VARSITY COMPETITION AT THE RECEIVING SCHOOL.
- NOVEMBER 10, 2010 – BYLAW 111, TRANSFER AND RESIDENCE
HEARING CANCELLED.

- NOVEMBER 30, 2010 – BYLAW 111, TRANSFER AND RESIDENCE
HEARING OFFICER RECOMMENDED AND BOARD OF DIRECTORS APPROVED THE STUDENT’S INELIGIBILITY FOR VARSITY COMPETITION FOR A PERIOD OF ONE CALENDAR YEAR COMMENCING WITH THE FIRST DAY OF ATTENDANCE IN THE RECEIVING SCHOOL.
- DECEMBER 20, 2010 – BYLAW 111, TRANSFER AND RESIDENCE
HEARING OFFICER RECOMMENDED AND BOARD OF DIRECTORS APPROVED THE STUDENT’S INELIGIBILITY FOR VARSITY COMPETITION FOR A PERIOD OF 365 DAYS COMMENCING FROM THE FIRST DAY OF STUDENT’S ATTENDANCE IN THE RECEIVING SCHOOL.
- JANUARY 26, 2011 – BYLAW 111, TRANSFER AND RESIDENCE
HEARING OFFICER RECOMMENDED AND BOARD OF DIRECTORS APPROVED THE STUDENT’S INELIGIBILITY FOR VARSITY COMPETITION FOR 365 DAYS FROM ENROLLMENT IN THE RECEIVING SCHOOL.
- FEBRUARY 1, 2011 - BYLAW 111, TRANSFER AND RESIDENCE
HEARING OFFICER RECOMMENDED AND BOARD OF DIRECTORS APPROVED THE STUDENT’S INELIGIBILITY FOR VARSITY COMPETITION FOR A PERIOD OF 365 DAYS COMMENCING FROM THE FIRST DAY OF THE STUDENT’S ATTENDANCE IN THE RECEIVING SCHOOL.
- MARCH 18, 2011- BYLAW 111, TRANSFER AND RESIDENCE
HEARING OFFICER RECOMMENDED AND BOARD OF DIRECTORS APPROVED THE STUDENT’S INELIGIBILITY FOR VARSITY COMPETITION FOR A PERIOD OF 365 DAYS COMMENCING FROM ENROLLMENT IN THE RECEIVING school.

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 2011 and is positive. According to Board President: “[Executive Director] understands well his role in the organization. He understands the authority of the Board of Directors and provides important leadership to the board members to help carry out the mission of the MSHSL. He works very hard to be available to board members, answers questions, and provides insight to the issues in front of the MSHSL. [Executive Director] provides timely and accurate information to all board members and makes sure that board policies and procedure is followed.”

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. The MSHSL

completed and filed its most recent Pay Equity Report with MMB on January 13, 2009, and the Notice of Pay Equity Compliance was received and dated January 6, 2010.

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. In addition, the MSHSL's TeamUp program provides a DVD to all member schools regarding hazing, and the Coaches' Clipboard section of the MSHSL website provides a direct link for coaches entitled, Hazing; The Painful Truth. This DVD was developed by Rochester, Minnesota school district in conjunction with the Rochester, Minnesota Police Department.

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 copy of policies that were developed and revised and approved by the Board of Directors and a copy of Minutes Meeting of the Representative Assembly, May 16, 2011, which provided the changes as follows:

- REGION/SECTION CONSISTENCY – POLICY: REVISED, SEEDING – OUTLINING THE FORFEITURE – BEFORE SEEDING/AFTER SEEDING POLICY, SEEDING POLICY, AND RENTAL FEE POLICY WHEN HOSTING SECTION EVENTS.
- MSHSL'S PROPOSED STANDARD FOR ALPINE SKIING OUTLINING COMPETITION LIMITATIONS DURING EXTREME TEMPERATURES.
- ADVISORY COMMITTEE RECOMMENDATIONS TO THE MSHSL BOARD OF DIRECTORS FROM THE SPEECH ADVISORY COMMITTEE PERTAINING TO STATE TOURNAMENT PRELIMINARY ROUND TIE BREAKERS, HEAD TO HEAD MATCHUPS, OPPONENTS' RANKS, RECIPROCAL FRACTIONS AND DISQUALIFICATION.
- ADOPTION OF ZERO WEEK POLICY FOR FOOTBALL.
- ADMINISTRATIVE REGION/CLASS COMPETITION/COMPETITIVE SECTION ASSIGNMENT POLICY.
- ADVISORY COMMITTEE RECOMMENDATION TO THE MSHSL BOARD OF DIRECTORS FROM THE FOOTBALL COMMITTEE PERTAINING TO THE USE OF PLAY CLOCKS.
- TRACK & FIELD – WHEELCHAIR DIVISION GUIDELINES – ADDING WHEELCHAIR TRACK AND FIELD TO THE 2011 TRACK AND FIELD SEASON.
- AMENDMENT TO BYLAW 109.00, SEASONS OF PARTICIPATION – PERTAINING TO NUMBER OF SEASONS OF STUDENT PARTICIPATION IN INTERSCHOLASTIC SPORTS ADOPTED BY THE MSHSL REPRESENTATIVE ASSEMBLY ON MAY 16, 2011.
- BYLAW 101.00, AGE – PERTAINING TO AGE ELIGIBILITY FOR STUDENTS WHO PARTICIPATE IN ADAPTED ATHLETICS PROGRAM ADOPTED BY THE MSHSL REPRESENTATIVE ASSEMBLY ON MAY 16, 2011.
- BYLAW 103.00, CREDIT REQUIREMENTS – PERTAINING TO STUDENTS' SCHOLASTIC ELIGIBILITY ADOPTED BY THE MSHSL REPRESENTATIVE ASSEMBLY ON MAY 16, 2011.
- BYLAW 104.00, ENROLLMENT – PERTAINING TO CHARTER SCHOOL STUDENTS' ELIGIBILITY ADOPTED BY THE MSHSL REPRESENTATIVE ASSEMBLY ON MAY 16, 2011.
- BYLAW 105.00, GRADE LEVEL ELIGIBILITY – PERTAINING TO NON-PUBLIC HIGH SCHOOL STUDENTS' ELIGIBILITY ADOPTED BY THE MSHSL REPRESENTATIVE ASSEMBLY ON MAY 16, 2011.
- BYLAW 106.00, GRADUATES OF SECONDARY SCHOOLS – PERTAINING TO FOREIGN EXCHANGE STUDENTS' ELIGIBILITY ADOPTED BY THE MSHSL REPRESENTATIVE ASSEMBLY ON MAY 16, 2011.
- BYLAW 107.00, PHYSICAL EXAMINATION – PERTAINING TO REQUIREMENTS AND RECOMMENDATIONS FOR PHYSICAL EXAMINATIONS ADOPTED BY THE MSHSL REPRESENTATIVE ASSEMBLY ON MAY 16, 2011.

- BYLAW 110.00, SEMESTERS ENROLLED – PERTAINING TO THE NUMBER OF SEMESTERS OF STUDENT ELIGIBILITY ADOPTED BY THE MSHSL REPRESENTATIVE ASSEMBLY ON MAY 16, 2011.
- BYLAW 111.00, TRANSFER AND RESIDENCE – PERTAINING TO TRANSFER STUDENTS' ELIGIBILITY ADOPTED BY THE MSHSL REPRESENTATIVE ASSEMBLY ON MAY 16, 2011.
- BYLAW 411.2, SCHEDULING OF CONTESTS – PERTAINING TO SCHEDULING DUAL CONTESTS WITH NON-MEMBER SCHOOLS ADOPTED BY THE MSHSL REPRESENTATIVE ASSEMBLY ON MAY 16, 2011.

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.