



**MINNESOTA STATE**  
Board of Trustees

**AGENDA ITEM SUMMARY**

**NAME:** Board of Trustees

**DATE:** July 11, 2024

**TITLE:** Approval of Lawsuit Settlement: *Minnesota State College Student Association Inc. d/b/a LeadMN v. Cowles, et al., D. Minn. Case No. 22-CV-771 (JWB/ECW)*

Action

Review and Discussion

*This item is required by policy*

**PRESENTERS**

Scott Goings, General Counsel

**BACKGROUND**

In April of 2022, the Minnesota State College Student Association Inc. d/b/a LeadMN filed a lawsuit against the Minnesota State Colleges and University Board of Trustees. The case is captioned *Minnesota State College Student Association Inc. d/b/a LeadMN v. Cowles, et al., D. Minn. Case No. 22-CV-771 (JWB/ECW)*. The parties recently reached an agreement to resolve the lawsuit subject to approval by the Board of Trustees.

The following are the material settlement terms presented to the Board of Trustees for approval, and which terms will be incorporated into a full settlement agreement and release with standard terms:

1. **Fee.** As part of the Board's approval of the material settlement terms, the Board will approve an increase in the fee to be collected on behalf of LeadMN, and the Board will ensure that such increased fee is collected by colleges, beginning in the fall semester that begins in August 2024, to \$0.61 per credit hour. This increase is made in recognition of inflation, increased costs, and other budgetary needs of LeadMN and the approval of LeadMN's General Assembly in April 2021. LeadMN agrees the money will be used consistent with the 2021 LeadMN fee increase proposal to the Board except the money will not be used for the provision of mental health services. (*LeadMN fee proposal (first reading) can be found [here.](#)*)
2. **Study.** The Board will commission the Chancellor to designate a work group led by the Academic and Student Affairs and Finance divisions to study the criteria for fee increase proposals and evaluations, and consider corresponding amendments to Board Policy 3.7, through the normal policy and procedure review process. Both statewide student associations, LeadMN and Students United, are invited to appoint members to the work

group and those representatives can participate in recommending any changes to the policy. The study will be completed by the end of the 2024-2025 academic year in time for the Board to consider any policy changes by the May and June 2025 board meetings.

3. **Settlement Payment.** Within 30 days of the execution of the Settlement Agreement, the Board or its designee will provide a settlement payment of (or payments totaling) \$70,000 (seventy thousand dollars and zero cents) to LeadMN or its designee according to directions provided by LeadMN’s counsel, CrossCastle PLLC, which directions will be memorialized in the Settlement Agreement; and
4. **Dismissal with Prejudice.** Provided that the Board has approved the foregoing terms and the Settlement Agreement is executed on or before July 12, 2024, counsel for the parties shall execute and file a stipulation of dismissal asking the Court to dismiss LeadMN’s claims with prejudice and without an award of fees or costs to either party.

**RECOMMENDED ACTION**

The Board of Trustees approves the material settlement terms resolving the lawsuit captioned *Minnesota State College Student Association, Inc. d/b/a LeadMN v. Jay Cowles, et al.*, United States District Court, District of Minnesota, Minn. Case No. 22-CV-771 (JWB/ECW), which terms will be incorporated into a full settlement agreement and release with standard terms. The Board of Trustees directs the chancellor or his designee to execute all necessary documents.

*Date Presented to the Board of Trustees:* 07/11/24  
*Date of Implementation:* 07/11/24