

# Long Term Financial Sustainability Workgroup

## *A Human Capital Perspective*



February, 2016

# Minnesota State Colleges and Universities

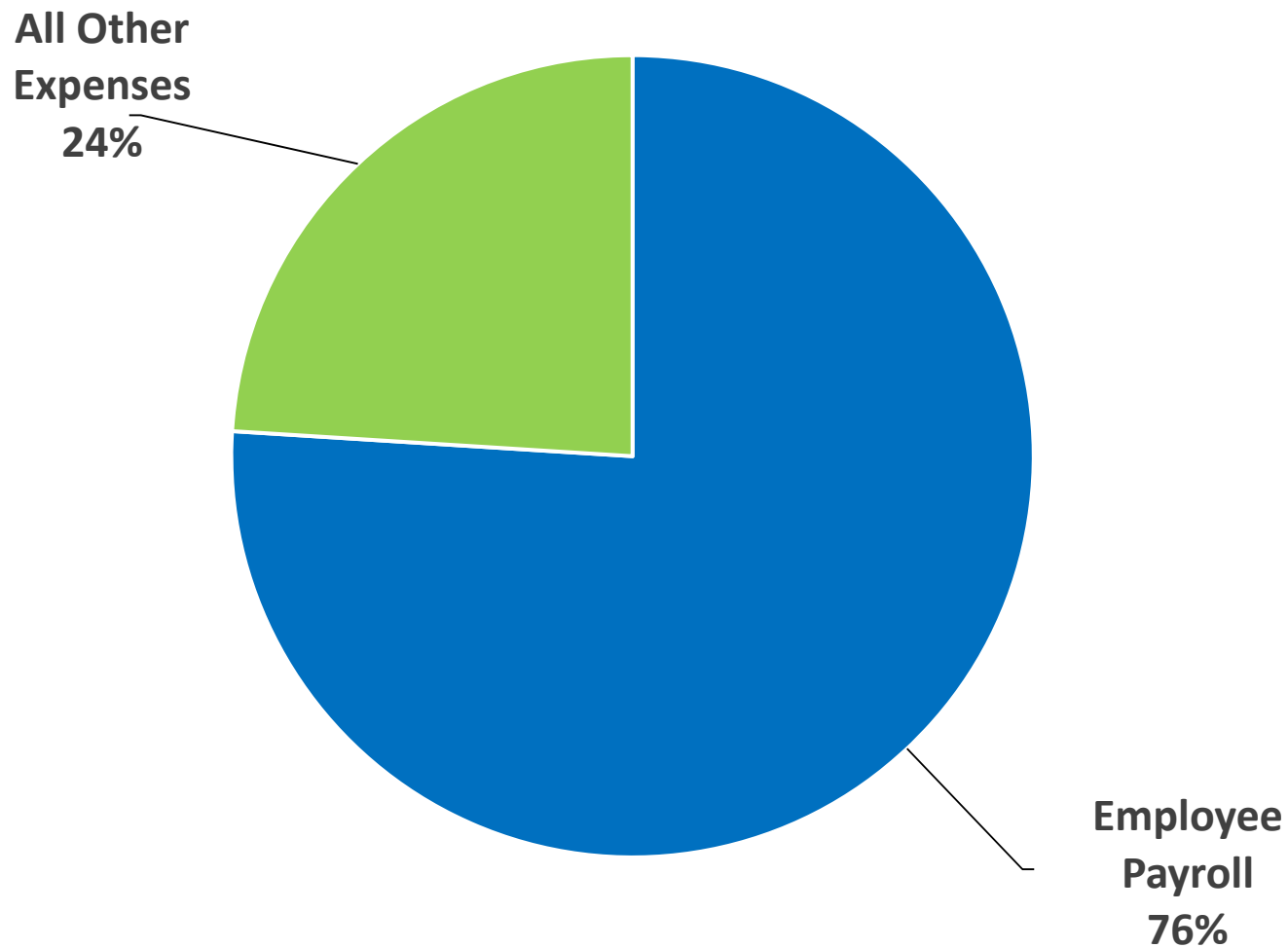
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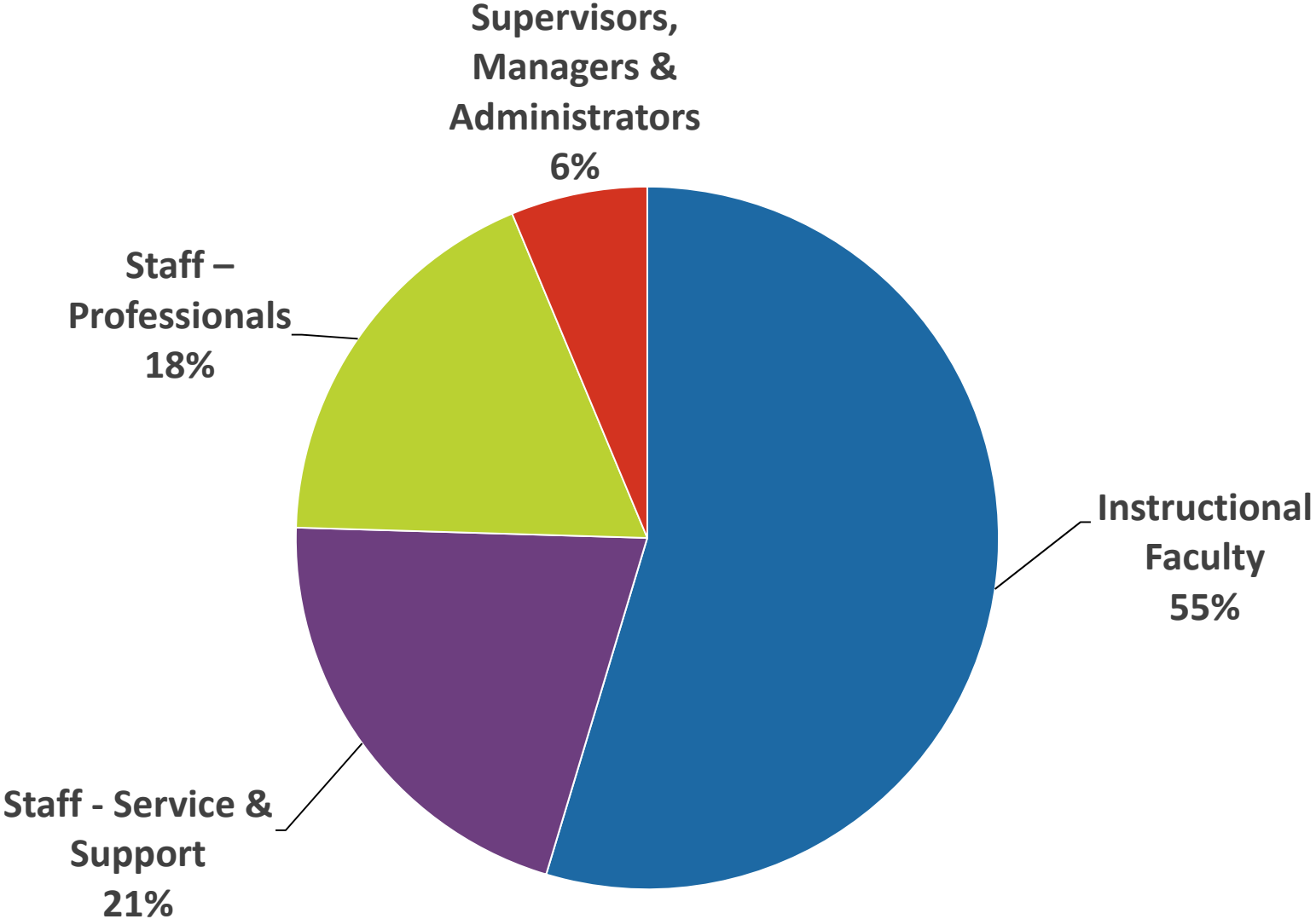
# MnSCU's 2016 Workforce

- Highly unionized
  - *Eight union contracts*
  - *Three personnel plans*
- Employee segmentation
  - *Faculty*
  - *Service & Support Staff*
  - *Professional Staff*
  - *Management*
- Labor costs
- Peer analysis

# Employment Costs as a Percent of MnSCU's Operating Expenses



# Employee Headcount



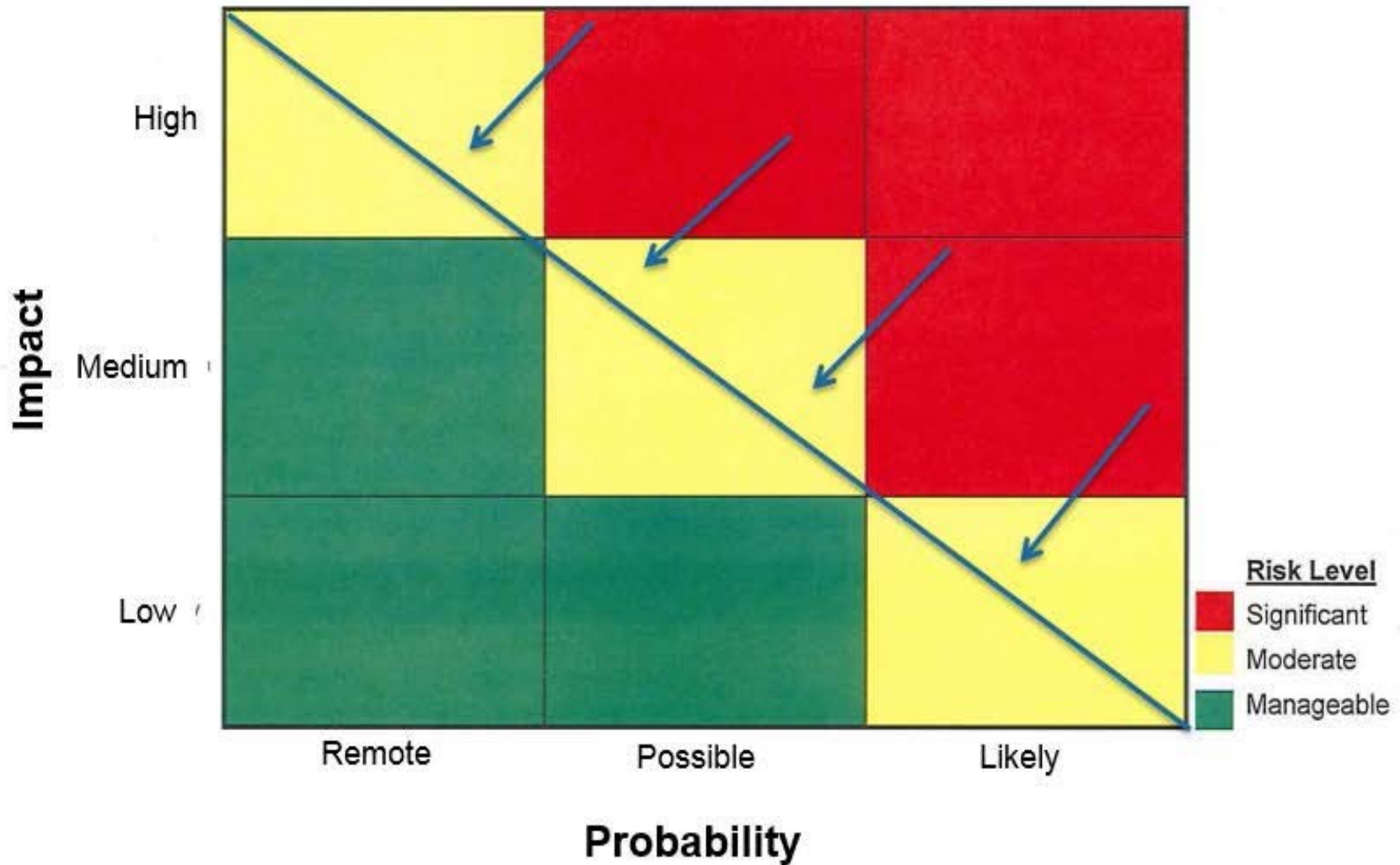
# Our Current System Architecture

- Highly decentralized
  - *Campus autonomy*
  - *32 separate hiring authorities*
  - *Shared service opportunities*
- System office role (and constraint)
- Political dynamic

# Enterprise Risk Management (ERM)

- What is ERM?
- Link to long-term financial sustainability
- September 2015 BOT presentation
  - *Types of risk*
  - *Our approach to mitigation*

# Impact / Probability Matrix



## ERM (continued)

- What are some “Above the line” risks?
  - *Student demographic changes*
  - *Enrollment challenges*
  - *Market share*
  - *System reputation and awareness*
  - *Regulatory compliance*
  - *Technology*



# January 2016 BOT Study Session (ERM)

## Offense-style strategies for managing strategic risks

- *Educating and serving students of the future through competency based credential and degree pathways*
- *Re-positioning our colleges and universities (branding)*
- *Wall-to-wall horizontal administrative redesign (shared services and more)*
- *A reconfiguration of Twin Cities' metropolitan institutions*

# Future Risk Mitigation Model

- Thinking differently
  - *Challenge status quo*
  - *Re-think the architecture*
  - *Re-imagine the (total) student experience*
- Proactive vs. reactive thinking
- Perceptual acuity
  - *20/20 foresight—gaining the ability to see around the corner*
  - *Taking advantage of uncertainty to go on the offense*

*Question: Could changing our system architecture mitigate risk and provide a better total student experience?*

# Metropolitan Campus Collective Concept

What if...

*Metro State University & the metro county technical and community colleges formed a new “unified collective,” where:*

- *Students and faculty could move seamlessly from campus to campus*
- *The “collective” had a single, comprehensive course catalog*
- *Student support services were fully coordinated*
- *Administrative functions were streamlined*
- *A unified brand was created to support all*

## Final Thoughts...

- Difficult to have a conversation around financial sustainability without evaluating *personnel costs* and *organizational structure*
- ERM is a powerful tool for thinking and planning long-term
- Bold creativity (while evaluating risk) can be highly productive
- Nibbling around the edges won't get us where we need to go
- A new employment model that puts students at the center is one approach to thinking boldly and differently about solving the financial sustainability puzzle

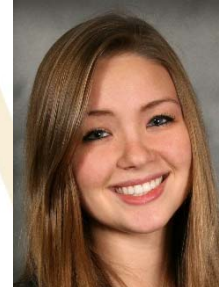


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# Questions?



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