



**BOARD OF TRUSTEES
MEETING AGENDA
WEDNESDAY, OCTOBER 23, 2013
2:00 PM**

**MINNESOTA STATE COLLEGES & UNIVERSITIES
30 7TH STREET EAST
SAINT PAUL, MN**

All meetings are in the McCormick Room on the fourth floor unless otherwise noticed. Committee/board meeting times are tentative and may begin up to 45 minutes earlier than the times listed below if the previous committee meeting concludes its business before the end of its allotted time slot. In addition to the board or committee members attending in person, some members may participate by telephone.

Chair's Report: *Clarence Hightower*

- (1) Minutes of Board of Trustees Study Session, Presentation of Draft Recommendations Charting the Future of Minnesota State Colleges and Universities on June 19, 2013 (pp. 1-5)**
- (2) Minutes of the Board of Trustees Meeting on June 19, 2013 (pp. 6-12)**
- (3) Notes of Board of Trustees Retreat on September 17-18, 2013 (pp. 13-25)**

MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD OF TRUSTEES STUDY SESSION JUNE 19, 2013 McCORMICK ROOM 30 7TH STREET EAST ST. PAUL, MN

Present: Chair Clarence Hightower and Trustees Ann Anaya, Brett Anderson, Margaret Anderson Kelliher, Duane Benson, Alexander Cirillo, Cheryl Dickson, Dawn Erlandson, Philip Krinkie, David Paskach, Maria Peluso, Thomas Renier, Louise Sundin and Chancellor Steven Rosenstone

Absent: Trustees Alfredo Oliveira and Michael Vekich

Study Session: Draft Recommendations Charting the Future of Minnesota State Colleges and Universities

Convene

Chair Clarence Hightower convened the study session at 11:30 a.m. Trustees Ann Anaya and David Paskach participated by telephone. Chair Hightower commented that the board has looked forward to this session, and he called on Chancellor Steven Rosenstone for the introduction.

Introduction

Chancellor Rosenstone commented that in November he charged three workgroups to take on three big strategic questions that confronted the system:

- What the education of the future would look like?
- How would we meet Minnesota's workforce needs of the future?
- What should the MnSCU system of the future look like?

Forty-six people – students, faculty, staff, presidents, system officers and trustees – served on the three workgroups. They deliberated, researched, looked at data, tried alternatives and had lots of debates. Today, they are bringing forward the very first draft of their recommendations for our consideration. The process does not end today; it actually begins today. We are entering a phase of four months of discussion, debate and broad consultation with the draft recommendations. The goal over the next four months is for both informal and formal consultation with all internal constituencies. A website with the draft report and recommendations will go live tomorrow where individuals will have the opportunity to comment. The draft report also will be shared across the entire system to make sure everybody is engaged. The work will continue into October. Decisions will be made by the workgroups, and a final set of recommendations will be submitted to the board and the chancellor in October for our consideration.

Chancellor Rosenstone acknowledged the three presidents who served as conveners of the workgroups and who are present today. He called on President Joe Opatz, Normandale Community College for comments. President Opatz introduced his colleagues, Scott Olson, President, Winona State University, and Ron Thomas, President, Dakota County Technical College.

Conveners' Reports

President Opatz reported that they were pleased to present the draft report, *Charting the Future of Minnesota State Colleges and Universities*. He commented that higher education is continuing to undergo dramatic changes in its students, technology, finances and in the competition it is facing. These are exhilarating and challenging times at our colleges and universities as we strive to serve our students, our partners and our communities across the state. In order to fulfill our core mission, our system must pro-actively chart our future by determining what strategic priorities and strategic actions will best enable our colleges and universities to remain vibrant, competitive and relevant in the years to come. This preliminary draft report attempts to set a path to begin broader dialogue and input to make sure we have identified the right strategic priorities and strategic directions to position our colleges and universities to thrive in the years ahead.

President Opatz remarked that on November 19, 2012, Chancellor Rosenstone asked forty-six students, faculty, staff, presidents and trustees to participate in three workgroups to advise Minnesota State Colleges and Universities on the long-term strategies needed to ensure access to an extraordinary education for all Minnesotans, to meet Minnesota's workforce needs and to deliver the most cost-effective, highest value education. Each workgroup was asked to provide guidance on one of three broad topics: education of the future; workforce of the future; and the system of the future. Each workgroup was facilitated by a convener, supported by a staff member and comprised of students, faculty, staff and trustees. In addition, oversight of the workgroups was provided by a steering committee of Chancellor Rosenstone, Chair Hightower, Vice Chair Renier, Presidents Lundblad, Kopischke, Potter, Szymanski and Chief of Staff Joyer.

Over the course of the last seven months, each workgroup met approximately every three weeks to assess the questions posed by Chancellor Rosenstone. At the initial meeting, Chancellor Rosenstone charged each workgroup and clarified the questions he posed. Meeting norms were established, and they included that each workgroup member would serve as a steward of our colleges and universities, not as a representative of a particular constituency. Each member would also have an equal voice in our conversations. Diverse opinions were welcomed, and the groups operated with a sense of open-mindedness. Collectively, participants brought an array of perspectives to our discussions and the willingness to think boldly and innovatively about our future. The workgroups were also inspired by a quote by Alan Kay, "The best way to predict the future is to invent it." The chancellor urged the workgroups to be strategic and not operational. He then allowed each workgroup the opportunity to do our due diligence without significant oversight and provided guidance only when asked for it.

President Scott Olson commented that this was one of the most exhilarating things he has ever participated in. The rigor and the level of debate were rewarding, challenging and gratifying. Two things distinguished the workgroups. One, they had the right questions. They were interesting and challenging. Second, the configuration of the groups led to a much more robust and challenging set of discussions. He added that a lot of groups nationally are also looking at the question of where is higher education going, but their configurations result in mostly narrow viewpoints and recommendations. He noted that Chancellor Rosenstone designed our groups so that trustees were talking to staff, to administration and to students. This design felt like a graduate seminar with everybody debating important questions. There was a lot of robust engagement. Everybody came prepared. The process was gratifying and fulfilling.

President Olson highlighted some of the questions that were addressed by each workgroup.

Education of the Future Workgroup

As we think about the changes in our students, changes in technology, changes in the nature of work, changes in the world in which our graduates will work, and the multiple careers that our graduates will hold, how can we best prepare graduates for work, life, and citizenship? What should a MnSCU education of the future look like? What are the roles of undergraduate education, graduate and professional education, and life-long learning?

What should be the role of e-education in MnSCU? What is our competitive advantage?

How do we define and measure quality?

Workforce of the Future Workgroup:

How should we ensure that our academic programs are aligned with Minnesota's community, regional and statewide workforce needs so they deliver graduates with the foundational and technical skills needed for the jobs of today as well as tomorrow?

How can our customized training, professional development, and continuing education programs better serve learners as well as business and industry?

System of the Future Workgroup

In light of all of the changes that have occurred since the founding of the system and that will occur over the years ahead, and in light of the changes that will occur in MnSCU's education and workforce strategies, what should the MnSCU system of the future look like?

President Olson remarked that these questions engendered very lively debate, discussion and dissent, but always with great civility. The workgroups engaged in a way that you would think higher education would tackle these big, tough, complex questions. The workgroups reviewed over 150 articles and reviewed 50 different data sets that Craig Schoenecker, system director for research, and others provided. A number of different techniques were used for the discussions. Sometimes there would be a large group discussion within each workgroup. Sometimes there were small group discussions and at times, people worked independently and then brought their work together. Clickers were used for voting, and WebEx also was used a couple of times. There was a lot of individual follow-up by the Chancellor's Fellows, who made sure to keep participants up-to-date when they missed meetings.

On May 29, 2013, the workgroups got together to finalize the draft which had eleven recommendations, giving the impression that each workgroup was working independent of the others. President Olson thanked Trustees Anderson Kelliher and Erlandson for their key insights of overlap in the eleven recommendations. Following discussion, the eleven recommendations were sharpened and focused to the six that are being presented today. President Olson said that the draft report and recommendations were guided by a theme to:

Transform Minnesota State Colleges and Universities to better meet the needs of our students, our community partners and our state by:

- Forging deeper collaborations among our colleges and universities and the system office.
- Fully leveraging our collective strengths, resources and human capital.

The six draft recommendations are:

1. Better align our program offerings and services to state, workforce and learner needs by developing and implementing a statewide academic plan and a statewide master facilities plan.
2. Certify the competencies our graduates have mastered.
3. Increase access to our colleges and universities and accelerate the educational success of students.
4. Create a comprehensive, statewide e-education strategy.
5. Deliver leading edge continuing education and customized training to students and employers through statewide collaboration.
6. Enable recommended strategic priorities to be realized by redesigning the system's financial and governance model.

President Olson explained that each draft recommendation has detailed actionable strategic directions. He reiterated that these draft recommendations are just the beginning. There will be much more listening, discussion, debate and engagement leading up to the final report and recommendations that will be presented in the fall.

President Ron Thomas, who served as the convener of the Workgroup of the Future, remarked that this has been an exhilarating and wonderful exercise that will benefit all of Minnesota. On behalf of his fellow conveners, he thanked each of the participants, several who were present today, for their expertise and guidance to the draft report and recommendations. He also thanked Karen Hynick and Ken Ries, Chancellors' Fellows, and Mary Rothchild, senior system director of workforce.

President Thomas added that this topic is being discussed throughout the United States. Last week, he attended a meeting with college and university presidents from California, Florida, Massachusetts, Maine and Ohio, and they are all dealing with the same issues. He summarized that he applauded the Board of Trustees for moving this effort forward, and he looked forward to their discussion at the September retreat.

Questions/Comments from Trustees

Trustee Anderson Kelliher complimented the conveners and the Chancellors' Fellows for a process that was rigorous. From the moment we looked at the draft report three weeks ago, it looked like three different groups had worked on a piece of it. Today's draft report is polished and synthesized in a way that makes sense to take it and think about it. It will lead to much discussion inside and outside of the system and will be a catalyst for conversation. She complimented Chancellor Rosenstone on the design of the strategic workgroups. Chair Hightower announced that many of the workgroup participants were in the audience, and he asked them to stand and be recognized. The board and audience delivered a round of applause.

Chancellor Rosenstone reviewed the consultation plan over the next four months. There will be informal and formal meetings through the meet and confer process. There will be multiple opportunities for consultation with internal leadership and stakeholders – trustees, bargaining units, students, presidents and cabinet and campus-level discussions by presidents. Each of the system officers will be meeting with their counterparts on the colleges and universities. Also, in October, there will be an event to recognize and celebrate the Strategic Workgroups for all of their efforts.

President Olson commented that the power of the report is that it encompasses many different perspectives. Trustee Benson suggested that the report may want to mention that the reason for why we are doing this is because the system is not sustainable. Trustee Sundin offered that we are doing this to better educate Minnesotans. Chancellor Rosenstone commented that these are strategies to realize commitments we have made to support the Strategic Framework. We need to keep in mind that these are our values and things we are promising to deliver to the people of Minnesota. The section in the draft report, called *Serving Minnesota*, lays out the challenges we have to confront including sustainability and the changing demographics and nature of our students. These challenges are different than they were eighteen years ago when the system was formed. Trustee Benson's suggestion is good. Chancellor Rosenstone asked, "What else have we missed that needs to be added"? That is the work before us over the next four months.

Chair Hightower summarized that the intent of today's conversation was to release the draft report and recommendations. There will be much discussion and consultation with constituents over the next four months. He urged trustees to become familiar with this document as it will be the main topic at the Board of Trustees retreat on September 17-18, 2013.

Chair Hightower adjourned the study session at 12:00 pm.

Ingeborg Chapin
Secretary to the Board

Minnesota State Colleges and Universities
Board of Trustees
Minutes of June 19, 2013

Present: Chair Clarence Hightower, Trustees Alfredo Oliveira, Ann Anaya, Brett Anderson, Margaret Anderson Kelliher, Duane Benson, Alexander Cirillo, Cheryl Dickson, Dawn Erlandson, Philip Krinkie, David Paskach, Maria Peluso, Thomas Renier, Louise Sundin and Chancellor Steven Rosenstone

Absent: Trustee Michael Vekich

1. Call to Order

Chair Clarence Hightower called the meeting to order at 1:55 PM and announced that a quorum was present. Trustee Alfredo Oliveira participated by telephone.

2. Chair's Report: *Clarence Hightower*

(1) Minutes of Board of Trustees Study Session, Enterprise Risk Management on May 22, 2013

The minutes of the Board of Trustees Study Session, Enterprise Risk Management, on May 22, 2013, were approved as written.

(2) Minutes of the Board of Trustees Meeting on May 22, 2013

The minutes of the Board of Trustees Meeting on May 22, 2013, were approved as written.

(3) Report of Closed Session Meeting of the Board of Trustees on the Chancellor's Annual Performance Evaluation, June 18, 2013

Chair Hightower reported that the board met in a closed session on June 18, 2013, to conduct Chancellor Rosenstone's annual performance evaluation. The evaluation was positive, and the board was unanimous in its view that the chancellor's performance during his second year has been outstanding. At the conclusion of last year's evaluation, the board asked the chancellor to "keep his foot on the gas" in driving the Strategic Framework. The chancellor's accomplishments over the past nine months are evidence that he has indeed kept his foot on the gas.

During the past year, Chancellor Rosenstone clearly articulated the most pressing operational and long-term strategic issues facing higher education, the system and its colleges and universities that must be addressed if we are to be successful in fulfilling our mission. The chancellor has presented these challenges in a compelling manner and with an appropriate sense of urgency, which has resulted in an increased understanding of these issues among key constituencies and increased collaboration in addressing them. He appointed three workgroups to assess the challenges facing higher education and the MnSCU system and to make recommendations for addressing these challenges over the next five to ten years.

He forged partnerships with business, political, community, non-profit and higher education leaders to aggressively drive actions required for Minnesota's prosperity. During the year, the chancellor met with dozens of individuals and groups to discuss the critical role of public education and MnSCU in growing the state's economy and tirelessly advocated for the system's FY2014-2015 legislative request at the capitol. The result was the first new funding for MnSCU since 2007.

Earlier today we heard about the great progress that is being made in advancing the work of the Campus Service Cooperative in identifying and realizing systemwide efficiencies and cost savings in finance, human resources and financial aid processes and through strategic sourcing. Working together with our college and university presidents and system leadership, the chancellor has implemented new institutional performance metrics and set aggressive targets for improvement – key not only to tracking progress, but also in meeting our commitment to transparency in our operations. The board has reviewed the chancellor's performance against the goals that were established, and he has successfully met all of them. In sum, his performance has been absolutely outstanding. He has shown himself to be a visionary leader who cares passionately for our students and works tirelessly on their behalf. On behalf of the entire board, Chair Hightower thanked Chancellor Rosenstone for an outstanding job.

Chair Hightower called upon Vice Chair Thomas Renier for comments. Vice Chair Renier stated that put succinctly, under Chancellor Rosenstone's leadership, it was a very good year for the system, its employees and its students. As a result of what was accomplished, the system is better able to meet the needs of the communities it serves. The system's standing in the eyes of external stakeholders, the public, legislators, civic leaders and the business community has been strengthened.

In looking ahead, the challenges the system faces: the strategic direction, the actions it must take to deliver the outcomes that Minnesota needs to succeed, and the partnerships necessary to deliver those outcomes have never been more clear or stronger than they are today. Minnesota State Colleges and Universities and higher education are at an inflection point. The board remains extraordinarily enthusiastic about the strategy and direction of Minnesota State Colleges and Universities under Chancellor Rosenstone's leadership.

Last year, the board encouraged Chancellor Rosenstone to "keep his foot on the gas" in driving the vision and strategies he has articulated. With the agenda that the chancellor has presented for the coming year, it looks like the system will be flying, so we are suggesting that he "keep the stick at full throttle."

Chair Hightower commented that the board's current employment agreement with Chancellor Rosenstone concludes on July 31, 2014. In accordance with article three of that agreement, "No later than the start of the third year of the agreement, the parties shall enter into negotiations for a subsequent employment agreement." Chair Hightower explained that the board will be asked to approve a motion authorizing the chair to enter into negotiations with Chancellor Rosenstone to forge a second employment agreement, which does not include a bonus clause.

Chair Hightower moved that the Board of Trustees authorizes payment of the full performance pay provided for FY2013 in Chancellor Rosenstone's employment agreement, and authorizes the chair of the board to set the salary for the chancellor for FY2013, consistent with the provisions of the Personnel Plan for MnSCU administrators. In addition, the Board of Trustees authorizes the chair of the board to negotiate the terms of a second employment agreement with the chancellor, in accordance with the terms and conditions of the Personnel Plan for MnSCU administrators, provided such agreement does not include a performance incentive provision.

The motion was seconded and carried unanimously.

(4) Proposed FY2014-2015 Meeting Calendar (Second Reading)

Chair Hightower reviewed the proposed meeting dates for FY2014 and 2015.

FY 2014 Meeting Dates:

Meeting	Date	If agendas require less time, these dates will be cancelled
Board Retreat	September 17-18, 2013	
Executive Committee	October 2, 2013	
Committee / Board Meetings	October 22-23, 2013	October 22, 2013
Committee / Board Meetings	November 19-20, 2013	November 19, 2013
Committee / Board Meetings	January 21-22, 2014	January 21, 2014
Executive Committee	March 5, 2014	
Committee / Board Meetings	March 18-19, 2014	March 18, 2014
Committee / Board Meetings, Awards for Excellence in Teaching	April 22-23, 2014	
Executive Committee	May 7, 2014	
Committee / Board Meetings	May 20-21, 2014	May 20, 2014
Committees / Annual Board Meeting	June 17-18, 2014	

FY 2015 Meeting Dates:

Orientation and Board Retreat (Anticipate Six New Trustees)	September 16-17, 2014	
Committee / Board Meetings	October 21-22, 2014	October 21, 2014
Committee / Board Meetings	November 18-19, 2014	November 18, 2014
Committee / Board Meetings	January 20-21, 2015	January 20, 2015
Committee / Board Meetings	March 17-18, 2015	March 17, 2015
Committee / Board Meetings, Awards for Excellence in Teaching	April 21-22, 2015	
Committee / Board Meetings	May 19-20, 2015	May 19, 2015
Committees / Annual Board Meeting	June 16-17, 2015	

Chair Hightower moved that the Board of Trustees approve the FY2014-2015 Meeting Calendar. The motion was seconded and carried unanimously.

(5) Special Recognitions

Chair Hightower recognized Trustee Brett Anderson whose term as the state university student representative is scheduled to end on June 30. Chair Hightower thanked Trustee Anderson for his dedication, contributions and outstanding participation as student trustee on the board.

Chancellor Steven Rosenstone commented that five presidents' service to Minnesota State Colleges and Universities will end with their retirement at the end of June. They are Presidents Jessica Stumpf, Anoka Ramsey Community College and Anoka Technical College; Ron Thomas, Dakota County Technical College; Ron Wood, Southwest Minnesota State University; Keith Stover, South Central College; and Don Supalla, Rochester Community and Technical College. Chancellor Rosenstone recognized and thanked each one individually for their strong commitment to students, their dedication and stewardship of the colleges and universities, as well as their support to him.

3. **Chancellor's Report:** *Steven Rosenstone*

Chancellor Rosenstone spoke to the remarkable work accomplished by the "Charting the Future" Strategic Workgroups. He thanked the trustees for their support and confidence. Chancellor Rosenstone praised the collaboration, dedication and commitment amongst the presidents. He added that thirty-eight performance reviews were recently completed. He recognized and thanked faculty members, staff and student associations, the leadership council and all who participated in the work.

Chancellor Rosenstone especially thanked the people of Minnesota, in particular, Governor Mark Dayton and the legislature for their support of the system. Chancellor concluded his remarks emphasizing the system's strong commitment to delivering an extraordinary education and being the partner of choice.

4. **Consent Agenda**

- (1) **Approve Annual Audit Plan for Fiscal Year 2014**
- (2) **Campus Service Cooperative Results and Contract Governance Including Approval of Several Contracts Exceeding \$3 Million.**
- (3) **Campus Service Cooperative Contract Approval Exceeding \$3 Million for Cycle Two (IBM)**

Trustee Margaret Anderson Kelliher moved approval of the Consent Agenda. The motion was seconded and carried unanimously.

5. **Board Policy Decisions**

- (1) **Fiscal Year 2014 Operating Budget (Second Reading)**

Committee Vice Chair David Paskach moved that the Board of Trustees approves:

a. Adopted the annual total operating budget for fiscal year 2014 in [Table F](#). Pursuant to Board Policy 5.9, the Board of Trustees will be periodically provided systemwide budget updates for all funding sources on an exception reporting basis.

b. Approved the proposed tuition structure recommendations for fiscal year 2014 as detailed in [Attachments 1A through 1E](#).

c. All tuition increases are effective Summer Term or Fall Term 2013 at the discretion of the president. The chancellor is authorized to approve tuition structures for new courses or programs proposed after this date, as well as any required technical adjustments, and is requested to incorporate any approvals at the time fiscal year 2015 tuition recommendations are presented to the Board of Trustees.

d. The Board of Trustees continues the policy of market-driven tuition for closed enrollment courses, customized training, and non-credit instruction, continuing education, and contract postsecondary enrollment option programs.

e. Approved the Revenue Fund and related fiscal year 2014 fees for room and board, student union, wellness and recreation facilities, and parking ramps/surface lots as detailed in [Attachments 2A through 2D](#), including any housing fees that the campuses may charge for occupancy outside the academic year. Approved the fiscal year 2014 fees structure for room and board for colleges who either own or manage student housing as detailed in [Attachments 2E and 2F](#).

The Chancellor is authorized to approve fee structures for any new revenue fund programs as well as any technical adjustments, and is requested to incorporate any approvals at the time fiscal year 2015 recommendations are presented to the Board of Trustees.

The motion was seconded and carried unanimously.

(2) 2014 Capital Budget Request (Second Reading)

Committee Vice Chair Paskach moved that the Board of Trustees approves the 2014 capital bonding request as presented in [Attachment A](#), specifically the projects and priorities for 2014. The chancellor is authorized to make cost and related adjustments to the request as required, and to forward the request through Minnesota Management and Budget to the governor for consideration in the state's 2014 capital budget. The chancellor shall advise the board of any subsequent changes in the capital bonding request prior to the 2014 legislative session. In addition, as funding is authorized and appropriated by the legislature and approved by the governor, the chancellor or his designee are authorized to execute those contracting actions necessary to deliver on the project scope and intent.

The motion was seconded and carried unanimously.

(3) Other

Chair Hightower announced that the work of the Diversity and Equity Committee will continue in the coming year. He thanked Whitney Stewart Harris, former executive director, for his contributions. A search is underway for an executive director who will be hired in the fall. Chair Hightower also thanked Trustees Cheryl Dickson and Brett Anderson for their leadership as chair and vice chair of the committee.

6. Board Standing Committee Reports

a. Audit Committee

Philip Krinkie, Chair

- (1) **Review Results of Bemidji State University and Northwest Technical College Internal Control and Compliance Audit**

Committee Chair Philip Krinkie reported that the committee heard a report on the results of the internal control and compliance audit of Bemidji State University and Northwest Technical College. The report contained six findings and recommendations to assist university management in improving business processes, controls and accountability.

- (2) **Review Results of Audit Risk Assessment**

Committee Chair Krinkie reported that the committee heard a presentation on the results of the audit risk assessment including information technology audit. The assessment identified enterprise, financial and information technology risk factors.

b. Finance and Facilities Committee

Michael Vekich, Chair

Committee Vice Chair Paskach reported on the Finance and Facilities Committee.

c. Academic and Student Affairs Committee

Duane Benson, Chair

- (1) **Increasing Baccalaureate Degrees in the Twin Cities Metro Area**

Committee Chair Duane Benson reported that the committee heard a presentation on increasing baccalaureate degrees in the twin cities metro area. An overview was given of the current needs, strategies, outcomes and options to accelerate the number of state university baccalaureate degree programs in a growing population and economy.

7. Trustee Reports

There were no trustee reports.

8. Joint Council of Student Associations

- a. Minnesota State University Student Association (MSUSA)
Alexandra Griffin, state chair, addressed the Board of Trustees.
- b. Minnesota State College Student Association (MSCSA)
Steve Sabin, president, addressed the Board of Trustees.

9. Minnesota State Colleges and Universities' Bargaining Units

- a. Inter Faculty Organization
Dr. Nancy Black, president, addressed the Board of Trustees.
- b. Administrative and Service Faculty
Mr. Adam Klepetar, president, addressed the Board of Trustees.

10. Other Business

• **Election of Officers**

Chair

Vice Chair Renier announced that Trustee Clarence Hightower was the candidate for the position of Chair. He called for other nominations and there were none.

Vice Chair Renier moved the nomination for Trustee Hightower for the position of Chair. The motion carried unanimously.

Vice Chair

Chair Hightower announced that Trustee Tom Renier was the candidate for the position of Vice Chair. He called for other nominations and there were none.

Chair Hightower moved the nomination for Trustee Renier for the position of Vice Chair. The motion carried unanimously.

11. Adjournment

Chair Hightower announced that the next meeting of the Board of Trustees will be a retreat on September 17-18, 2013. Chair Hightower adjourned the meeting at 3:00 PM.

Ingeborg K. Chapin
Secretary to the Board

MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
RETREAT NOTES
SEPTEMBER 17-18, 2013

Present: Chair Clarence Hightower, Trustees Ann Anaya, Margaret Anderson Kelliher, Duane Benson, Alexander Cirillo, Cheryl Dickson, Dawn Erlandson, Philip Krinkie, Alfredo Oliveira, David Paskach, Maria Peluso, Thomas Renier, Elise Ristau, Louise Sundin, Michael Vekich and Chancellor Steven Rosenstone

Board of Trustees Retreat

The retreat was held at Ruttger's Bay Lake Lodge, Deerwood, Minnesota.

Welcome and Introductions

Chair Clarence Hightower welcomed everyone at 1:30 p.m. on September 17, 2013. He also introduced Trustee Elise Ristau whom Governor Mark Dayton appointed as the state university student representative effective September 1, 2013.

Chair Hightower reviewed the agenda. Session one is on board governance and the roles and responsibilities of the board. It includes a review the board's "Protocol for Working Together" document that was developed at last year's retreat. The board will also hear a summary of the results of the self-assessment survey. The objective for this session is for members to have a candid discussion on how the board is doing and how the board can become even more effective in its governance role.

The second session is on the draft "Charting the Future Report," specifically the guiding principle and recommendations. The board will consider:

- if the guiding principle is the right direction;
- if the six recommendations are the right ones, and
- provide input on the narrative and format for the final document.

The last session is a review of a draft of the board and committee workplans for the coming year. Chair Hightower added that this is the first time that the board will see a complete picture of anticipated agenda items.

Chair Hightower acknowledged the members of the public that are here today as observers. He added that there will not be any time for public comment during the retreat.

Chair Hightower introduced Dr. Terrence MacTaggart, the retreat facilitator. He is a well-known higher education leader and scholar, with deep Minnesota ties. Earlier in his career, he was the chancellor of the Minnesota State University System. He also served twice as the chancellor of the University of Maine System. He has consulted with many boards and their chancellors and facilitated numerous board retreats. Dr. MacTaggart has a doctorate and master's degree in English Literature from Saint Louis University, a Master of Business Administration from St.

Cloud State University, an honorary doctor of law degree from the American College of Greece and membership in Phi Beta Kappa.

Dr. MacTaggart commented that nearly all higher education systems and institutions across the nation are grappling with the same issues as Minnesota State Colleges and Universities. He added however that few have developed a change program as purposeful, transparent, collaborative, and results-oriented as MnSCU's. The system has directly addressed the big issues with the work of the Strategic Workgroups and the recommendations in the draft report called "Charting the Future." He also complimented the board on its "Protocol for Working Together" which he described as a triumph of simple language.

Session I: Role of the Board, Review Protocol for Working Together and Board Self-Assessment

Dr. MacTaggart reviewed the characteristics of high performing boards by drawing a diagram of a triangle. At the bottom are good boards that focus on fiduciary responsibilities along with the institution's reputation, integrity, risk and brand. Better boards are in the middle and they add relationships, connections and communications to the fiduciary responsibilities. The best boards that are at the top of the triangle do all of the above plus they work with the chancellor to lead change. Dr. MacTaggart commented that it takes courage to lead change

There was a discussion about the role of the chancellor versus the role of the board and how to balance the relationship between them. The board's leadership role is in setting the vision and strategic direction with sound governance, policy and oversight. The chancellor is the chief executive officer who carries out the board's vision. Some tensions are natural and healthy in good board and CEO relations.

Dr. MacTaggart referred to several points in the document "How Boards Contribute to Positive Change (and how they don't)." Boards can contribute intellectual capital, perspective, and good judgment by acting as "thought partners" with the chancellor and engaging in upstream discussions of major strategies, initiatives and problems. Pitfalls for boards to avoid include, "confusing intellectual capital and relationships with governing authority and becoming an operating instead of a governing board."

Chancellor Rosenstone commented that strategic discussions occur during committee meetings and meetings of the entire board. Also, joint committee meetings are scheduled when the topic warrants them. He continued that committees can develop specialization in their areas because they can work in a deeper fashion. Trustee Dickson noted that concurrent meetings may allow more time for deeper discussions. She added that it would be good to have sufficient time for the committees to do their work. Trustee Oliveira added that he thought student engagement and participation could be improved.

Chancellor Rosenstone thanked the board for the discussion on the relationship issue. He added that he was pleased to hear endorsement of concurrent meetings.

Review of Protocol for Working Together

Dr. MacTaggart facilitated a discussion on the board's "Protocol for Working Together." The

trustees remain supportive of the document. They discussed adding a vision statement written by the chair and the chancellor. Regarding "Board Members' Expectations of Each Other." Trustee Anderson Kelliher commented that the board could do more to celebrate student success. Trustees also discussed who speaks for the board. Chair Hightower commented that the official spokesperson is the chair of the board or his designee.

Review of Results of Board Self-Assessment

Dr. MacTaggart summarized the board self-assessment results. Trustees expressed that there have been significant accomplishments under Chancellor Rosenstone's leadership. The accomplishments included: the Strategic Framework, the Strategic Workgroups and their draft report, clean audits, and receiving additional resources from the legislature and the governor.

Trustees felt that the following areas could be improved: clarifying the role of the board, linking governance and vision, and balancing the allocation of time in meetings between listening, discussing and deciding. The trustees would like to be engaged earlier on important matters. Other areas that were mentioned for improvement were board development, support for the system's agenda after a decision has been made, and how to convey a sense of urgency about the challenges facing the system.

Discussion of the Results of the Board–Self Assessment

There was discussion about becoming more involved in the recruitment and selection process of board members. Chancellor Rosenstone commented that during the last round of the recruitment process, the board chair sent the governor a list of desired skills/characteristics.

Trustee Anderson Kelliher suggested that in the area of development, the board could occasionally bring in an outside expert on a topic of interest. Trustee Anaya suggested that an alignment of board development, communication, and branding could result in a recognition or awards gala, similar to the All-Skills USA event. Trustee Krinkie suggested inviting the chairs of the house and senate higher education committees to come to the board as a way to try to establish a different relationship with legislature.

Chair Hightower concluded the discussion at 5:10 pm by thanking everyone for their good participation. He reminded members that retreat would resume at 8:00 am the following day.

Wednesday, September 18, 2013

Dr. MacTaggart welcomed everyone at 8:00 am. He explained that this session focuses on the "Strategic Framework" and the guiding principle, and the recommendations contained in the draft report "Charting the Future."

Session II: Guiding Principle and Recommendations in Charting the Future

Chair Hightower's Introduction

Chair Hightower remarked that this is the board's third retreat with Chancellor Rosenstone. Two years ago, as a new chancellor – barely 6 weeks on the job – he shared with us what he had learned from his 6-month, 4,000 mile listening tour to 29 campuses and communities across our state. Chancellor Rosenstone told us about the ways that Minnesota is counting on us:

- to open the doors of educational opportunity to all Minnesotans;
- to work with communities and businesses across the state to ensure that our graduates have the skills and capabilities needed for successful careers and for communities across our state to prosper; and
- to provide extremely high value at an affordable price.

He described some of the challenges our state and our colleges and universities were facing. The chancellor shared the ideas that he and the Leadership Council forged to clarify the direction we should all be heading and the commitments we should make. Discussion at our September 2011 retreat, throughout the fall, and the chancellor's consultation with students, faculty, and staff, led to the board's formal adoption of the Strategic Framework for Minnesota State Colleges and Universities in January 2012. It is comprised of three powerful commitments:

It affirms our commitment to providing access to an extraordinary education for all Minnesotans:

- to our faculty and staff providing the best education available in Minnesota, preparing graduates to lead in every sector of Minnesota's economy.
- to continuing to be the place of opportunity, making education accessible to all Minnesotans who seek a college, technical or university education; those who want to update their skills; and those who need to prepare for new careers.

It affirms our commitment to being the partner of choice to meet community and business needs across our state:

- to our colleges and universities being the partner of choice for businesses and communities across Minnesota to help them solve real-world problems and keep Minnesotans at the leading edge of their professions.
- to our faculty and staff enabling Minnesota to meet its need for a substantially better educated workforce.

It affirms our commitment to delivering to students, employers, communities, and taxpayers the highest value / most cost effective education in the state.

In addition to the Strategic Framework, Board Policy 3.36 Academic Programs was amended in November 2011. The second paragraph states:

The academic programs of the Minnesota State Colleges and Universities should prepare graduates for work, life, and citizenship. Academic programs should create graduates who are creative, innovative, and able to respond with agility to new ideas, new technologies, and new global relationships. Graduates should be able to lead their professions and adapt to the multiple careers they will have over their lifetimes. Graduates should have the ability to think independently and critically; be able to resourcefully apply knowledge to new problems; proactively expect the unexpected, embrace change and be comfortable with ambiguity; and be able to communicate and work effectively across cultural and geographic boundaries.

The Strategic Framework and Board Policy 3.36 have provided clear direction to the work we have done over the past 2 years. The chancellor, the Leadership Council, as well as faculty and staff across the system have done great work to indeed move us forward. For example,

- Presidents, faculty and student-led "extraordinary education" discussions have led to innovative initiatives flourishing on our campus across the state.
- Learning outcomes have been developed for nearly every academic program.
- We have set aggressive goals and have begun to implement new initiatives for student access and success as well as student and staff diversity.
- In partnership with the Department of Education, we are taking the steps needed to better align secondary and post-secondary education, and we will have a study session this fall to update the board on this work.
- We have built the Campus Service Collaborative which is on track to delivering tens of millions of dollars of savings each year to our colleges and universities – dollars that can be reinvested in our academic programs and that can help protect affordability.
- We have implemented new strategies to increase retention and completion as well as ease transfer of credit.
- Through our state-wide workforce listening sessions and our partnership with the Itasca Project, we are aligning our academic programs with workforce needs to ensure that our graduates are prepared for successful careers in every sector of Minnesota's economy. We will have a board study session on this as well this fall.
- We have developed and deployed institutional performance metrics to track our progress. These metrics will be discussed again this fall as we consider updating the board's accountability dashboard.

In short, we should be proud of all that we have accomplished together over the past two years. We face some huge challenges that threaten our ability to deliver on the commitments in the Strategic Framework and in Board Policy 3.36. At last year's retreat, we discussed the nine "briefs" that the chancellor and the cabinet prepared that described the big challenges we face:

- Long-term population trends in which a larger share of Minnesotans are moving to a handful of metropolitan areas.
- Dramatic growth in the diversity of the students we must serve.
- Changes in technology that provide new opportunities for how students can learn, how we can teach and support their learning, and for how we can work together.
- The changing nature of work and changes in what it means to be well prepared for jobs and careers.
- The growing need for us to demonstrate the capabilities of our graduates.
- Increased competition that affects our enrollments in degree programs, in customized training, and continuing education.
- Funding shifts that threaten quality, access, and affordability.

As Chancellor Rosenstone has said repeatedly since our first retreat two years ago, the current way of doing business is unsustainable. Business as usual won't allow our colleges and universities to meet the critical challenges they face. The challenges threaten our ability to deliver on the commitments in the Strategic Framework and in Board Policy 3.36. As the chancellor stated two years ago, "the greatest risk we face is the risk of business as usual." He also challenged us two years ago to use the years ahead as "the moment to put aside old

assumptions and, in the words of Richard Florida, ‘build the infrastructure of the future, not just patch up that of the past.’”

So, to meet these challenges we need to

- think differently,
- think bigger,
- work together in new ways,
- reach farther, and
- play smarter.

The current way of doing things is unsustainable. Simply continuing to cut budgets and try to grow revenue is important, but it is not sufficient. We also need to redesign the way we do things. Last November, the chancellor asked three workgroups to tackle a set of questions and develop strategies for addressing our challenges. Those questions appear on pp. 27-29 of the draft report, "Charting the Future." It represents the best judgment of 46 students, faculty, staff, presidents, and board members to identify the strategies to address the questions posed about how to meet the challenges we face. Our task this morning is to give feedback on whether the draft guiding principle and the six draft recommendations help address those challenges.

In charging the workgroups, the chancellor did not put on the table our core value of providing an opportunity for all Minnesotans to create a better future for themselves, for their families, and for their communities. The Strategic Framework and Board Policy 3.36 are not on the table. These are rock solid commitments that were not turned over to the workgroups for debate. On the table are the strategies we should pursue to address the challenges that we must meet to enable us to deliver on the Strategic Framework and on the kind of education described in Board Policy 3.36. Put differently, the draft report is not about who we are, or the kind of education we are committed to providing, or who we are committed to serving. It’s about how we should do some things to enable us to deliver on our commitments.

So, the question before us today is whether the guiding principle and the recommendations are strategies that help us move in the right direction. If not, how should the draft recommendations be improved? We need to keep in mind as well that the report was not designed to describe or prescribe everything we do – it is an answer to a fairly discrete set of questions that arise from the challenges we must address.

Finally, the draft report offers strategic directions, not a detailed implementation plan. That is by design. First we must decide on the strategies, and then turn to the specifics of implementation. Chancellor Rosenstone will begin to work with Leadership Council on an implementation plan once this phase of the work is completed. So, here are the steps ahead.

Today is part of a broader consultation process.

- Chancellor Rosenstone has communicated with all students, faculty, and staff encouraging them to read the draft report and offer feedback and suggestions.
- Leadership Council has discussed the draft report on two occasions and most presidents have led discussions about the report on their campuses.

- The chancellor has met with student and faculty leadership; consultation with students and each bargaining unit will continue.
- Cabinet members have consulted with their campus-level leads (e.g. CIOs, CHROs, CAOs, advancement leads).

The strategic workgroups will meet on three occasions in October to review the feedback and discuss a revised draft. Feedback from our discussion today will be shared with the workgroups. The final report will be presented at the November rather than October meeting of the Board of Trustees to provide additional time for workgroup deliberation in October. If the board endorses the final recommendations in November, Chancellor Rosenstone will bring to our January board meeting a draft of a detailed, multi-year implementation plan.

Chair Hightower acknowledged and introduced the presidents and members of the chancellor's cabinet who were present for the discussion: the Leadership Council Executive Committee: Presidents Earl Potter (chair), Ron Anderson, Larry Lundblad, and Edna Szymanski; two presidents who served as conveners for the workgroups, Presidents Scott Olson and Joe Opatz; and Cabinet members: Vice Chancellors Mark Carlson, Michael Dougherty, Laura King, John O'Brien, and Managing Director Colin Dougherty. Chancellor Rosenstone introduced Karen Hynick, who serves as the chancellor's fellow and has helped shepherd the work of the workgroups. She will take notes so that our suggestions can be shared with the workgroups.

Chair Hightower encouraged the trustees to stay at the level of overall strategy and not get bogged down in the thousands of details that each strategy will necessarily entail. Are the draft guiding principle and the draft recommendations useful strategies for addressing the questions that were raised for meeting the challenges we face and for delivering on the commitments that we have made? In evaluating the draft report and recommendations, questions to consider are:

- Is it better for students and the education they receive?
- Does it advance our partnerships with businesses and communities?
- Does it improve our stewardship of resources?
- Is it fair to our employees?
- Does it help address challenges we face?

Chair Hightower said that the moment we are facing as a board is, in many respects, at least as challenging as the moment that our predecessors faced when the Board of Trustees first met in July 1995. We are stewards on behalf of the people of Minnesota and it is our responsibility to ensure that our system of colleges and universities delivers on its full promise. Minnesota is counting on us. We either shape our future or it will shape us. The Alan Kay quotation on the cover of the draft report puts it nicely: "The best way to predict the future is to invent it."

Leadership Council Comments

Earl Potter, president, St. Cloud State University, commented that Chair Hightower has done an excellent process of bringing this forward. The Leadership Council is fully committed to the recommendations and the three commitments, the centrality, in the Strategic Framework. The Leadership Council has considered this for many months. They met in a retreat last week and the

results are presented in a memo to the board that was distributed earlier. The memo included revisions to the guiding principle and five of the six strategic recommendations.

President Potter continued that the presidents quickly wanted to get down to the details. It took some discipline to stay at the high level which meant that some questions went unanswered. The hunger for detail was set aside, and we were able to focus on the six recommendations. The Leadership Council is nearly unanimous in the recommendations. The conversation was deep. An example is the recommendation of a systemwide academic plan. President Potter said that he disagrees – we need a plan, but it should be adaptable to the communities that are served by the system’s colleges and universities. This shifts the focus to capacity and performance in serving Minnesota. Each recommendation reflects the conversations we had last week.

Discussion

Before opening up the floor for discussion, Dr. MacTaggart encouraged everyone to:

- First seek to understand;
- Focus on ideas/objectives;
- Avoid detailed word smithing; and
- Respect process.

Guiding Principle

Dr. MacTaggart read the revised guiding principle:

Transform Minnesota State Colleges and Universities to better serve students, our community partners and our state by forging deeper collaborations among our colleges, universities, and system office to maximize our collective strengths, resources, and talents of our faculty and staff.

In providing the context for the guiding principle, President Potter explained that each president is most concerned about advancing his / her college and university. He added that there needs to be a way to speak to each other differently, to engage as a learning community for a purpose. One example is to share what is not working well along with things that are working well.

The principle underscores the commitment to working as a team. The Leadership Council strongly supports the guiding principle and six recommendations with additional suggestions of ways to improve /enhance each recommendation moving forward.

Chair Hightower asked if there was a substantive difference between the guiding principle that the board saw in June compared to the revised one in the memo? President Potter replied that there is no substantive change in the guiding principle.

Strategic Direction #1:

Strengthen our education programs through greater coordination and collaboration among our colleges and universities in academic planning, course development and delivery, and student support services.

Chancellor Rosenstone commented that most of the dollars spent on marketing are to compete among ourselves; not in competition with the other colleges. This direction is a change in philosophy and communication.

President Lundblad noted that the focus is on collaboration, but until the allocation framework and the reward structures change he cannot collaborate until he sees where this is going and what it will mean for his college.

Trustee Benson proposed listing the obstacles that are in place that prevent collaboration. As one of the authors of the enabling legislation, creating a statewide system with self-autonomy created an obstacle at the outset. He suggested that the board may want to change the legislation.

President Szymanski added that she has benefited from being part of a system and having colleagues to consult with when she has questions. She has collaborated with President Potter, and they have chosen to do a better job with each other so that the students are able to succeed. President Opatz agreed that the recommendations require a different way of thinking. There are challenges in the metro area with the technical and community colleges. Strategic direction number six (redesign of the system's financial and administrative models) is an area where he felt that the board can bring perspectives.

Trustee Renier expressed that during his ten years on the board, the system has been cutting, cutting, cutting. Collaboration and entrepreneurial are in conflict – the system needs a different way to incent. Chancellor Rosenstone responded that campuses will be stronger with collaboration.

Trustee Anaya compared the systems 31 institutions to the United States. Each state has its own identity and each one is proud to be a part of the United States. The states are independent but there is buy-in for overall participation to the country. She suggested looking at the services we provide, our identity, and how we are representing the institutions to advance the buy-in.

President Olson explained that over the years the board has been concerned with program closures and openings. One example is that Minnesota State University, Mankato and St. Cloud State University were both looking at closing their aviation programs at the same time. They collaborated and a program remains.

Trustee Sundin acknowledged that the board has been concerned about program closures and openings. She asked if there are other institutions that have different funding mechanisms to foster student success besides head count.

Trustee Dickson complimented Chancellor Rosenstone and President Potter on the memo. The preamble is done well and was needed. She continued that two of her concerns that she shared with the chancellor are things that are buried in the report. They are culture change and the bargaining units, who are our partners. These two things are where the board needs to say what we can do to help make things happen.

Trustee Anderson Kelliher commented that she also appreciated the memo. What makes the best lasting change in systems like ours is self-determination. It is a founding core principle of what we do. Strategic Recommendation #3 does not allow self-determination. We are being very prescriptive. We will get more cultural, lasting change that will stick if we allow it to come up over the overall framework. Trustee Cirillo added that when people collaborate it usually is to

win. He cited 3M and its various divisions as an example. Each division is differentiated but has a place in the company. The company makes the divisions whole.

Trustee Erlandson suggested thinking a little bit outside of the traditional model. What if there is no money. If we do not work together, the outside is going to beat us. Managing the system's physical assets needs to be included along with working with employers and communities.

Trustee Krinkie noted that 3M sells off and buys units as markets and system change. MnSCU has not closed any of its institutions. Serving students and supplying services for them is a different dynamic. We need to do more to understand the market and from where our students are coming from. Trustee Sundin added that a technology plan should be integral and considered along with the academic and facility plans.

Strategic Direction #2: *Certify the competencies our graduates have mastered.*

President Potter explained how the system certifies the level of competency of our students. The first layer is accountability. We are engaged as a system with nine partners developed by university faculty across the country. The system uses the College Learning Assessment (CLA). During discussion, trustees commented that we need to better integrate and link this recommendation to Board Policy 3.36 Academic Programs and continuous improvement.

Chancellor Rosenstone reminded the trustees of the study session last May on enterprise risk management. MnSCU should define the standards for our graduates or someone else will do it for us. Concern about brand, market share and going after students we will be able to demonstrate capabilities of our students. The trustees supported this direction.

Strategic Direction #3: *Eliminate the gaps in access and education success for students who have been traditionally underserved by higher education.*

President Potter commented that the language is somewhat ambiguous. He added that one thing the board could do to help with this direction is to work with P-20 and in the community with the community-success models. The system is not funded to do this and it is expensive. The allocation model funds enrollments. Chancellor Rosenstone noted that given the demographic changes in Minnesota, the system has to do more for traditionally underrepresented students. One step is to recruit and retain a more diverse faculty and staff.

Trustee Erlandson shared that she used to serve on the foundation board of Minneapolis Community and Technical College. Its focus is on access because they found that there are two key barriers for access for individuals who do not have a familial perspective – transportation and childcare issues, etc. The bullets under this direction should include services that support access, including connecting parents to educational opportunities. Best practices could be shared and replicated at other institutions. Trustee Sundin commented that she liked the description in the original document better than this one. She would like to see multi-generational opportunities so that entire families could go to school together. Trustees expressed that the language in this direction could be more aspirational.

Strategic Direction #4: *Collaborate to deliver an excellent, comprehensive, cost-effective statewide approach to online, interactive, learner adaptive instructional technologies and student support services.*

President Potter commented that the system does not need 31 different approaches to delivering online courses. Chancellor Rosenstone added that this direction fundamentally speaks to quality. We have to be really good at delivering learner adaptive instructional technologies. Vice Chancellor King added that we need to address the technical barriers so students can take multiple courses at different institutions. The workgroups did not recommend MOOC's. The trustees supported this direction.

Strategic Direction #5:

Collaborate to deliver innovative, comprehensive workplace solutions to employers across our state.

President Potter explained that continuing education and customized training have been a focus of the two-year colleges. These programs can be expanded in new markets across the system through collaboration. Trustee Sundin commented that the trustees would like to see reports on these programs to understand where we are today. The trustees supported this direction.

Strategic Direction #6:

Redesign the system's financial and administrative models to align with the objectives in the strategic framework and the strategic priorities recommended above.

President Potter noted that there is a philosophical difference between funding what we do from incenting to bringing change. We have to get this right in order to accomplish the objectives. Chancellor Rosenstone noted that the Leadership Council talked about governance. Vice Chancellor King added that the Leadership Council had a governance discussion on the decision-making model; how we negotiate labor contracts, etc. The role of the board question asked earlier by Chair Hightower asked is right...governance needs to be a part of this.

Trustee Oliveira commented that while all the focus is on internal, we are forgetting to look at the outside and our image. Dr. MacTaggart asked if the group agrees to add one more recommendation about making this more external? Chancellor Rosenstone added that the first thing to hear from the board is that we are a team and not 31 ships passing in the night. Trustee Erlandson commented that the recommendation to make this more external would tell our story.

Trustee Paskach inquired how integrated will the system be as the recommendations unfold? What will this look like to students? What will they see when they tap in? Chancellor Rosenstone commented that as he read the recommendations for the first time, he asked himself if this would be better for students. President Potter commented that there is a relationship with students. Learning in a relationship teaches differently than in an online course. He prefers hybrid courses.

Concluding the discussion, Dr. MacTaggart commented that his sense of the feedback on the recommendations in the draft report is that this is a system where people want to work together to achieve them. Chair Hightower added that this has been a good conversation and that it will be

shared with the Strategic Workgroups who have more work to do before they come back to us in November with their final report.

Dr. MacTaggart reviewed a document “Why Transformation Efforts Fail,” by John P. Kotter, a professor at Harvard Business School. The following reasons apply equally to colleges and universities:

- Not establishing a great enough sense of urgency;
- Not creating a powerful enough guiding coalition;
- Lacking a vision;
- Under-communicating the vision by a factor of 10;
- Not removing obstacles to the new vision;
- Not systematically planning for and creating short-term wins;
- Declaring victory too soon; and
- Not anchoring changes in the institution’s culture.

Dr. MacTaggart thanked the board and the chancellor for the opportunity to facilitate the retreat. The trustees and chancellor thanked Dr. MacTaggart for his service.

Session III: Board and Committee Workplans for FY2014

Chair Hightower explained that draft board and committee workplans for FY2014 is subject to change as it lists only what is currently anticipated at this time.

Chancellor Rosenstone reviewed three study sessions that were slated for the board in October – the final report from the Strategic Workgroups, an update on the transition from secondary to post-secondary education, and the Board of Trustees Accountability Dashboard. Following discussion, the study session on the accountability dashboard was moved to January. Chair Hightower reviewed the Executive Committee’s schedule which listed meetings in October, March, and May. Trustee Dickson suggested adding an Executive Committee meeting in January.

The committee chairs briefly reviewed their agenda items. Trustee Vekich and Vice Chancellor King reviewed the agenda items for the Finance and Facilities Committee. Trustee Renier and Vice Chancellor Carlson reviewed the agenda items for the Human Resources Committee. Trustee Sundin requested adding a review of international students and health insurance coverage. Vice Chancellor King explained that the system is monitoring possible revisions as the federal health care regulations mature. Trustee Sundin remarked that there are issues that can be addressed more immediately such as timing of notification and payment and a website with access to information.

Trustee Anderson Kelliher and Interim Vice Chancellor O’Brien reviewed the agenda items for the Academic and Student Affairs Committee. Trustee Anaya and Executive Director Buse reviewed the agenda items for the Audit Committee. Executive Director Buse announced that it appeared likely that there would be a need for special meeting in December on the 2013 audited financials. Trustee Alex Cirillo and Interim Vice Chancellor O’Brien reviewed the agenda items for the Diversity and Equity Committee.

Trustee Oliveira inquired if the survey results from the Minnesota State Fair would be available. Vice Chancellor Dougherty explained that the survey was designed to bring people into the booth. About 7,000 surveys were completed. Chancellor Rosenstone responded that the results will be shared with the board, but he cautioned in making any interpretations. Trustee Sundin expressed that she would like an opportunity to provide some feedback on the State Fair activity.

Trustee Erlandson suggested assigning technology issues and the purview of advancement to a committee. Chair Hightower responded that the board needs to figure out a way to handle advancement type issues – perhaps a study session. Chancellor Rosenstone suggested that the board could receive periodic updates on the operations. There are three activities in advancement – government relations, public relations, and fundraising. Major fundraising does not occur at the system level. Vice Chancellor Dougherty issues quarterly reports on scholarship tracking. Another item is promoting branding. He suggested a study session for the board in May or June that will include the facts and a set of ideas based on evolution of Charting the Future.

Conclusion

Chair Hightower thanked everyone and said that he was pleased that the objectives he had laid out for the retreat had been met. He added that the conversation on the "Protocol for Working Together," was good, and he asked trustees to hold each other accountable for adhering to the protocol. In addition, the conversation on the "Charting the Future" draft report will help inform the Strategic Workgroups as they revise their final report and recommendations. Trustees can expect to receive occasional updates on the draft committee and board agenda items. Last, Chair Hightower commented that when an individual trustee makes a request, he will touch base with others to see if more than one person feels that way before proceeding.

The retreat ended at 2:00 pm.