

# MINNESOTA STATE COLLEGES AND UNIVERSITIES

## BOARD OF TRUSTEES STUDY SESSION: CHARTING THE FUTURE, FINAL REPORT NOVEMBER 20, 2013 McCORMICK ROOM 30 7TH STREET EAST ST. PAUL, MN

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

**Absent:** Trustees Cheryl Dickson and Michael Vekich

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### Charting the Future, Final Report

#### Convening

Chair Clarence Hightower convened the study session at 1:30 pm. Copies of the report “Charting the Future for a Prosperous Minnesota” were distributed prior to the meeting. Chair Hightower invited Chancellor Steven Rosenstone to begin the session. Before beginning, Chancellor Rosenstone acknowledged Mark Mallander, the administrator for the House Higher Education Finance and Policy Committee, and Dave Kornecki, the administrator for the Senate Higher Education and Workforce Development Committee, who were in the audience.

#### Background

Chancellor Rosenstone commented that it was one year ago that he charged three workgroups to offer recommendations on how best to meet the challenges facing higher education, challenges that threaten the system’s ability to:

- provide access to an extraordinary education for all Minnesotans;
- meet Minnesota’s workforce and community needs; and to
- deliver the most cost-effective, highest value education.

He asked the workgroups to recommend:

- How we can better meet the educational needs of our students.
- How we can better meet the future workforce needs of the state.
- How our colleges and universities can work together in new ways.

Chancellor Rosenstone stressed that addressing these questions is critical to the future of Minnesota State Colleges and Universities, to our students, and to the businesses and communities across the state who count on us to solve real-world problems, prepare Minnesotans for careers, and keep Minnesotans on the leading edge of their professions. Addressing the challenges is also critical to Minnesota’s economic prosperity. The challenges we face threaten our ability to provide an opportunity for all Minnesotans to create a better future for themselves, for their families, and for their communities. As tough as these challenges are, and as tough as they will likely be over the

years ahead, we cannot walk away from our responsibility to think critically about the future. We must be willing to take innovative steps to enable us to meet our responsibilities to the people of Minnesota.

### **Strategic Workgroups**

Chancellor Rosenstone explained that the workgroups were asked to develop recommendations that would best leverage the strengths of our colleges and universities to serve students and communities across our state. Each workgroup was broad-based, comprised of students, faculty, and staff; presidents and system leaders; and two members of the Board of Trustees. This broad engagement helped ensure that a wide-range of perspectives was brought to the discussions. The members were asked to put aside self-interest and to serve as a steward on behalf of all of our colleges and universities, not as a representative of a particular constituency.

The workgroups formulated draft recommendations and then provided a period for broad discussion and consultation. Over 5,400 students, faculty, and staff participated in 108 feedback sessions across the entire state over the past several months. The workgroups reconvened in October to revise the draft report, drawing on the many, many suggestions that arose from the feedback sessions and written communications. Their final report, under discussion today, is the result of a year's worth of work and the best thinking of many people.

Chancellor Rosenstone expressed his gratitude to the 46 students, faculty, staff, and trustees who participated in the discussions, research, debates, and drafting. They have provided great service to our entire state. Chancellor Rosenstone asked those present to stand and be recognized for their service. He thanked Presidents Scott Olson and Joe Opatz for serving as conveners of the work groups. He also thanked Dr. Karen Hynick for facilitating their work.

This is a critical moment for higher education, for Minnesota State Colleges and Universities, and for Minnesota. Chancellor Rosenstone added:

- We cannot pretend that the challenges facing higher education will go away;
- We cannot ignore how our students and the needs of our students have changed;
- We cannot dismiss the power of new technologies to improve how students can learn and how we can work together;
- We cannot fantasize that financing of higher education will go back to the way it was two decades ago; and
- We cannot be afraid to think in new ways – ways that will enable us to better meet our responsibilities to our students, to communities across our state, or to the people of Minnesota.

As the report notes: “Business as usual is no longer an option.” At the board’s September retreat, Chair Hightower reminded the board that the moment we are facing is, in many respects, at least as challenging as the moment that faced our predecessors when the Board of Trustees first met in July 1995. As stewards on behalf of the people of Minnesota, it is our responsibility to ensure that our colleges and universities deliver on their full promise to students, communities, and our state. Minnesota is counting on us.

The recommendations that the workgroups have brought forward are bold in the ways they suggest to deliver on our commitments to students and to Minnesota. They will help ensure that we will

continue to drive Minnesota's prosperity. Moving forward will require great determination and courage. As discussed at the board retreat in September, implementation will need to unfold over several years – not everything can be done at once. Chancellor Rosenstone promised that he will share his initial thoughts about the implementation plan at the January board meeting. He added that he is committed to an implementation process that continues to engage the trustees as well as students, faculty, and staff from across our colleges and universities.

### **Leadership Council Comments**

Chancellor Rosenstone invited Joe Opatz, president of Normandale Community College, Scott Olson, president of Winona State University, and Karen Hynick, chancellor's fellow, to present the recommendations.

President Opatz laid out the process in greater detail. The three strategic workgroups which convened a year ago – Education of the Future; Workforce of the Future; and System of the Future – very diverse. They consisted of presidents, faculty, staff, students, trustees, and three conveners. The chancellor met with each group at its first meeting and he challenged the groups to think in bold new ways. He charged the members with recommending the broad, strategic directions that the system should take over the next five, 10, and 15-years. He encouraged them to think in new ways as stewards of the system, and not just representing the constituent groups from which they came. Lastly, he reminded them that the “status quo” is not an option. The groups met every three weeks for a total of 26 meetings. Everyone took the charge very seriously. The groups pulled together a great deal of research and data, reviewing reams of information. Discussions were lively, open, and respectful. Everyone was very much engaged in the process that ultimately led to a majority consensus around a set of themes and directions. The result was eleven recommendations that were eventually distilled down to six recommendations.

After the June board meeting, the recommendations were taken to all of the stakeholders over the summer and into the fall. There were 108 listening sessions involving over 5,400 participants that included meetings with all of the bargaining units, student associations, and campus communities. For example, at Normandale Community College, the fall convocation provided an opportunity for feedback on the draft recommendations. Discussions occurred with all faculty, staff, and departments. The Leadership Council discussed the recommendations on a number of occasions and at their retreat, and the Board of Trustees discussed them at their retreat as well.

In October, the three groups convened and worked as a single group to sift through reams of materials from the listening sessions and from the Board of Trustees and Leadership Council retreats. As one example of how much information was received, President Opatz shared that Normandale Community College submitted 24-pages of materials. Because of the volume of work that had to be done, the chancellor postponed the deadline from October to November, giving the workgroups time to identify and clarify areas of concern and to strengthen the report. President Opatz pointed out that “if everyone agreed with everything in the report, then we did not do our job.” The final document reflects many changes that resulted from these conversations.

President Olson pointed to the diversity of voices that fed into the report as its essential beauty. He added that the Board of Trustees heard a little bit of that at their retreat when the facilitator, Dr. Terrence MacTaggart, a nationally known leader in higher education, commented on how impressed he was with the structure of the report and the diversity of the voices that were

represented throughout it. President Olson said that he was inspired listening to the Board of Trustees earlier in the day, when the board received an update on the Itasca Workforce Alignment Group and learned that soft skills that come out of the liberal arts and sciences are a priority. Education Commissioner Brenda Cassellius spoke on the partnerships for increasing pathways to postsecondary education. The board also heard a report on gender diversity of faculty and staff. President Olson noted that everything the board has learned about and been working on has led up to this report.

President Olson reported that Winona State University's three listening sessions resulted in conversations that were very thoughtful and passionate and mirrored the intensity experienced in the strategic workgroups. President Olson reiterated President Opatz's earlier comment that "if everybody agreed with everything in this report, then we did not do our job." All of us are challenged by certain parts of it; it was never meant to be 46-part harmony. This report reflects the system so it deals with system issues. Campuses are still going to do the things that make them unique. This report is about how we work together.

Themes that emerged from the feedback sessions are: affordability; student success; centralization versus autonomy; diversity and the achievement gap; the reality that IT is more than online learning; campus-based examples of how collaborations might work; respecting the collective bargaining process; and concerns that the first report was too metro-centric.

### **Charting the Future Recommendations**

President Olson, President Opatz, and Dr. Hynick reviewed the six recommendations.

1. *Dramatically increase the success of all learners, especially those in diverse populations traditionally underserved by higher education.*

President Olson explained that this recommendation was revised slightly from the first version, and moved up to be number one. Dr. Hynick added that it also addresses diversity as one of our strengths. Diverse populations are growing throughout the state, not just in the metro area.

2. *Develop a collaborative and coordinated academic planning process that advances affordability, transferability, and access to our programs and services across the state.*

Dr. Hynick explained that this recommendation was changed to reflect the conversations that occurred during the Leadership Council and the Board of Trustees retreats. What had been a plan became a process to make sure that we address affordability, transfer, and access, all of which were mentioned by the student groups and others. President Opatz added that the change also addressed concerns with the first draft that the academic plan was top-down and not a collaborative process. This makes clear that it will be a coordinated planning process.

3. *Certify student competencies and capabilities, expand pathways to accelerate degree completion through credit for prior learning, and foster the award of competency-based credit and degrees.*

President Opatz stressed that this recommendation is much broader in scope than the original one which was focused more on credit and prior learning.

4. *Expand the innovative use of technology to deliver high quality online courses, strengthen classroom instruction and student services, and provide more individualized learning and advising.*

President Olson said that the first version was only about online learning and online courses. There is a lot more going on with technology than online learning. The recommendation recognizes the use of digital technology in the classroom.

5. *Work together under new models to be the preferred provider of comprehensive workplace solutions through programs and services that build employee skills and solve real-world problems for communities and businesses across the state.*

Dr. Hynick noted that this recommendation strengthens a single point of entry for businesses and employees through mobile devices. This recommendation also looked for a single point of entry for customized-training and academic incubation and new program development and to grow graduate education through a new route. President Olson pointed out that this fits beautifully with the Itasca Workforce Alignment group's work. He admitted that the original version read a bit as though all we are doing is preparing people for the workforce. Dr. Hynick added that it also strengthens the integration between academic programs, and continuing education and customized training.

6. *Redesign our financial and administrative models to reward collaboration, drive efficiencies, and strengthen our ability to provide access to an extraordinary education for all Minnesotans.*

President Opatz explained that embedded in this recommendation is the recognition that some of the incentives in our current financial model need to be redesigned to encourage collaboration.

Dr. Hynick concluded this portion of the discussion, reiterating that the overall changes in this final report reflect the feedback received from over 5,400 participants from all across the state. Unlike the first draft, this report was written for an external audience. It provides examples of the great collaborative work that is already occurring among the college and universities. The report also addresses the concerns that the system office was growing more centralized. The focus is on collaboration, not centralization. Last, the report includes an opportunity for people to imagine a vision of what the future will look like and it makes a clear statement of urgency.

Earl Potter, president of St. Cloud State University, offered his perspective on the recommendations in his role as chair of the Leadership Council. He began by describing the nearly two hours he spent over the last two days with Alex Friedrich, a reporter with Minnesota Public Radio, explaining why this process is different and not business as usual. There is understandable skepticism. But as both a member of one of the strategic workgroups and the chair of the Leadership Council, he tried to help Mr. Friedrich understand it is not normal and speaks to the way we have been doing this work, which is significant.

President Potter continued that this document is different because it bears on the way presidents have thought about their commitments. The forces that threaten our future are real. The gravity of the challenges we face and have recognized as a community are real. The financial challenges of our future are profoundly different from the past. For example, we are facing a huge wave of retirements, and their entitlements are a significant challenge to our government and this should not be a surprise. We have seen the growth of for-profit enrollments rise in the last decade from 3,000 to 4,000 to over a hundred thousand. As a group, the presidents acknowledge that threats are real and we have to address them by significant change. We have capacity now that we never had

before. The ability to do business analytics is alive and well for higher education. The power of big data and technology gives us the opportunity to work together in new ways. Those forces and factors mean that the declaration in *Charting the Future* can be taken seriously; they are different from the rhetoric of the past. All of us realize that we have to renew as a system in order to deal with the challenges ahead.

President Potter explained that one of the conflicts that arose in the last draft was over centralization. The question asked was, “How can you accomplish this without centralization”? President Potter gave an example of a change they made at St. Cloud State University where they sacrificed over one million dollars in revenues in order to create a pathway for students that would increase their opportunity for success. We need to change the way we channel allocations to our institutions. The reason he made that choice was because the direction from the system was clear. Our primary objective is to increase the success of our students; to increase retention rates and graduation rates. No one told him to do that or told him how he had to do that. The challenge is, “Must there be central authority to achieve changes of this scale”? Yes, absolutely. The last draft had too many answers in it. This report challenges us. President Potter acknowledged that his peers are nervous; there is a great deal of work to do and our history does not give great confidence that we have the stomach, courage, and the capacity to make these changes. He added that it is a leap of faith that we have the will to do what this document calls us to do. President Potter concluded that presidents working with the chancellor’s direct reports do have the will to do this.

## **Discussion**

On behalf of the Board of Trustees, Chair Hightower thanked the 46 students, faculty, and staff for their service on the workgroups, noting especially their willingness to wrestle with the challenges we face, to think in new and fresh ways, and for undertaking work over the past year that is inspiring. He also thanked President Opatz, President Olson, and Dr. Hynick for their leadership. He thanked President Potter for speaking on behalf of the Leadership Council.

Chair Hightower remarked that, as he mentioned at the board’s retreat in September, the board has been very clear about our commitments:

- We are committed to providing an opportunity for all Minnesotans to create a better future for themselves, for their families, and for their communities.
- We embrace the three commitments in the strategic framework.
- We are committed to educational excellence as articulated in Board Policy 3.36.

These are rock-solid commitments. The recommendations in this report identify things we need to do differently to deliver on our core commitments to students and communities across Minnesota so we can be strong stewards of our colleges and universities.

Chair Hightower reminded the board that during the discussion of the draft report at the retreat last September, he urged the board to ask the following questions about each recommendation:

- 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?

We concluded our retreat in September with a clear and strong consensus. We supported the call for greater collaboration among our colleges and universities and thought, with some reworking, that the draft recommendations were pointing us in the right direction. The board offered suggestions for strengthening the recommendations and the report itself. Chair Hightower expressed how pleased he is to see that the workgroups have incorporated our suggestions into their final report. Chair Hightower invited members of the board to offer their comments and observations about the report and its recommendations. He suggested hearing first from the trustees who participated in the workgroup.

Trustee Anderson Kelliher, a member of the Education of the Future workgroup, commented that as a newer member of the board, she found this to be a wonderful learning process. She got to know people in the system and outside partners and students. It was an honor. She complimented the leaders who guided the process: Presidents Olson and Opatz and Dr. Hynick. Trustee Anderson Kelliher commented that we have had changes in our students, in technology, and the nature of work in Minnesota and around the world and they have had a dramatic impact on how we educate our students. The recommendations in this report will help us meet these challenges. There were spirited debates on the education of the future. This is not a power grab for centralization; it draws on the vision and strength of the system, which is a distributive model of being able to deliver an extraordinary education. It was important to hear the critical comments. The hard part of this job is in the hard work of implementation.

Trustee Cirillo, a member of the System of the Future workgroup, commented that for a system to be strong it must have balance. The process was respectful and engaged and there were disagreements. He noted that people began speaking and thinking outside of their particular role. Professors spoke as students, trustees were thinking like staff members, and people started swapping positions and began to understand each other. Our interconnectedness is our strength. The balance that exists between the system and the individual institutions is important to maintain. If we lose that balance, we lose our strength. The genius in the work done is the word "permission." This document gives us permission to change; to provide the best education for Minnesotans. In the process, we have gone from system-centered back to students and back to affordability and back to access. Trustee Cirillo concluded, saying it was an honor to be a part of the process.

Trustee Paskach, a member of the Workforce of the Future group, thanked the chancellor for the opportunity to be on the group. He added that the board has talked about the challenges facing higher education for 10 -11 years, and while progress was made, it did not feel like it was fast enough or comprehensive enough. The discussions and work we did as groups gave us the path to transform and it makes clear that we have to dramatically change as a system. He observed much more agreement than disagreement among the members and we all agreed on the challenges facing higher education. The document and set of recommendations are a charge for working together as a system of colleges and universities to transform the system. He added that our strength is distributed among our institutions. At the system level we have to make dramatic changes in our financial models and business practices to be where we want to be 15 -20 years from now.

Trustee Erlandson, a member of the Education of the Future workgroup, also appreciated the opportunity to serve on a workgroup. She stated that many entities, when faced with challenges/threats, want to stick their heads in the sand. Instead of hiring a consultant we did it ourselves and because of that our chance of success is much higher.

Trustee Sundin, a member of the Workforce of the Future group, echoed the sentiments of her colleagues by thanking everyone involved. She appreciated President Potter's comment that it is not a sure thing that we will have the stomach, courage, and confidence to do this. Hopefully, the board will encourage, articulate, incent, and work to remove whatever barriers were put in place in the past. That is no guarantee for innovation either but she has participated in attempts in the past and once the barrier is removed there is surprisingly little in the way of innovation. There is much hope that we will take advantage of this opportunity. Trustee Sundin added that the process will only work with trusted conversation and collaboration. In order for that to happen, we all have to work to drive fear out of the system and drive confidence into it.

Trustee Oliveira thanked everyone who dedicated their time in the workgroups. He appreciated the contributions that were made during the listening sessions and how they influenced the final report.

Trustee Renier also thanked all of the workgroup members. He expressed his gratitude to Presidents Olson and Opatz for their transmittal letter, which carefully set the right tone for the final report. Clearly everyone embraced the Strategic Framework and prior strategic plans. This report has much more meaning because it lays out a vision and a path to get there.

### **Next Steps**

Chancellor Rosenstone laid out the next steps. This report gives us a charge that will be a multi-year process. Most of the work will occur at the colleges and universities with faculty, staff, and students across the system. Part of our responsibility is not only to shepherd the work but to identify and remove the barriers that are in the way. He added that he was excited by the final report, which gives us greater clarity about who we are, what we believe in, and what our commitments are.

Chancellor Rosenstone announced that a rough outline of the implementation will be shared with the board in January. He added that he will consult with Chair Hightower on how to engage the board in monitoring and moving the recommendations forward. In addition, there will be regular consultation with the Leadership Council as well as meetings and discussions with each bargaining unit and the statewide student associations. This is an exciting commitment to our students. It is an exciting commitment to ensure the vitality of the state of Minnesota. Chancellor Rosenstone closed by thanking again all of the workgroup members.

Chair Hightower shared a comment from Trustee Vekich, who was unable to be present for the meeting. Trustee Vekich suggested that the board be thoughtful regarding how it thinks about its governance of the report and recommendations.

### **Adjournment**

Chair Hightower adjourned the study session at 2:30 p.m.

Ingeborg Chapin  
Secretary to the Board