



**BOARD OF TRUSTEES
MEETING AGENDA
WEDNESDAY, JANUARY 22, 2014
3:00 PM
MINNESOTA STATE COLLEGES AND 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*

- a. Minutes of Board of Trustees Study Session, Increasing Pathways to Postsecondary Education, November 20, 2013 (pp. 1-3)**
- b. Minutes of Board of Trustees Study Session, Charting the Future, Final Report, November 20, 2013 (pp. 4-11)**
- c. Minutes of Board of Trustees Meeting, November 20, 2013 (pp. 12-17)**
- d. Minutes of Board of Trustees Special Meeting, December 3, 2013 (p. 18)**

MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD OF TRUSTEES STUDY SESSION: INCREASING PATHWAYS TO POSTSECONDARY EDUCATION NOVEMBER 20, 2013

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

Absent: Cheryl Dickson, Maria Peluso

The Minnesota State Colleges and Universities Board of Trustees held a study session on November 20, 2013 at Wells Fargo Place, 4th Floor, Board Room, 30 East 7th Street in St. Paul. Chair Hightower called the session to order at 11:10 am.

Increasing Pathways to Postsecondary Education

Presenters:

Brenda Cassellius, Commissioner, Minnesota Department of Education
Karen Hynick, Chancellor's Fellow and System Director of P-20 and College Readiness
Paula Palmer, Director of College and Career Success, Minnesota Department of Education

Minnesota Education Commissioner Brenda Cassellius appeared before the Board of Trustees in June 2012 to report on a *Vision for Redesigning Grades 11-14 in Minnesota*. She provided an update on the steps and progress that has been made to transition students from secondary to postsecondary education. By 2020, it is estimated that 74 percent of all jobs in Minnesota will require some postsecondary education and about half of those jobs will require four or more years of college, Commissioner Cassellius said. That is why it is necessary for today's academic leaders to think differently about how to educate and create viable career pathways for students. Local, customized innovations to achieve these goals must be supported and allowed to flourish.

World's Best Workforce Legislation, passed in the 2013 Minnesota legislative session, will be important to building a relevant, well-educated workforce in the future, she said. This transformative legislation emphasizes important targets in student achievement:

- All students meeting school readiness goals
- All third grade students achieving grade-level literacy
- All students graduating from high school on time
- All students attaining college and career preparedness
- Closing the achievement gap and creating equity.

Commissioner Cassellius reviewed the four-point plan that is being implemented to help ensure students meet these targets.

1) Alignment of assessments

- All 11th graders will take a nationally normed college entrance examination.

- Beginning in grade 8, all students are required to take a predictive exam aligned to the national college entrance exam, including a career interest inventory. Students in Grade 10 also will take predictive exam aligned to the national college entrance exam.
- If students are on track to reach college readiness benchmarks, they will be strongly encouraged to take college credit options.
- If students in grade 10 or 11 are not on track to reach the college readiness benchmarks, they will be required to take a college placement diagnostic tool to identify areas where interventions should be targeted.

2) Expand opportunities for college ready students to earn college credits

- Key studies on the benefits of early college options
- Aligned assessments allowing for earlier identification of students who are ready for college level learning
- Leveraging the range of ways to earn early college credit, including PSEO, concurrent enrollment, national challenge exams and technical skill national assessments.

Karen Hynick spoke about several existing programs which work well to expand the opportunities for students, such as an applied learning institute on the Iron Range where students can earn credits toward an engineering degree and a new partnership between Irondale High School and Anoka-Ramsey Community College which allows students to earn up to their associate's degree while still in high school.

The Perkins consortium model can be used to enhance the connections needed to expand career technical education pathways. This is achieved through the use of rigorous programs of study, joint academic programming, technical skill attainment and the creation of more opportunities for students to earn college credit.

3) Deploy targeted interventions to improve college readiness

- Aligning assessment measures in secondary and adult basic education (ABE) to college placement diagnostics can lead to earlier identification of specific skills or competencies students need to master.
- Shared learner outcomes in developmental education should be determined by discipline to the college level and these should be shared with K-12 and ABE.
- Recommendations are being developed to improve the transferability of developmental education and defining targeted interventions to waive college placement testing.

4) Post-secondary career plan for every student

- All school districts will be required to assist students in creating a post-secondary/career plan beginning no later than grade 9.
- The plan will promote finding the right fit for the student for their chosen postsecondary institutions and career pathway.

- Searchable, up-to-date labor market information will be available to students.
- Secondary students will be helped with the selection of courses to promote postsecondary degree attainment.
- Career pathways and technical education advisory taskforces will guide recommendations around career planning and the transitions between secondary and post-secondary education. This plan will be personalized and modifiable.

Commissioner Cassellius said the next steps in this overall process will be six regional summits in December and January focused on pathways to postsecondary education. Input from educators and administrators from throughout the state will be gathered and used to help in these efforts.

The ultimate goals of the four-point plan include more students graduating from high school ready for postsecondary education and their careers; more students graduating from high school with college credit, making higher education more affordable; and more students being on career pathways aligned to their aspirations.

Chancellor Rosenstone said Minnesota is unique in its aggressive approach to enhancing pathways to postsecondary education. He added that this effort will be crucial to the success of Minnesota students, crucial to the mission of the system's colleges and universities and crucial to the economic growth and vitality of the state as a whole.

The meeting adjourned at 12:17 p.m.

Respectfully submitted,
Margie Takash, Recorder

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

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

Minnesota State Colleges and Universities
Board of Trustees Minutes
November 20, 2013

Present: Chair Clarence Hightower, 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

1. Call to Order

Chair Clarence Hightower called the meeting to order at 2:40 PM and announced that a quorum was present. Trustees Alfredo Oliveira and Maria Peluso participated by telephone.

2. Chair's Report: *Clarence Hightower*

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

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

(2) Minutes of Board of Trustees Study Session, IT Security on October, 22, 2013

The minutes of the October 22, 2013 Board of Trustees Study Session on IT Security were approved as written.

(3) Minutes of Board of Trustees Meeting on October 23, 2013

The minutes of the October 23, 2013 Board of Trustees Meeting were approved as written.

3. Chancellor's Report: *Steven Rosenstone*

Brian Wisenden Named Minnesota Professor of the Year

Chancellor Rosenstone reported that the Carnegie Foundation for the Advancement of Teaching named Minnesota State University Moorhead Biosciences Professor Brian Wisenden "The 2013 Minnesota Professor of the Year." The Carnegie Foundation Professors of the Year award program is the only national program that recognizes excellence in undergraduate education. Dr. Wisenden is the third faculty member in the past eight years from the university's biosciences department to be named Minnesota Professor of the Year. Since joining the biosciences department in 1998, Professor Wisenden has mentored 137 students of which 68 of the undergraduates are co-authors on research articles published in international peer-reviewed journals and two are co-authors on a chapter. Nearly all of those students have presented at regional, national and international meetings. Chancellor Rosenstone commented that this kind of recognition exemplifies what we mean when we talk about our faculty delivering an extraordinary education to all Minnesotans. Chancellor Rosenstone offered his sincere congratulations to Professor Brian Wisenden as the 2013 Minnesota Professor of the Year.

Gates Grant to Nine-State Collaborative to Measure Student Learning

Chancellor Rosenstone announced the receipt of a grant from the Bill & Melinda Gates Foundation. The grant will support the participation of three of our colleges and three of our universities in a collaboration of nine states and fifty colleges and universities. The collaboration will pilot strategies to develop better ways to accurately gauge learning outcomes including what students know and how they apply their knowledge. Chancellor Rosenstone thanked President Earl Potter, President Ron Anderson, and Interim Vice Chancellor John O'Brien who represented MnSCU in this multi-state collaboration. The other states participating in this project are Massachusetts, Connecticut, Indiana, Kentucky, Missouri, Oregon, Rhode Island and Utah.

Lowest Cost Education

Chancellor Rosenstone remarked that since the October board meeting, the Chronicle of Higher Education published the tuition and fees for all colleges and universities in Minnesota. Once again this year, Minnesota State Colleges and Universities have the lowest tuition and fees of all 94 institutions in the state. Tuition and fees at our colleges are about 1/3 the cost of private colleges; the tuition and fees at our universities are about 1/5 the cost of private baccalaureate granting institutions and about 1/2 the cost of the University of Minnesota.

The Un-Session

Chancellor Rosenstone reported that Governor Dayton has dubbed 2014 the "un-session," because he wants the legislature to spend much of their time eliminating old, outdated state laws. He has asked the system to identify suggestions on what provisions are outdated and can be eliminated in ways that would make the laws governing higher education better, faster and simpler. Chancellor Rosenstone stated that under Vice Chancellor Laura King's leadership, we have reviewed all statutory provisions applicable to the system and have developed several recommendations for the commissioner of Minnesota Management and Budget and the Governor. In the coming weeks, we will be consulting with internal stakeholders and then with the higher education chairs and other key members on suggestions to streamline regulations and eliminate obsolete provisions.

Chief Diversity Officer

Chancellor Rosenstone announced that the semifinalists for the Chief Diversity Officer will be interviewed on December 18. In the weeks ahead, information will be shared on the formal announcement of the candidates, including the times of their public presentations and the WebEx logistics for students, faculty, and staff across the system to participate in the process. Chancellor Rosenstone invited all students, faculty, and staff to take part in these interviews and provide him their feedback. Vice Chair Thomas Renier will identify three trustees who will participate in the interviews.

Metropolitan State University Interim President

Chancellor Rosenstone reported that two weeks ago he visited Metropolitan State University to meet with students, faculty, staff, and the president's cabinet for an update on two critical and immediate issues: the tremendous progress that the university has made to address its payroll issues; and the agreement that was reached with the surrounding neighborhood on the siting of the student center and the parking ramp.

Chancellor Rosenstone shared some thoughts about what he hopes the university will accomplish during the transition in leadership. Chancellor Rosenstone reported that he put out a call for nominations and expressions of interest for an interim president. He noted that nominations are coming in and we are following up with everyone who has been nominated. The chancellor stated that his hope is to bring a recommendation for the appointment of an interim president either at the January meeting or at a special meeting in February.

Chancellor Rosenstone commented that since first learning of the Metropolitan State University's payroll issues in mid-September, Vice Chancellor Mark Carlson and his staff from the system office and other campuses have immersed themselves in taking corrective action to help the university resolve the payroll issues. Vice Chancellor Carlson brought human resources specialists from across the system to Metropolitan State University to work through the payroll records, making corrections. Vice Chancellor Carlson has also assembled an external review team of experienced human resource specialists and will conduct a line-by-line review of faculty payroll-related transactions for Fiscal Years 2012, 2013, and 2014 (to date.)

Vice Chancellor Carlson, President Sue Hammersmith, Provost Ginny Arthur, and the university's new interim HR Director, Sue Raddatz, are working closely together to ensure that the university's Human Resources staff are well-equipped going forward to correctly manage payroll transactions. In addition to the line-by-line review, these transactions and the university's payroll processes will be subject to an audit. Chancellor Rosenstone stated that based on consultation with Chair Hightower and Audit Committee Chair Ann Anaya, they intend to engage in a two-part audit process.

First, the system's Office of Internal Auditing will conduct an initial audit. Executive Director of Internal Auditing Beth Buse anticipates it will be completed by spring of 2014. Internal Auditing is the right body to conduct this audit given its independence from system administration, its expertise, its familiarity with system and payroll operations, and its direct reporting line to the Board of Trustees. Second, Chair Hightower and Chancellor Rosenstone have requested the Office of Legislative Auditor to conduct an audit to verify the accuracy of the audit conducted by Internal Auditing.

Chancellor Rosenstone concluded his remarks commenting that he is confident that the steps that Vice Chancellor Carlson has taken will help Metropolitan State University resolve its payroll issues and the audit that Director Buse will lead, with a double check by the Legislative Auditor, will validate the accuracy of the work.

Chair Hightower asked Trustee Ann Anaya to comment on the audit process. Trustee Anaya stated that, first, the audit will provide a better understanding of what happened. Second, people who were affected would be made whole, and third, an understanding that controls will be put in place to make certain that this could not happen again. Trustee Anaya continued that once the audit process is complete, an assessment will be completed to see if there is a need for the Legislative Auditor to review the findings. Trustee Anaya remarked that she feels confident this process will allow those affected some comfort in knowing that everything possible is being done to correct the situation.

Trustee Louise Sundin inquired whether the payroll issues encompass pension contributions. Chancellor Rosenstone replied that pension contributions were included.

4. Consent Agenda

The Board of Trustees approved the execution of three contracts:

- 1.) To Managed Print Supplier/s, not to exceed \$21 million for a term not to exceed three years, with two additional one-year options;*
- 2.) Execution of contracts with NowMicro and CDW-G, for a combined total not to exceed \$36 million and a term of three years, with two additional one-year options;*
- 3.) Execution of a contract with the selected Purchasing Card vendor for a term not to exceed three years.*

The Board directs the Chancellor or his designee to execute all necessary documents.

Trustee Dawn Erlandson moved approval of the Consent Agenda. The motion was seconded and carried.

5. Board Policy Decisions

(1) Charting the Future, Final Report

Trustee Margaret Anderson Kelliher moved that the Board of Trustees adopt the Charting the Future report and recommendations. Trustee Alexander Cirillo seconded and the motion carried.

Chair Hightower thanked Chancellor Rosenstone, Presidents Scott Olson, Joe Opatz, Earl Potter, Chancellor's Fellow Karen Hynick, and the members of the workgroups for their incredible work. Chair Hightower announced that Chancellor Rosenstone will present initial thoughts on the implementation of "Charting the Future" at the January meeting.

(2) Proposed Amendment to Board Policy 5.21 Possession or Carry of Firearms (Second Reading)

Trustee Erlandson moved that the Board of Trustees approves the proposed amendment to Board Policy 5.21 Possession or Carry of Firearms. Chair Hightower called the question and the motion carried.

(3) Proposed Amendment to Board Policy 5.23 Security and Privacy of Information Resources (Second Reading)

Trustee Erlandson moved that the Board of Trustees approves the proposed amendment to Board Policy 5.23 Security and Privacy of Information Resources. Chair Hightower called the question and the motion carried.

(4) Proposed Amendment to Board Policy 1B.3 Sexual Violence Policy (Second Reading)

Trustee Alexander Cirillo moved that the Board of Trustees approves the proposed amendment to Board Policy 1B.3 Sexual Violence Policy. Chair Hightower called the question and the motion carried.

6. Board Standing Committee Reports

a. Finance and Facilities Committee

Michael Vekich, Chair

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

b. Diversity and Equity Committee

Alexander Cirillo, Chair

Committee Chair Cirillo reported on the Diversity and Equity Committee.

c. Joint Meeting: Diversity and Equity and Human Resources Committees

Alexander Cirillo and Thomas Renier, Co-Chairs

(1) Increasing the Diversity of Faculty and Staff

Committee Co-chair Cirillo reported that the Joint Diversity and Equity and Human Resources Committees had a discussion on the diversity of faculty and staff, gender diversity within the system, and the career movement of women in the organization.

d. Academic and Student Affairs Committee

Margaret Anderson Kelliher, Chair

(1) Update on the Itasca Workforce Alignment Group

Committee Chair Margaret Anderson Kelliher reported that the committee heard an update on the Itasca Workforce Alignment Group. The group has been working for approximately one year on the challenges facing the state's workforce needs.

**(2) Pine Technical College-Change in Institution Type and Change in Name
(First Reading)**

Committee Chair Anderson Kelliher reported that the committee heard a first reading of Pine Technical College's change in institution type and change in name. This item will be presented for a second reading and action at the January meeting.

7. Trustee Reports

Trustee Elise Ristau reported that she attended the Minnesota State University Student Association Delegates Assembly.

8. Joint Council of Student Associations

a. Minnesota State College Student Association

Kelly Charpentier Berg, 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

Adam Klepetar, president, addressed the Board of Trustees.

c. Minnesota State College Faculty

Damon Kampfe, vice president, addressed the Board of Trustees.

- d. **Minnesota Association of Professional Employees**
Jerry Jefferies, regional director, addressed the Board of Trustees.
- e. **American Federation of State, County, and Municipal Employees**
June Clark, president, AFSCME Local 4001, addressed the Board of Trustees.

10. Other Business

There was no other business.

11. Adjournment

Chair Hightower announced that on December 3, 2013, there will be special meetings of the Audit Committee and Board of Trustees to review and approve the 2013 audited financial statements.

Chair Hightower adjourned the meeting at 3:40 PM.

Ingeborg K. Chapin
Secretary to the Board

Minnesota State Colleges and Universities
Board of Trustees Minutes
December 3, 2013

Present: Chair Clarence Hightower, Trustees Ann Anaya, Duane Benson, Dawn Erlandson, Philip Krinkie, Alfredo Oliveira, David Paskach, Elise Ristau, Louise Sundin, Michael Vekich and Chancellor Steven Rosenstone

Absent: Trustees Margaret Anderson Kelliher, Alexander Cirillo, Cheryl Dickson, Maria Peluso and Thomas Renier.

1. Call to Order

Chair Clarence Hightower called the meeting to order at 3:00 PM and announced that a quorum was present. Trustees Ann Anaya, Alfredo Oliveira, David Paskach and Louise Sundin participated by telephone.

2. Review and Approve the Release of the 2013 Audited Financial Statements

Trustee Philip Krinkie, vice chair of the Audit Committee, reported that the Audit Committee reviewed and approved the release of the 2013 Audited Financial Statements, and recommended that the Board of Trustees also approve the motion.

Based on the review and recommendation of the Audit Committee, the Board of Trustees approves the release of the fiscal year 2013 audited financial statements as submitted.

Chair Hightower called the question and the motion carried.

3. Adjournment

Chair Hightower announced that the Executive Committee will convene in January. The date and time will be announced at a later date. The next regularly scheduled Board of Trustees meetings are on January 21 and 22, 2014.

Chair Hightower adjourned the meeting at 3:07 PM.

Ingeborg K. Chapin
Secretary to the Board