



**FINANCE AND FACILITIES COMMITTEE
NOVEMBER 18, 2015
9:00 A.M.**

**MCCORMICK ROOM
30 7TH STREET EAST
SAINT PAUL, MN**

Please note: Committee/Board meeting times are tentative. Committee/Board meetings 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.

- Finance and Facilities Committee, Jay Cowles, Chair
- 1. Minutes of October 20, 2015 (pp. 1-9)**
 - 2. Minutes of Study Session on October 20, 2015 (pp. 10-14)**
 - 3. Approval of Contract Exceeding \$1M for St. Cloud State University Coborn Plaza Lease Agreement (pp. 15)**
 - 4. Approval of Contracts Exceeding \$1M for:**
 - a. Continuing Education/Customized Training Online Registration Request for Proposal**
 - b. Assessment for Course Placement (pp. 16-19)**
 - 5. Approval of Allocation Framework Redesign Principles (pp. 20-53)**

Committee Members

Jay Cowles, Chair
Thomas Renier, Vice Chair
Ann Anaya
Philip Krinkie
Maleah Otterson
Erma Vizenor

MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD OF TRUSTEES

FINANCE AND FACILITIES COMMITTEE

MEETING MINUTES

October 20, 2015

Finance and Facilities Committee Members Present: Chair Jay Cowles, Duane Benson, Philip Krinkie, and Maleah Otterson

Other Board Members Present: Trustees Margaret Anderson Kelliher, Kelly Charpentier-Berg, Alexander Cirillo, Dawn Erlandson, Elise Ristau, and Louise Sundin

Leadership Council Representatives Present: Chancellor Steven Rosenstone, Vice Chancellor Laura King,

The Minnesota State Colleges and Universities Finance and Facilities Committee held its meeting on October 20, 2015, 4th Floor, McCormick Room, 30 East 7th Street in St. Paul. Chair Cowles called the meeting to order at 9:30 a.m.

Chair Cowles welcomed returning and new committee members. There were two members absent but a quorum was reached. The Board of Trustees retreat surfaced a couple of questions related to the Finance and Facilities Committee topics for the upcoming year. Chair Cowles and Vice Chancellor King have been working together to incorporate members' interest in the year's work.

1. Minutes of June 17, 2015

The minutes of the June 17, 2015 Finance and Facilities Committee were approved as written.

Finance and Facilities Update

Vice Chancellor King welcomed all members and provided some updates. Items of note: the Leadership Council has designated new liaisons to the Finance Committee. They are President Anne Blackhurst (MSU Moorhead) and President Barbara McDonald (North Hennepin Community College).

Next month the FY2015 financial statements will be presented to the Audit Committee. No surprises thus far, none anticipated. In January, there will be an extended conversation in the Finance Committee about FY15 performance.

Finance and Facilities staff have been busy with legislative and executive branch bonding tours. The House has completed their tours. The chancellor presented the board's 2016 capital improvement request to the Commissioner of Minnesota Management and Budget and the governor's staff. The Senate continues tours into October and November. Vice Chancellor King again thanked the campus staff for a terrific job hosting tours on the campuses.

Chair Cowles commented from the standpoint of the board and committee that there has been an impressive show of participation and engagement on the part of the students, staff, and faculty. It has made a big difference, the reports have been positive. Vice Chancellor King acknowledged the elected officials and stated that it makes a difference for elected officials to get on campus and talk to the students.

Vice Chancellor King mentioned a recent memo to the board regarding a potential federal government shutdown and federal budget conditions; the risk has moved out to mid-December. The staff is part of the state's Emergency Management Planning Risk Assessment Process and will keep the board informed of any risks to operation.

The federal Perkins loan program has been shut down. The staff is working with higher education colleagues to get that program reinstated as part of the federal budget, but for now the colleges and universities have stopped issuing Perkins loans. This past year there were approximately 2,600 MnSCU students who received Perkins loans totaling about \$5M.

The Long Term Financial Stability work group has launched after a terrific discussion at the board retreat. Trustee Cowles is the board's representative on that group. The first meeting was October 9th; staff will provide an update in March and hopefully a final report by June. Chair Cowles commented that at the first meeting the energy and commitment on the part of the participants seemed very strong, and they welcomed the opportunity to be a part of the work.

Chair Cowles asked members for any comments.

Chair Cowles explained that the items listed on page 13 will be presented as a single item and will follow with individual approvals. Although presented as a single agenda item, members are welcome to raise questions and discuss individual components.

2. Surplus Real Property Approval – Central Lakes College Boundary Line Correction

Vice Chancellor King reported this is a request for the committee to recommend to the board the surplus of a fractional piece of land on the edge of the Central Lakes College, Brainerd campus. The requirement emerged after a survey was undertaken between the college and adjacent property owner and identified a disputed notch of land.

The committee recommendation is that the board authorize the execution of a quit claim deed with the land owner for \$1 and clear the boundary dispute. Page 15 and 16 contain an illustration of the property.

Chair Cowles asked if committee members had questions. He also wondered if the board needed to consider adopting a policy that specifically addressed this type of situation. Vice Chancellor King responded that the board policy addressing approval of acquisitions and dispositions can be read to include this type of transaction.

Chair Cowles directed the committee's attention to the proposed motion on page 14 of the board packet. Trustee Renier made the motion and Trustee Otterson seconded. The motion was adopted.

Chair Cowles presented the items on page 17, a number of items exceeding \$1 million and proposed that they be considered for approval as a group.

Vice Chancellor presented the eight items in the packet:

3. Approval of Contracts Exceeding \$1M

Lake Superior College Customized Training

This is a customized training contract between Lake Superior College (LSC) and Aggregate and Ready Mix (ARM), a vendor in the Duluth area that is a partner with the college. The board is asked approve a one year contract that is renewable for up to five years with a maximum payout of up to \$4 million.

Grant for Thief River Falls Housing Development

Returning members will recall that this item has been before the board in a couple of iterations as the community and the college have struggled to bring student housing to the campus. The recommendation is to approve the award of a \$1.1 million grant to Orb Management, a third party developer, and the college foundation to finance, renovate and operate student housing adjacent to the college in Thief River Falls. This is a transaction that spins out of legislative assistance in the 2014 session and funds provided to the Minnesota Housing Finance Agency that are now passed to the college and then on to the foundation. This would bring a 144-bed student housing complex into service. The college's role is limited to marketing and recruitment efforts.

Microsoft Premier

The Board of Trustees is asked to approve a master contract with Microsoft Premier Support not to exceed \$2 million, with an end date of July 2020. This is a contract that the campuses buy from directly and it provides them with bulk purchasing and master negotiation benefits.

Hobson's Contract Extension

This is a request to the board to extend a contract agreement with Hobsons, a third party vendor, through June 2017. There is now underway an RFP process that is expected to result in a new recommendation that will come before the board next year. The current contract has a cumulative total of \$5 million through December 2015. The committee is asked to approve an extension to June 2017 for no more than \$7 million. This will be a master contract for enrollment and recruitment services the colleges and universities.

Inver Hills Community College Construction Project

This is a request to the board to approve a construction contract totaling \$1.36 million using local resources to do interior work to the physical education building on campus. The

recommendation provides for a slightly higher authority to anticipate change orders or bid differences.

Bemidji State University Bookstore Contract

This is a request to the board to approve a contract with a term up to 10 years and not to exceed \$5M on behalf of the university and Distance Minnesota services associated with Northland Community Technical College and Alexandria Technical and College. This is a group buying effort to select a single vendor to bring price and service advantage to the students. Approval of this request will enable the university to finalize their RFP selection process and complete negotiations.

St. Cloud State University Plumbing Replacement, Mitchell Hall Foundation

This is a request to the board to approve a contract not to exceed \$1.35 million to enable St. Cloud State University to engage a contractor for some plumbing work in one of their residence halls. This would be financed with university revenue fund reserves that they have been saving for this work. They would like to begin the work as soon as the spring term ends.

Management Software –Blackbaud, Inc. contract

This is a request to the board to approve a master contract not to exceed \$3.5 million with Blackbaud, Inc. for foundation management software. We would negotiate on behalf of interested colleges and universities and they would buy from the master contract. The term length is proposed at five years, from November 2015 to October 2020.

Vice Chancellor King stated that the board motions follow on page 20.

Chair Cowles thanked Vice Chancellor King for the summary and asked if there are notable changes imbedded and how the mix of the projects are characterized in terms of business as usual or offering new examples. The Bemidji State bookstore seems like an effort to develop shared services, the foundation management software represents a centralized, standardized resource of greater value at a better price.

Vice Chancellor King responded that of the eight items, the Microsoft Premier Contract, Hobson's Contract, Bemidji Contract and Foundation Contract all present efforts to combine purchasing power and simplify negotiating on behalf of the colleges and universities. These are all established as optional uses by the campuses. The contracts are put in place and the campuses choose whether or not to use them. The Lake Superior College customized training contract is a customized training activity that campuses are encouraged to undertake and is presented because of the threshold in board policy for contract approval. The Thief River Falls transaction is unusual, it brings a service and benefit to the students without costing the system anything or putting risk on the college balance sheet. The Inver Hills and St. Cloud transaction are typical construction requests.

Trustee Renier asked how many of our colleges and universities currently use Blackbaud independently. Vice Chancellor King estimated 19, but will confirm.

Trustee Anderson-Kelliher asked why the BSU contract has a 10 year term, and does this happen often. Vice Chancellor King responded that the Bemidji contract action would provide an “up to” 10 year authority. It is not unusual in a contract negotiation process to try and get terms and conditions that are advantageous to the colleges and universities. By negotiating at an up to 10-year term, pricing can be negotiated. This is structured to be a 5+5 term length. Board policy provides for the board to approve contracts longer than 5 years under certain conditions. The university will be expected to make a business decision as they are approaching the 3rd or 4th year. This term is also typical when there are capital investments being made by the vendor. The food service contract for the state universities will be presented in the spring and will have a similar term.

Trustee Krinkie asked for an explanation of how arrangements with student housing will work at Thief River Falls-- who is financing, what is the total cost and who will manage the facility? Vice Chancellor King responded that this will be a \$3.7M development. The mortgage will be held by the foundation; the developer will act as such and then exit from an operating standpoint. The foundation will make sure that the occupancy rates are sufficient to cover their mortgage obligation. The college’s role will be to market the option to students. Many of the 2 year colleges have relationships with off campus housing providers. The financial obligations rest with the foundation.

Trustee Krinkie followed up with two questions: How this situation is similar or dissimilar to SMSU and SCSU? And of the full \$3.7M investment, where is the non-grant \$2.6M coming from and who bears the risk? Vice Chancellor King explained that unlike SMSU and SCSU, the college does not have any college-owned or operated housing that this would compete with for tenants. Most of the colleges with housing arrangements are similarly established.

Vice Chancellor King invited President Dennis Bona, Northland Community and Technical College and Interim Executive Director of Northland Foundation Sheila Bruhn to the table. President Bona explained that the risk belongs to the foundation, and because of the extreme housing shortage in Thief River Falls, they anticipate no problem in filling the beds. Even if filled at 60 percent, the mortgage will be covered. If it cannot be filled completely by students, the contract allows it be opened to the general public. Ms. Bruhn explained that the foundation has secured a bank partnership in the form of a loan that will cover the funding.

Trustee Otterson inquired what the benefit is to the college. President Bona explained that increasing available housing will aid in recruiting students from outside of the area to fill seats. For example, athletes are recruited from outside the area, as are students for some of the premier programs like the UAS program which are not fully enrolled because of the lack of housing. This project will provide sustainability and growth options for the college.

Trustee Anderson-Kelliher asked for more information about non-student tenants, how common it is in the system and since the foundation is taking on the risk, how is it handled. Vice Chancellor King responded that it is very typical and from a risk management standpoint, it is best to rent to the largest population possible. This would need scenario planning and the language would support it. The priority order would be student tenants, then staff and faculty, then general public.

Chair Cowles expressed appreciation for the great work that went into this housing project plan and thanked committee members for their questions and pointed out that this effort shows creativity and collaboration with the community.

Chancellor Rosenstone supported these observations and remarked that this housing collaboration would make it possible to build and grow the college's nationally unique UAS program. This will have a huge economic impact on the state and industries from agriculture to realtors to manufacturing. The availability of housing will allow this program to reach its full potential.

Trustee Krinkie asked about the SCSU plumbing replacement project—he noticed that SCSU has a \$7.8M backlog, and wondered what the other projects were on the backlog list. Vice Chancellor King promised to research and will provide a follow up. She noted that St. Cloud is in the midst of a comprehensive master planning process which includes a residence life master plan.

Chair Cowles asked the committee to make a motion to accept all of the items for approval on page 20. Trustees Renier moved and Trustee Krinkie seconded. The motion was adopted.

College and University Operating Budget and Financial Recovery Plans Update (pp. 23-30)

Vice Chancellor King introduced System Director for Financial Planning and Analysis Deb Bednarz and presented updates to the FY2016 Operating Budget and the Financial Recovery Plans (FRPs).

Operating Budget:

Work has been done on the FY16 operating budget and the general conclusion is that the budget is expected to perform within one percent of the forecast approved by the board as part of the June operating budget.

Enrollment and compensation assumptions have been updated. The board approved a budget in June that assumed a 1.8 year-over-year decline in enrollment; fall enrollment is tracking slightly lower with a decline of 2.6 percent. A notable observation is that there is a very strong uptick in graduate enrollment. Compensation cost increase estimates are slightly higher than projected at the time of the board approval in June. Minnesota Management and Budget (MMB) has settled all contracts with the classified units and have revised their health insurance outlook; the system has reached agreements with the Inter-Faculty Organization and the Minnesota State University Administrative Faculty.

Trustee Renier asked for clarification on enrollment projection. Vice Chancellor King explained that the board approved a budget in June that included a college and university forecasted enrollment decline of 1.8 percent for FY16 as compared to FY15—fall enrollment is down 2.6 percent, which is .8 percent more than colleges and universities anticipated.

Trustee Benson asked what that loss amounts to in dollars and cents. Vice Chancellor King explained that the enrollment, tuition revenue and compensation changes combined creates a \$13M swing for the college and university budgets. It is not yet known how campuses are balancing their budgets to address the change.

Trustee Benson followed up asking if increased enrollment and retention would help come up with a dollar amount. Vice Chancellor King responded that colleges and universities are improving retention. On the revenue side, there is never a diminishing return on increased enrollment and retention of students. On the expense side, it is 'lumpy' and resembles an inverted bell curve. As enrollment rises, the expense of adding courses steps in large increments—until a course section is filled, there is no material cost, but as soon as a new section must open, there is a large cost.

Trustee Erlandson asked for additional information about insurance costs; whether the employees are paying a greater percentage out of their pockets. Vice Chancellor King responded that the increases shown in the board report are the increases the employer pays. There was a change in deductibles and co-pays depending on the providers and that all state agencies experience the same level of increases. It is a coalition bargaining environment. Additional detailed information will be provided to the committee.

Trustee Krinkie asked for insight on what happened since MMB was said to be projecting zero increase in health insurance cost why the number comes back closer to 7 percent. Vice Chancellor King responded that she and Vice Chancellor Carlson have been in regular conversations with the executive branch and there is a statewide coalition bargaining process that results in tremendous volatility in the campus planning environment. From a campus perspective health, dental and life insurance represent 13 percent of their total compensation forecast.

Trustee Benson thanked Finance for including diverse enrollment statistics as part of their reporting. This is helpful information.

Fund Balance Analysis:

The FY15 final college and university fund balances will be released with the FY2015 audited financial statements. The system tracks and reports general fund balance as a measure of the system's financial resiliency and capacity. College and university contributions are viewed as a tool that's used to strengthen their financial position. At the end of FY2015, fund balances are expected to decline by \$3M, which is less than 1 percent of the total. This is a systemwide average and there is variability between individual colleges and universities

Financial Recovery Plan (FRP) Update:

We are carefully monitoring the colleges and universities that have submitted FRPs to determine actual compared to plan:

- 1 college and 4 universities spent down fund balance
- 2 universities showed significant deterioration in fund balance; system office staff are meeting regularly with staff from the universities to monitor and guide improvement

Trustee Anderson Kelliher asked what conditions must exist for a college or university to use fund balance. Vice Chancellor King explained that board policy calls for campuses to hold 5-7 percent of operating revenues as reserves (which means truly unobligated) to be used under certain conditions. We have seen them used for fire or tornado damage and transition after loss of a large operating grant.

Trustee Cowles asked about use of fund balance as a strategy to aggregate campus resources for future needs like capital projects. Vice Chancellor King indicated that this is a common practice that enables colleges and universities to make provisions for extraordinary one-time expenses, for example program development, equipment or land purchase, etc. But it is money that can only be used once-- Vice Chancellor King encourages colleges and universities to maintain approximately a 20 percent overall fund balance, which is low compared to private industry.

Chancellor Rosenstone emphasized that current fund balance levels would cover only 2.5 payroll cycles, which puts us at a higher risk. Fund balance is, as noted earlier, a single use resource—it cannot be used to cover recurring expense.

Trustee Renier asked if there was a clear distinction between reserves and other fund balance. Vice Chancellor King explained that we do not distinguish in the accounting system, but that we do have clear reporting requirements that necessitate colleges and universities to separate and distinctly report each type of fund balance.

Trustee Erlandson asked about enrollment at our competitors. How do we compare? Vice Chancellor King will obtain information and send it as follow up. However, we do know that some of our colleges and universities have a direct competition with neighboring states.

Chancellor Rosenstone informed the committee that we are tracking within tenths of a percent nationally with our peers.

Trustee Krinkie noted the materials show significant deterioration in fund balance at Metropolitan State University and at St. Cloud State University and acknowledged that Vice Chancellor King and staff are carefully monitoring the situation but questioned what happens if this trend continues. Vice Chancellor King drew the committee's attention to the oversight and monitoring information provided. We are tracking enrollment, have asked for revised budgets from all FRP colleges and universities as well as anyone with a variance greater than 1 percent, and are meeting regularly with the most at risk FRP colleges and universities.

Trustee Krinkie questioned the emergency plan and when would the button be hit. Vice Chancellor King reiterated that it is our expectation that presidents will manage so that we do not ever have to hit the emergency button.

Chair Cowles assured the committee that the chancellor, vice chancellor and he discuss and monitor the situation regularly and closely, and to expect to hear more at the next meeting.

Chancellor Rosenstone emphasized that the urgency of the situation is not lost on anyone involved, and that the System's goal is to maintain service to students and communities.

Discussion questions:

Trustee Cirillo noted that materials are all averages and would like to see data that shows the highs and lows in order to maintain perspective on individual colleges and universities. Vice Chancellor King reminded the committee that there will be an update in January on the resiliency testing and this would be a good place to show these things. Trustee Otterson mentioned that the numbers were frightening, but acknowledged that this is a snapshot and questioned whether there was a way to widen the snapshot to show more trends. Trustee Anderson-Kelliher reminded the committee that there are only two 'levers' to pull on the machine—enrollment and state appropriation. There needs to be some thought about diversification of the tools we have to use and how we can use them better. Trustee Krinkie suggested that trustees think about visiting high schools to promote MnSCU instead of always visiting the colleges and universities.

The meeting adjourned at 11:00 a.m.

Respectfully submitted,

Maureen Braswell, Recorder

**Minnesota State Colleges and Universities
Board of Trustees
Study Session
October 20, 2015
Information Technology 2016 Outlook**

Board Members Present: Chair John Cowles Vice Chair Thomas Renier Trustees Margaret Anderson Kelliher, Duane Benson, Kelly Charpentier-Berg, Alexander Cirillo, , Dawn Erlandson, Robert Hoffman, Philip Krinkie, Maleah Otterson, Louise Sundin, Michael Vekich, and Erma Vizenor.

Board Members Absent: Ann Anaya and Elise Ristau

The Minnesota State Colleges and Universities Board of Trustees held a study session on October 20, 2015, at Minnesota State Colleges and Universities, 4th Floor, McCormick Room, 30 East 7th Street in St. Paul. Board Chair John Cowles called the session to order at 11:10 am.

Study Session: Information Technology 2016 Outlook

Vice Chancellor of Technology, Ramon Padilla Jr. stated that his first presentation to the board a year and a half ago included his perceptions of the strengths, weaknesses, opportunities and threats within this organization. The Integrated State wide Record System (ISRS) was identified as an area of concern. Today the board will participate in the first of three discussions that that will explore opportunities to create the next generation of ISRS.

ISRS is the Integrated State wide Record System or the enterprise record system (ERP). It is the system's business management software, comprised of financial, accounting, and human resource components as well as a student information system. ISRS is the enterprise software that allows all of MnSCU to conduct business, from timesheets to payment of bills, admissions, registration, course management, etc. It is the primary repository of data about and for students, faculty and staff.

Vice Chancellor Padilla acknowledged the staff that created it. In 1995, ITS staff were brought together to take three disparate systems and create a single system of record for student, human resource and finance data. At the time, there were no ERPs for higher education. Through herculean efforts, they created a system that has served MnSCU for 20 years so far. Many staff members would consider ISRS their legacy, however focusing on software would miss the most important part of their efforts, creating a single system of record for higher education. It is truly their legacy and it transcends any piece of software, now or in the future.

The current system is struggling to meet student's expectations and needs. ISRS is a 20 year old homegrown system based on COBOL, a programming language created in 1959. New platforms have taken its place. IT staff that know COBOL are retiring or becoming eligible for retirement, this creates a technological and consumer need crises regarding ISRS.

ISRS was not built for mobile computing. The students of today are mobile; they expect a personalized experience with immediate, easy access to information. There was no mobile computing in 1995. Other than converting pages to responsive design, so that they fit on smaller screens, a mobile strategy has not been identified. Students want to manage the things they need to do on the mobile devices they want solutions built from the ground up for mobile devices.

ISRS is not built for today's educational environment; it lacks learning analytics, academic planning tools, and does not support transfer.

Charting the Future identified ISRS as a priority. As a result, a project was launched in January of 2015 to begin the work to create a business case of deliverables that will provide the data needed for decision makers. So far, the work includes 31 listening sessions on the campuses with students, faculty and staff. An online survey has generated 633 responses so far, 28% are from students. Development of a gap analysis, with peer comparisons and environmental scans is underway. Development of a complete budget analysis of the existing system is also underway. This information will allow decision makers to examine the case for a replacement or update.

Chair Cowles stated in thinking about this project that he would observe that it will have substantial cost implications and service opportunities, and will require a concerted effort of virtually all of senior leadership throughout the system as it touches all of the campus operations. Questions to reflect on are: what does the board need to know to make decisions, is status quo an option, if not what are the range of options, could a new face be put on ISRS, is there an alternative solution, how have other systems addressed this issue, what will the effort require, what are the likely risks, and what will the board need to do to help?

Vice Chancellor Padilla has started the first task of mapping out the questions that the leadership and the legislature would want to know about ISRS. The process of gathering the answers to these 35 questions has begun including how much it costs, how long it has been operating and what the actual need is, in regards to dollars and resources. A comprehensive business analysis is being completed so that the board, cabinet and other decision makers may make informed decisions. Information on other peer institutions will be gathered, to provide some comparison to products that are currently available as a means of doing a gap analysis.

It will take 4-7 years to complete this project. If nothing is done, the system will have an ERP that is not sustainable. IT may lose the COBOL programmers that can address issues in ISRS and MnSCU will end up with a solution that cannot be supported.

MnSCU is unique; it has a system for a system, other institutions do not have a single source ERP. Vice Chancellor King stated that when talking about shared services, it is striking that MnSCU has a single accounting, budgeting, and human resources systems which is a competitive advantage. Unlike other higher education systems, for example the University of Texas that has eleven different systems or the University System of South Carolina that has individual ERPs and had to

specially build modules for inter-reporting. Ramon Padilla stated that because of this the comparable implementations will be those done at large institutions. This will be a large effort, like those done in the Carolinas, Georgia, and Miami Dade Community College which has over a hundred thousand students. This will require a lot of effort and will be one of the hardest things that MnSCU has done since the creation of the system. It will require efforts across all parts of the system come together to make this happen.

Trustee Cirillo inquired if MnSCU has the business process analytics in place with COBOL or whether this has to be done all over again. Vice Chancellor Padilla responded that it would need to be done all over again. In the past the staff customized the business processes. The business processes will be consolidated in all the areas that they need to be. The new systems will force decisions to be made.

Trustee Cirillo inquired whether there is a security advantage to having an individual system vs diversified systems. Vice Chancellor Padilla responded that changing to an individual system would not change the systems security posture.

Trustee Otterson inquired whether 4-7 years is a long time since technology changes faster than it had in the past, if a fluid design should be considered, and how long before the next redesign would be needed. Vice Chancellor Padilla stated that it is his hope is that MnSCU will not decide to design and build the replacement system. MnSCU's system cannot keep up with the commercial houses that have hundreds of developers writing updates. Designing a new system from scratch would be daunting. Instead, the hope is to select a product that can keep up with the demands of students, faculty and staff.

Trustee Krinkie inquired what the budget might be for this project. Vice Chancellor Padilla stated that a finite number is not available at this time, but a loose estimate is between \$70-150 million. A more accurate estimate should be available in March.

Trustee Sundin inquired if the process used to implement will be a rollout to departments and campuses or a matter of flipping the switch. Vice Chancellor Padilla stated that a combination of implementations methods was used to complete projects like this at other institutions. For some areas the flip the switch method will be used, both Finance and HR are areas that can use this method. In the second phase, the student systems will use the flip the switch method but other areas will need to be staggered.

Trustee Sundin stated that nationally there have been ERP conversions that have been less than successful. Vice Chancellor Padilla responded that in every instance it is not because of the software selected, it is because the decision makers struggled to make hard decisions quickly. Institutions that moved to PeopleSoft found that the project came in over budget because of delays in decisions. Trustee Renier stated that \$70 - \$150 million is a big budget window and asked what the estimate is based on, and the cost of buying a product versus the cost of revising the current

product. Vice Chancellor Padilla stated that the range is based on the current solutions available if the project was implemented today. The solution could range from an on premises implementation that would require equipment and hosting in the traditional sense in the data centers. Software as a solution eliminates things like hardware and the implementation would be streamlined. Vendors are changing things to streamline the solutions and eliminate customizations. Software as a solution does not require as much in up front funding as on- premise solutions. Instead, the costs are ongoing, like a cable bill. Although IT could rewrite ISRS, it would put MnSCU in the same place down the road.

Trustee Anderson Keller stated that the lessons learned about the team and the leadership of the team are important and thanked the committee for bringing this forward to the board.

Vice Chancellor Padilla stated that the system leadership will need to be resolute, as a board, cabinet, and presidential leadership every step of the way. This will touch all aspects of what MnSCU does. It will be a test so everyone will need to be strong.

Chancellor Rosenstone stated that the spirit of this conversation is refreshing, but masks the daunting tasks that are ahead. This gets to the heart and soul of the enterprise and raises some of the fundamental questions of how MnSCU will come together to operate as an integrated system. If the system continues to operate without answering these fundamental questions, not only will MnSCU have a system that will not offer desired functionality, but may have a system that is prohibitive to build and maintain.

This board asked for leaders who will ask the hard question. They asked the leadership to look ahead at the future and identify risks and this is an example of a vice chancellor doing this by putting the hard questions on the table and proposing solutions for consideration. MnSCU is fortunate that this conversation is taking place now and not during an emergency. We are fortunate to have someone who has gone through this before and understands this space. We are also fortunate to have Vice Chancellor King, someone who was a part of the formation of MnSCU as a system and knows the questions to ask. This is the first time in 20 years that MnSCU is addressing this area. Most enterprises are on a third version of an ERP.

MnSCU has been able to maintain a foundational investment in ISRS that was made two decades ago. This success is due to the incredible creativity of the people who developed ISRS 20 years ago and the continued creativity of those work on this system. This has been an extremely efficient operation.

Trustee Hoffman stated that this has been a topic of conversations before and it is inevitable. There are no other options. Trustee Sundin stated that changes to ISRS were a topic of conversation 3 to 5 years ago and were recommended in the subset group. Student trustees were adamant it was needed and the rest of the board did not agree. The students were right in retrospect, and it is important that the board listens to all parties involved.

Chair Cowles stated that the board looks forward to the analysis of the benefits to constituents; in particular the students, faculty and campus staff and not simply the cost.

Vice Chancellor Padilla stated that during the Charting the Future gallery walks, the work on ISRS received standing ovations in particular from the students.

The meeting adjourned at 11:57.

Respectfully submitted,

Christine Benner, Recorder

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Finance and Facilities Committee

Date: November 18, 2015

Title: Approval of Contract Exceeding \$1M – St. Cloud State University Coborn Plaza Lease Agreement

Purpose (check one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input checked="" type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input type="checkbox"/> Information | |

Brief Description:

Materials will be provided in advance of the committee meeting

Scheduled Presenter(s):

Laura M. King Vice Chancellor - CFO

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Finance and Facilities Committee

Date: November 18, 2015

Title: Approval of Contracts Exceeding \$1M for:

- a. Continuing Education/Customized Training Online Registration Request for Proposal
- b. Assessment for Course Placement

Purpose (check one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input checked="" type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input type="checkbox"/> Information | |

Brief Description:

Board Policy 5.14, Procurement and Contracts, requires that contracts, including amendments, with values greater than \$1,000,000, must be approved in advance by the Board of Trustees. This report presents system wide and college and university contracts for consideration and approval by the Board.

Scheduled Presenter(s):

Laura M. King Vice Chancellor - CFO

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD ACTION

Approval of Contracts Exceeding \$1M for:

- a. **Continuing Education/Customized Training Online Registration Request for Proposal**
- b. **Assessment for Course Placement**

BACKGROUND

Board Policy 5.14, Procurement and Contracts, requires that contracts, including amendments, with values greater than \$1,000,000, must be approved in advance by the Board of Trustees. This report presents system wide and college and university contracts for consideration and approval by the Board.

Systemwide Contracts Exceeding \$1M for:

- a. **Continuing Education/Customized Training Online Registration Request for Proposal** –the Board is asked to approve a contract not to exceed nine years and a maximum payment of \$2,000,000 million with the selected vendor for a new or extended license for CE/CT online registration and payment software. The effective date of the contract would be November 30, 2015 with an end date of June 30, 2020. The contract would include an option to extend for an additional 48 months.

Terms of the contract will include the online registration system for customized training and non-credit enrollment that will integrate with ISRS, reducing the need for duplicate entry into two systems. The product also contains marketing and enrollment features that will enhance the work of CE/CT and increase access for students and employers.

The product was selected via a Request for Proposal (RFP) process utilizing a team of subject matter experts from CE/CT departments throughout the system. The RFP was released on August 31, 2015 with proposals due on September 30, 2015. Campuses will transition to the product between January and June of 2016. Integration with ISRS will begin in winter 2015/spring of 2016. The cost of the contract will be paid by the campuses using the services.

- b. **Assessment for Course Placement** – the Board is asked to approve a contract not to exceed seven years and a maximum payment of \$1,750,000 for purchase of course

1 placement assessment software and services. The effective date of the contract would be
2 July 2016 with an end date of June, 2020. The contract will include an option to extend for
3 three years to 2023.
4

5 As of 2006, the Minnesota State Colleges and Universities system has been using a vendor
6 provided common system-wide assessment tool for course placement. In anticipation of
7 the contract expiration date of June 30, 2016, a Request for Proposal (RFP) process was
8 undertaken to solicit proposals for the next contract cycle. The RFP for the assessment for
9 course placement was made available on June 15th, 2015.
10

11 MnSCU received one comprehensive proposal that met the RFP requirements to provide a
12 suite of assessments for course placement in reading, writing, math, English as a second
13 language and computer skills. The proposal came from the current vendor, the College
14 Board, for their placement instrument, Accuplacer. The proposal from the College Board
15 was thoroughly reviewed by the members of the RFP steering group. The intention is to
16 execute a master contract for all colleges and universities in the system. Each institution
17 would be invoiced individually by the College Board on a per test unit basis. The proposal
18 submitted by the College Board proposes a five-year contract with an option to renew for
19 up to an additional two years. All terms of the contract are still under consideration and
20 no final determinations have been made.
21

22 **RECOMMENDED COMMITTEE MOTION**

23 The Finance and Facilities committee recommends the Board of Trustees adopt the following
24 motions:
25

- 26 a. The Board of Trustees authorizes the chancellor or his designee to execute a contract with
27 the selected vendor for a term of up to 9 years ending 2024 for a total amount not to exceed
28 \$2,000,000. The Board directs the chancellor or his designee to execute all necessary
29 documents.
30
- 31 b. The Board of Trustees authorizes the chancellor or his designee to execute a contract with
32 the College Board for a term of up to seven years ending 2023 for a total amount not to
33 exceed \$1,750,000. The Board directs the chancellor or his designee to execute all
34 necessary documents.
35
36
37
38
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40 **RECOMMENDED BOARD MOTION:**

- 41 a. The Board of Trustees authorizes the chancellor or his designee to execute a contract with
42 the selected vendor for a term of up to 9 years ending 2024 for a total amount not to exceed
43

1 \$2,000,000. The Board directs the chancellor or his designee to execute all necessary
2 documents.
3

- 4 b. The Board of Trustees authorizes the chancellor or his designee to execute a contract with
5 the College Board for a term of up to seven years ending 2023 for a total amount not to
6 exceed \$1,750,000. The Board directs the chancellor or his designee to execute all
7 necessary documents.
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17 *Date of Adoption:* 10/21/15
18 *Date of Implementation:* 10/21/15
19

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Finance and Facilities Committee

Date: November 18, 2015

Title: Approval of Allocation Framework Redesign Principles

Purpose (check one):

- | | | |
|---|---|--|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input type="checkbox"/> Approvals
Required by
Policy | <input checked="" type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input type="checkbox"/> Information | |

Brief Description:

The 2016 system workplan includes development and recommendations for re-design of the system's method for allocation of state support. The committee will be briefed on the history of the current allocation method, provided a summary of its attributes, and draw backs and presented with policy level draft principles to guide the redesign of the framework.

Scheduled Presenter(s):

Laura M. King Vice Chancellor – CFO
Deborah Bednarz, System Director - Financial Planning and Analysis

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

ACTION ITEM
APPROVAL OF ALLOCATION FRAMEWORK REDESIGN PRINCIPLES

PURPOSE

The 2016 system workplan includes development and recommendations for redesigning the system’s method of allocating state support, commonly referred to as the allocation framework. The committee will be briefed on the history of the current allocation methodology, provided an overview of its design and a summary of its attributes and drawbacks, and presented with policy level draft principles to guide the redesign of the framework.

The materials are contained in the attached PowerPoint presentation.

RECOMMENDED COMMITTEE ACTION:

The Finance and Facilities committee recommends that the Board of Trustees approve the proposed allocation framework redesign principles as presented. The board looks forward to reviewing the recommended changes to the allocation framework next fall after full consultation with interested parties.

RECOMMENDED BOARD OF TRUSTEES ACTION:

The Board of Trustees approves the proposed allocation framework redesign principles as presented. The board looks forward to reviewing the recommended changes to the allocation framework next fall after full consultation with interested parties.

Allocation Framework Redesign Principles



Presented to the Board of Trustees and
the Finance and Facilities Committee
Board of Trustees meeting
November 18, 2015

Minnesota State Colleges and Universities

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Agenda

- Current Allocation Framework history and overview
- 2016 work plan recommendation
- Project design/consultation process
- Proposed redesign principles



What are we talking about?

- “Allocation Framework” refers to the process for distributing \$672 million of annual state appropriation to colleges and universities and systemwide accounts.
- It concerns only state funds, all tuition and other earned revenue remains on the campus and is not subject to any reallocation.
- Its design is approved by the board and administered by the finance division after consultation with Leadership Council and system constituents.



History and development

- Post-merger in 1995 – the system had three different allocation models for each of the merged systems
- Board of Trustees adopted vision in 1999:
“A single model which equitably recognizes the diversity of MnSCU students’ needs and adequately supports the unique educational goals of each institution”
- Workgroups established to assist with the design of the allocation framework
- Current allocation framework implementation began in 2002 and phased in to full implementation in FY2006
- Allocation framework only allocates state appropriation; all other revenue generated locally are kept locally



Minnesota State Colleges and Universities revenue practices:

- ✓ All tuition and fee revenue is collected and retained by the colleges and universities; these funds are not centrally redistributed.
- ✓ All grants, gifts and auxiliary income are controlled by the colleges and universities.
- ✓ All state funds appropriated to the Board are distributed through the allocation framework.

Board-approved allocation framework design principles (August 1999)

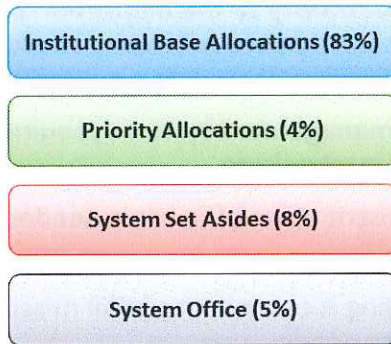
- *Academic goals should drive financial planning.*
- *Delegation of authority to the institution* and the resulting program diversification are necessary to create a responsive system.
- Decentralized management systems require *incentive and accountability mechanisms.*
- An *equitable* distribution of funds is needed which *recognizes the diversity of institutions, programs and students.*
- Adequate funding is essential to fulfill missions and respond to compelling state needs.
- *Access* is a core element of the system's mission.



5

The Board of Trustees adopted the allocation design principles in 1999; these principles were used to inform the various workgroups designing the allocation framework that is in use today.

Allocation Framework Components

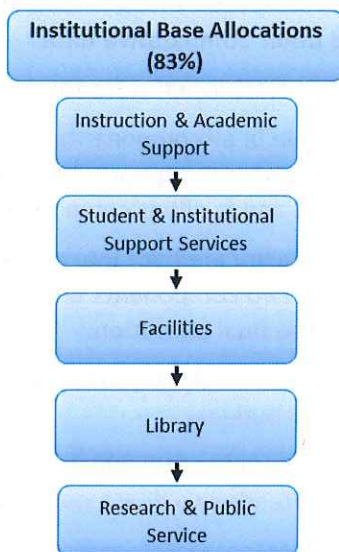


The allocation framework is the methodology by which all state appropriation is allocated. In general, state funds are divided into four categories:

- ✓ Institutional base allocations: state appropriation dollars allocated to colleges and universities for general operations
- ✓ Priority allocations: special allocations for board and legislative priorities, examples include access and opportunity and leveraged equipment funding
- ✓ Systemwide set asides: enterprise technology, debt service (system share), attorney general, etc.
- ✓ System office support: direct appropriation to system office for operations

The “green sheet” included in the annual operating budget materials reflects the allocation framework’s distribution of state appropriation.

Allocation Framework – Institutional Base Allocations



Institutional Base Allocations (83 percent) – Allocated to colleges and universities through a series of algorithms in the following components: instructional & academic support, student & institutional support services, facilities, library, and research & public service.

Methodology used to distribute base funds to colleges and universities:

- ✓ Rewards cost efficient instruction
- ✓ State funds follow enrollment changes
- ✓ Substantially formulaic based on MnSCU data, national peer comparisons, and national benchmarks

The set of algorithms is used to calculate the institutional base allocation for a college or university. This flexible funding is provided as a lump sum and used for general operating purposes. The methodology does not dictate how funds must be spent across the different categories. Presidents have the authority to spend these resources to best meet the needs of their colleges and universities. For example, colleges and universities are not required to spend funding generated through the facilities component on facilities.

Current design mechanics

- Each component is composed of algorithms that use actual MnSCU, national peer, and other comparative data.
- Each component has established rules for data sets and time series.
- Enrollment plays a role in all components, but strongly influences the instruction and academic support, student services and institutional support, and facilities components.
- Stability and predictability are built into the model through a three-year average used in two components and the 50-50 calculation used to determine the final allocation.
- Results are distributed as a block grant, presidents decide how to use the funds in their budgets.
- The overall results determine individual college and university allocation; it is not intended to direct spending in specific areas.



The allocation framework takes into account the cost of delivering high cost and low cost programs

	Low Band	High Band	Difference	Average
Anthropology	\$ 1,035	\$ 1,265	\$ 230	\$ 1,150
Ground Transportation	\$ 3,752	\$ 4,585	\$ 833	\$ 4,169



9

The allocation framework takes into account the different costs of programs. It recognizes that some programs, such as ground transportation, are expensive to provide while others, such as anthropology, are relatively inexpensive. In addition, the framework takes into account the fact that the cost of delivering the same program can differ between institutions.

Observations and comments

Current allocation framework:

- Is viewed as positive that all revenue earned locally stays local and is not pooled and redistributed
- Is responsive to changes in enrollment, program mix and course cost efficiency
- Rewards enrollment
- Provides stability, predictability and modest redistribution rather than quick response to changes

Source - 2012 Leadership Council review

Observations and comments

Current allocation framework does not recognize or support:

- Student success outcomes
- Access or diversity
- Collective success of the system to serve the state and its regions through collaboration

Source - 2012 Leadership Council review



2016 Workplan charge

Charting the Future System Incentives and Rewards recommendation:

Redesign the current financial model to incent and reward collaboration, strategic framework commitments, and Charting the Future recommendations

2016 Project design

- Allocation Framework Technical Advisory Committee
 - Group responsible for evaluating changes to the framework and making recommendations for changes to MnSCU leadership

- Development and consultation process
 - Continuing consultation with Leadership Council, CFOs, CAOs, other campus leaders, bargaining units and student associations

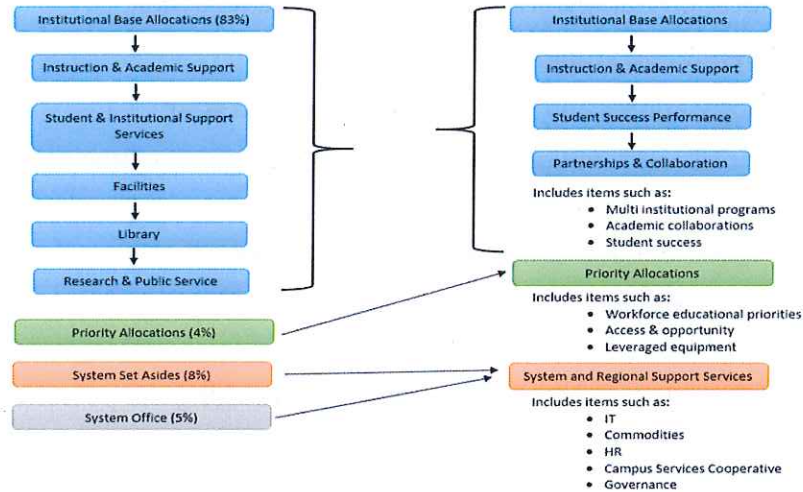


Project timetable

- Timetable - Board approval of the allocation framework redesign principles (est. November 2015),
- Initial Leadership Council review and discussion of recommendations (June 2016)
- Consultation with bargaining units and student representatives (July – September 2016)
- Final approval by Leadership Council (September 2016)
- Recommendations presented to Board of Trustees (October 2016)
- Board of Trustee approval of changes (November 2016)
- Implementation targeted for July 1, 2017 – FY 2018



Allocation Framework Current vs. Proposed



15

The System Incentives and Rewards implementation team recommended modifying the allocation framework as illustrated above.

The recommended modifications are intended to place a greater emphasis on student success and collaboration.

Proposed allocation framework redesign principles

The allocation framework should support the following:

- Academic and student success goals
- The educational and workforce needs of the state
- Financial and functional sustainability of diverse institutions, programs, and students
- Delegation of authority to colleges and universities
- The success and viability of the system of colleges and universities
- Collaboration and systemic change by leveraging the power of the system



16

Allocation framework redesign principles:

- ✓ Frame and guide the redesign effort
- ✓ Informed by the recommendations from the Charting the Future implementation teams
- ✓ Intended to support strategic framework and Charting the Future recommendations

Proposed redesign principles (continued)

The design of the allocation framework should:

- Be flexible, simple and transparent
- Incorporate measurable outcomes that recognize the diversity of institutions and their missions
- Incent and/or reward:
 - Student success e.g. retention, graduation, transfer, employability, elimination of the opportunity gap
 - Collaboration around academic planning, student success efforts, administration, resource development, and achievement of collective goals
 - Administrative best practices and efficiencies
- Reach an appropriate balance between stability and responsiveness to changing conditions
- Recognize that costs of serving students varies by academic program and student requirements

Implementation of the new design should provide for a smooth transition



Discussion

- Do the principles appropriately balance the competing interests on behalf of colleges and universities and the system?
- Is the board comfortable with the direction of the work?
- Are there other principles that the board would like staff to consider?

Recommended committee action:

The Finance and Facilities Committee recommends that the Board of Trustees approve the proposed allocation framework redesign principles as presented. The board looks forward to reviewing the recommended changes to the allocation framework next fall after full consultation with interested parties.



Review Allocation Framework Redesign Principles



Presented to the Board of Trustees and
the Finance and Facilities Committee
Board of Trustees meeting
November 18, 2015
Pre-reading materials

Minnesota State Colleges and Universities

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Pre-Reading Materials

How the current allocation model works



Instruction & academic support component: How it works

- Instruction & academic support costs per FYE compared at the program level by level of instruction (lower, upper, masters, doctoral)
- MnSCU average at each CIP code is calculated and a 20 percent band is formed around the average (10 percent above the average and 10 percent below the average)
 - Within the band results in no change
 - Above the band results in reduction in allocation to move program to ceiling of the band
 - Below the band results in additional allocation to move program to the floor of the band
 - The sum of all these results determines the component's allocation
- A three-year rolling average is used after the direct comparison to improve predictability and create stability



22

One important component of the allocation framework is the **instructional cost study**. This annual analysis looks at the cost of instruction at the program level. Every college and university can see the cost of instruction for each of its programs on a per FYE basis compared to every other college or university that offers that program. For example, lower division English programs are compared across all colleges and universities. The costs are “fully allocated” costs; that is, they include both direct and indirect costs for each college or university applied at the program level.

Using data from the instructional cost study, state funding is allocated to colleges and universities based on their program mix, their enrollment and the cost of delivering their educational programs. To do this, the model calculates the average cost of delivering a program throughout the system and calculates a 20 percent band around that average (10 percent above the average and 10 percent below the average). Institutions operating below the band are brought up to the band's “floor”; those operating above the band are brought down to the band's “ceiling”. The sum of all these results determines the component's allocation.

The comparisons do not dictate how much colleges and universities must spend on a program. Colleges and universities may choose to spend more or less than the band. However, they must manage across all bands in order to not lose allocation.

Student and institutional support services component: How it works

- Recognizes core administrative activities and accounts for differences in enrollment, institutional type, and multiple campuses
- National peer data in student and institutional support services used to create a core cost and variable cost
- A three-year rolling average is used to improve predictability and create stability



Facilities component: How it works

- Recognizes an allocation related to the operation, maintenance and repair of an institution's facilities
- Benchmarks set at \$1.80 per square foot for maintenance and operations and \$1.50 per square foot for repair and replacement
- Data used in the component includes square footage, student headcount, and utility costs
- Component also provides for a multiple campus factor and residential living factor



Libraries, research & public service components: How they work

- Library component recognizes the unique mission differences between college and university libraries and funds close to national benchmarks as a percentage of total operating costs
 - Colleges allocated 3.5 percent
 - Universities allocated 6 percent
- Research & public service component funds colleges and universities at a rate similar to national peers based on percentage of total operating costs
 - Colleges allocated 1.17 percent
 - Universities allocated 2.62 percent



Revenue buy-down: How it works

- Allocation model only allocates state appropriation
- The revenue buy-down is used to isolate state appropriation from other general fund revenue (tuition) so that only expenses attributed to state appropriation are recognized
- Purpose of buy-down is to account for the differences in tuition as a percentage of total revenue among colleges and universities

26



The allocation framework allocates only state appropriation. State appropriation revenue is isolated from the other general fund revenue (primarily tuition) as a means to recognize only the state appropriation expenditures in the instructional cost comparisons and in other framework categories.

This approach builds in the historical relationships between tuition revenue and state support which were varied across institutional types. It is sensitive to changes in the mix of revenues in a college or university's general fund.

Allocation results

- The individual components total to one amount for each college and university.
- Since the implementation of the framework, the amount generated by the base allocation model has always exceeded the level of state appropriation funding.
- College and university total results are translated into a percent share calculation and this percent share is used to allocate the available state appropriation.
- As a final stability factor, 50 percent of a college's or university's allocation is based on the results from the prior year allocation model and the other 50 percent based on the results from the upcoming year's allocation model.



27

The allocation results do not determine how colleges and universities must spend the funds, only the amount of state appropriation they will receive as base allocation.

The 50/50 average and the three-year average applied in the instructional & academic support and student & institutional support components smooth out redistribution from year to year. This prevents significant movement of state appropriation from one institution to another every year.

Minnesota State Colleges and Universities
 FY2016
 COLLEGE/UNIVERSITY ALLOCATIONS
 (FRAMEWORK BASED ON FY2014 DATA)

Attachment One

Sum A thru F g/tot g
 H

Institution Name	FY2014 FYE	A Allocation for Instruction & Academic Support	B Allocation for Administrative & Student Support Services	C Allocation for Facilities	D Allocation for Library	E Allocation for Separately Budgeted Research & Public Service	F Allocation for Enrollment Adjustment	G TOTAL ALLOCATION FRAMEWORK	H % Share of Allocation
Alexandria TCC	2,170	4,973,875	2,678,890	987,836	302,421	104,633	161,060	9,208,714	1.74%
Anoka Ramsey CC - Anoka TC	7,214	12,404,350	6,525,159	1,676,213	721,200	249,525	397,283	21,973,731	4.16%
Bemidji SU & Northwest TC-Bemidji	5,019	9,900,145	5,985,303	1,843,839	1,063,757	492,378	(91,573)	19,193,849	3.63%
Central Lakes College	3,206	6,504,498	3,782,852	1,252,108	403,881	139,737	262,850	12,345,926	2.34%
Century College	6,955	12,260,773	5,872,433	1,382,079	683,035	236,320	(287,966)	20,146,674	3.81%
Dakota County TC	2,235	5,354,926	2,746,672	1,060,532	320,675	110,949	3,618	9,597,372	1.82%
Fond du Lac Tribal & CC	1,251	2,077,886	1,726,337	343,912	145,185	50,232	(11,818)	4,331,734	0.82%
Hennepin TC	4,214	10,574,687	5,168,847	2,074,956	623,647	215,773	(55,926)	18,601,984	3.52%
Inver Hills CC	3,944	6,740,678	3,619,528	663,597	385,833	133,493	66,128	11,609,256	2.20%
Lake Superior College	3,603	7,104,331	3,691,883	912,917	409,820	141,792	92,943	12,353,685	2.34%
Metropolitan SU	6,192	12,555,932	6,841,498	576,166	1,198,416	554,707	571,158	22,297,876	4.22%
Minneapolis CTC	6,484	11,901,252	6,063,644	2,017,237	699,375	241,974	(489,350)	20,434,131	3.87%
Minnesota SC-Southeast Technical	1,597	4,023,312	2,642,377	654,714	256,214	88,648	(18,096)	7,647,167	1.45%
Minnesota State College	4,527	10,320,443	5,466,127	1,496,797	604,918	209,293	20,287	18,117,845	3.43%
Minnesota SU Moorhead	5,987	13,711,912	8,232,800	2,452,240	1,463,817	677,552	(393,732)	26,144,590	4.95%
Minnesota SU, Mankato	14,180	27,507,107	13,431,199	3,101,681	2,642,399	1,223,079	(348,569)	47,556,895	9.00%
Minnesota West College	2,099	5,308,084	3,209,868	1,190,260	339,787	117,562	25,081	10,190,643	1.93%
Normandale Community College	6,740	10,873,905	5,295,075	1,091,858	604,129	209,020	95,632	18,169,618	3.44%
North Hennepin Community College	4,813	7,741,195	3,814,479	866,756	434,785	150,429	(15,996)	12,991,648	2.46%
Northeast Higher Education District	4,034	8,625,401	5,727,136	2,602,954	593,442	205,323	49,798	17,804,054	3.37%
Northland CTC	2,558	5,952,371	3,185,473	1,155,110	360,253	124,643	23,902	10,801,753	2.04%
Pine TCC	702	1,543,250	1,430,299	238,797	112,432	38,900	102,284	3,465,962	0.66%
Ridgewater College	3,077	7,414,831	3,788,599	1,415,585	441,666	152,810	184,111	13,397,601	2.54%
Riverland Community College	2,200	5,196,330	3,415,115	1,242,463	344,887	119,326	(87,512)	10,230,610	1.94%
Rochester CTC	4,296	8,050,622	3,726,037	1,635,946	469,441	162,420	(262,206)	13,782,260	2.61%
Saint Paul College	4,825	8,402,937	3,673,253	1,004,507	457,824	158,401	(167,013)	13,529,909	2.56%
South Central College	2,590	6,273,710	3,360,668	887,237	368,257	127,412	221,080	11,238,364	2.13%
Southwest Minnesota SU	3,679	7,270,905	5,760,844	1,696,966	883,723	409,046	(64,395)	15,957,089	3.02%
St. Cloud SU	12,381	28,405,143	16,017,242	4,584,953	2,940,440	1,361,032	(83,749)	53,225,061	10.08%
St. Cloud TCC	3,483	6,808,296	3,175,287	776,847	376,615	130,303	263,490	11,530,839	2.18%
Winona SU	8,267	16,761,114	8,931,494	2,392,649	1,685,115	779,984	(162,783)	30,387,574	5.75%
TOTAL	144,522	292,544,202	158,986,419	45,279,713	22,337,390	9,116,691	0	528,264,415	100.00%

Minnesota State Colleges and Universities
 FY2016
 COLLEGE/UNIVERSITY ALLOCATIONS
 (FRAMEWORK BASED ON FY2014 DATA)

Institution Name	I	J	K	L	M	N	O	P
	i/tot i	j*%X	k*%X	k+L	m/tot m	m-i	o/i	P
		% Share of FY2015 Base	50% FY2015 Base % Share	50% Allocation Framework % Share	FY2016 Base Allocation	% Share of FY2016 Allocation	\$ Change Over FY2015	% Change Over FY2015
Alexandria TCC	8,258,472	1.77%	4,450,499	4,383,000	8,833,499	1.76%	575,028	7.0%
Anoka Ramsey CC - Anoka TC	20,403,455	4.37%	10,995,444	10,458,665	21,454,109	4.27%	1,050,654	5.1%
Bemidji SU & Northwest TC-Bemidji	17,249,502	3.70%	9,295,776	9,135,546	18,431,322	3.67%	1,181,820	6.9%
Central Lakes College	10,851,137	2.33%	5,847,690	5,876,194	11,723,884	2.33%	872,746	8.0%
Century College	17,991,039	3.86%	9,695,391	9,589,055	19,284,446	3.83%	1,293,407	7.2%
Dakota County TC	8,594,498	1.84%	4,631,585	4,567,986	9,199,571	1.83%	605,072	7.0%
Fond du Lac Tribal & CC	3,829,025	0.82%	2,063,466	2,061,742	4,125,207	0.82%	296,182	7.7%
Hennepin TC	16,629,029	3.56%	8,961,402	8,853,841	17,815,243	3.54%	1,186,214	7.1%
Inver Hills CC	9,771,621	2.09%	5,265,938	5,525,567	10,791,505	2.15%	1,019,883	10.4%
Lake Superior College	10,778,340	2.31%	5,808,459	5,879,887	11,688,346	2.32%	910,007	8.4%
Metropolitan SU	18,658,019	4.00%	10,054,827	10,612,946	20,667,773	4.11%	2,009,754	10.8%
Minneapolis CTC	17,733,511	3.80%	9,556,609	9,725,874	19,282,482	3.83%	1,548,971	8.7%
Minnesota SC-Southeast Technical	6,666,091	1.43%	3,592,364	3,639,762	7,232,126	1.44%	566,035	8.5%
Minnesota State College	16,258,920	3.48%	8,761,950	8,623,409	17,385,359	3.46%	1,126,439	6.9%
Minnesota SU Moorhead	23,529,432	5.04%	12,680,037	12,443,636	25,123,873	5.00%	1,594,441	6.8%
Minnesota SU, Mankato	42,082,890	9.02%	22,678,516	22,635,284	45,313,799	9.01%	3,230,910	7.7%
Minnesota West College	9,468,318	2.03%	5,102,487	4,850,361	9,952,848	1.98%	484,530	5.1%
Normandale Community College	14,964,834	3.21%	8,064,565	8,648,051	16,712,617	3.32%	1,747,783	11.7%
North Hennepin Community College	10,738,661	2.30%	5,787,076	6,183,533	11,970,609	2.38%	1,231,949	11.5%
Northeast Higher Education District	15,888,910	3.41%	8,562,551	8,474,056	17,036,608	3.39%	1,147,697	7.2%
Northland CTC	9,902,352	2.12%	5,336,389	5,141,226	10,477,614	2.08%	575,262	5.8%
Pine TCC	2,872,246	0.62%	1,547,857	1,649,667	3,197,523	0.64%	325,277	11.3%
Ridgewater College	12,137,000	2.60%	6,540,643	6,376,752	12,917,394	2.57%	780,394	6.4%
Riverland Community College	9,487,373	2.03%	5,112,756	4,869,383	9,982,139	1.99%	494,766	5.2%
Rochester CTC	12,773,416	2.74%	6,883,608	6,559,634	13,443,442	2.67%	670,026	5.2%
Saint Paul College	11,531,115	2.47%	6,214,131	6,439,725	12,653,856	2.52%	1,122,741	9.7%
South Central College	10,079,341	2.16%	5,431,768	5,349,036	10,780,804	2.14%	701,463	7.0%
Southwest Minnesota SU	13,536,974	2.90%	7,295,090	7,594,971	14,890,061	2.96%	1,353,087	10.0%
St. Cloud SU	48,240,547	10.34%	25,996,884	25,333,116	51,330,000	10.21%	3,089,453	6.4%
St. Cloud TCC	10,054,032	2.15%	5,418,129	5,488,243	10,906,372	2.17%	852,340	8.5%
Winona SU	25,607,668	5.49%	13,800,000	14,463,336	28,263,336	5.62%	2,655,669	10.4%
TOTAL	466,567,767	100.00%	251,433,884	251,433,884	502,867,767	100.00%	36,300,000	7.8%

Minnesota State Colleges and Universities
INSTRUCTION AND ACADEMIC SUPPORT -- FY2014 MnSCU DATA -- March 2015
LOWER DIVISION (LD) BY INSTITUTION

InstId	Institution Name	Allocation CIP	CIP Description	LD FYE	Instruction & Academic Support State Appro Expended	Institution Average State Appro Expended Per FYE	MnSCU Average State Appro Expended Per FYE	Floor (90% of MnSCU Average)	Ceiling (110% of MnSCU Average)	Change
	Alexandria TCC Total			2,170.44	5,528,472					(217,812)
	Anoka Ramsey CC - Anoka TC Total			7,213.39	12,373,610					1,087,857
	Bemidji SU & Northwest TC-Bemidji Total			2,842.46	4,871,036					501,530
	Central Lakes College Total			3,206.33	6,398,903					462,577
	Century College Total			6,954.59	11,482,264					1,562,766
	Dakota County TC Total			2,235.22	5,063,428					228,165
0163	Fond du Lac Tribal & CC	05	Area/Ethnic/Cultural/Gender Studies	41.90	64,833	1,547	1,603	1,443	1,763	0
0163	Fond du Lac Tribal & CC	09	Communication, Journalism & Related Prog	34.00	59,123	1,739	2,015	1,813	2,216	2,523
0163	Fond du Lac Tribal & CC	1107	Computer Science	1.83	5,821	3,181	2,018	1,816	2,220	(1,759)
0163	Fond du Lac Tribal & CC	1503	Electrical Engineering Technologies	6.87	26,343	3,834	2,678	2,410	2,946	(6,107)
0163	Fond du Lac Tribal & CC	16	Foreign Languages And Literatures	36.53	54,910	1,503	1,966	1,770	2,163	9,737
0163	Fond du Lac Tribal & CC	1907	Human Develop/Family Studies, Other	11.43	41,980	3,673	2,176	1,958	2,393	(14,627)
0163	Fond du Lac Tribal & CC	23	English Language And Literature	137.27	191,888	1,398	1,817	1,635	1,999	32,583
0163	Fond du Lac Tribal & CC	26	Biological And Biomedical Sciences	157.37	204,731	1,301	1,755	1,580	1,931	43,896
0163	Fond du Lac Tribal & CC	27	Mathematics And Statistics	123.93	162,501	1,311	1,691	1,522	1,860	26,137
0163	Fond du Lac Tribal & CC	31	Parks, Recreation, Leisure & Fitness	16.80	86,412	5,144	1,849	1,664	2,034	(52,234)
0163	Fond du Lac Tribal & CC	32	Basic Skills	5.87	28,224	4,808	1,909	1,718	2,100	(15,895)
0163	Fond du Lac Tribal & CC	38	Philosophy And Religious Studies	8.50	25,603	3,012	1,539	1,385	1,693	(11,212)
0163	Fond du Lac Tribal & CC	4005	Chemistry	67.33	58,510	869	1,877	1,689	2,064	55,208
0163	Fond du Lac Tribal & CC	4006	Geological & Earth Sciences/Geosciences	14.53	21,907	1,508	1,778	1,600	1,956	1,346
0163	Fond du Lac Tribal & CC	4008	Physics	34.70	38,371	1,106	1,879	1,691	2,067	20,300
0163	Fond du Lac Tribal & CC	42	Psychology	64.97	97,516	1,501	1,442	1,298	1,587	0
0163	Fond du Lac Tribal & CC	4301	Criminal Justice And Corrections	51.37	86,411	1,682	1,932	1,739	2,125	2,907
0163	Fond du Lac Tribal & CC	430107	Law Enforcement Skills Program ONLY	44.90	126,705	2,822	2,649	2,384	2,913	0
0163	Fond du Lac Tribal & CC	44	Public Administration & Social Service	39.17	62,799	1,603	2,002	1,802	2,203	7,791
0163	Fond du Lac Tribal & CC	4502	Anthropology	2.00	10,084	5,042	1,577	1,419	1,734	(6,616)
0163	Fond du Lac Tribal & CC	4506	Economics	12.10	13,769	1,138	1,615	1,453	1,776	3,814
0163	Fond du Lac Tribal & CC	4507	Geography And Cartography	22.47	47,029	2,093	1,602	1,442	1,762	(7,429)
0163	Fond du Lac Tribal & CC	4510	Political Science And Government	53.20	45,875	862	1,518	1,367	1,670	26,829
0163	Fond du Lac Tribal & CC	4511	Sociology	36.40	63,981	1,758	1,479	1,331	1,627	(4,757)
0163	Fond du Lac Tribal & CC	5001	Visual And Performing Arts, General	16.00	30,671	1,917	1,943	1,748	2,137	0
0163	Fond du Lac Tribal & CC	5007	Fine and Studio Art	30.53	89,571	2,934	2,222	2,000	2,444	(14,946)
0163	Fond du Lac Tribal & CC	5009	Music	9.90	25,136	2,539	2,582	2,324	2,840	0
0163	Fond du Lac Tribal & CC	513801	Registered Nursing/Registered Nurse	44.97	181,144	4,028	4,364	3,927	4,800	0
0163	Fond du Lac Tribal & CC	513902	Nursing Assistant & Patient Care Assistant	29.67	71,576	2,102	2,773	2,496	3,051	2,482
0163	Fond du Lac Tribal & CC	5201	Business/Commerce, General	21.57	45,347	2,102	1,665	1,498	1,831	(5,844)
0163	Fond du Lac Tribal & CC	5203	Accounting & Related Services	6.30	10,899	1,730	2,142	1,928	2,356	1,245
0163	Fond du Lac Tribal & CC	54	History	66.93	80,089	1,197	1,634	1,471	1,797	18,337
	Fond du Lac Tribal & CC Total			1,251.31	2,159,757					113,709

Inst Id	Institution Name	Allocation CIP	CIP Description	LD FYE	Instruction & Academic Support State Appro Expended	INSTITUTION Average State Appro Expended Per FYE	MnSCU Average State Appro Expended Per FYE	Floor (90% of MnSCU Average)	Ceiling (110% of MnSCU Average)	Change
	Hennepin TC Total			4,213.16	10,759,020					(239,156)
	Inver Hills CC Total			3,944.34	7,175,845					195,796
	Lake Superior College Total			3,602.88	7,901,256					35,795
	Metropolitan SU Total			1,599.85	3,030,147					(18,321)
	Minneapolis College Total			6,477.71	11,938,921					504,618
	Minnesota SC-Southeast Technical Total			1,597.24	5,229,117					(1,091,005)
	Minnesota State College Total			4,527.00	11,136,034					(391,600)
	Minnesota SU Moorhead Total			2,713.69	6,072,469					(733,888)
	Minnesota SU, Mankato Total			7,989.02	11,311,888					2,335,130
	Minnesota West College Total			2,098.42	5,761,772					(157,414)
	Normandale Community College Total			6,739.84	12,368,509					91,078
	North Hennepin CC Total			4,812.58	9,014,833					(46,052)
	Northeast Higher Education District Total			4,033.96	10,689,760					(1,342,761)
	Northland College Total			2,514.48	7,090,808					(628,850)
	Pine TC Total			698.53	1,794,400					(103,009)
	Ridgewater College Total			3,077.23	8,304,627					(553,899)
	Riverland College Total			2,200.34	6,101,359					(632,551)
	Rochester College Total			4,295.82	8,888,763					21,634
	Saint Paul College Total			4,825.17	7,749,663					1,694,426
	South Central College Total			2,590.15	7,618,495					(993,440)
	Southwest Minnesota SU Total			2,305.40	4,153,336					35,061
	St. Cloud SU Total			6,433.33	18,131,357					(4,972,014)
	St. Cloud TCC Total			3,483.23	6,324,824					837,821
	Winona Total			4,265.13	8,872,379					(496,731)
	Grand Total			116,912.24	245,297,052					(2,910,541)