

**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, 4<sup>th</sup> Floor, McCormick Room, 30 East 7<sup>th</sup> 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