



**Board of Trustees Meeting Schedule
Tuesday and Wednesday, April 19-20, 2016
Minnesota State Colleges and Universities
30 7th Street East, St. Paul, Minnesota**

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.

TUESDAY, APRIL 19, 2016

- 1:15 PM Board of Trustees, Michael Vekich, Chair
- Branding Initiative Update, Noelle Hawton, Chief Marketing and Communications Officer
- 2:00 PM Audit Committee, Robert Hoffman, Chair
1. **Minutes of March 15, 2016**
 2. Federal Single Audit
- 2:30 PM Finance and Facilities Committee, Jay Cowles, Chair
1. **Minutes of March 16, 2016**
 2. **Approval of Contracts Exceeding \$1M for:**
 - a) **Metropolitan State University Health Services Vendor**
 - b) **St. Cloud State University Twin Cities Center**
 - c) **Winona State University Lease Approval – Rochester Location**
 3. **Minnesota State University Moorhead Gift of Real Property**
 4. Update on the Work of the Long-Term Financial Sustainability Workgroup
- 4:00 PM Meeting Ends
- 5:00 PM Dinner (social event, not a meeting)

WEDNESDAY, APRIL 20, 2016

- 8:00 AM Joint Meeting: Academic and Student Affairs and Finance and Facilities Committees, Alex Cirillo and Jay Cowles, Co-chairs
- Protecting Affordability for our Students

- 9:00 AM Human Resources Committee, Dawn Erlandson, Chair
1. **Minutes of March 16, 2016**
 2. Succession Planning
 3. **Appointment of President of Bemidji State University / Northwest Technical College**
 4. **Appointment of President of Metropolitan State University**
- 10:00 AM Board of Trustees, Meeting Reconvenes, Michael Vekich, Chair
- 11:00 AM Meeting Ends
- 11:30 AM Board of Trustees Awards for Excellence in Teaching Luncheon
InterContinental Hotel
11 East Kellogg Boulevard
St. Paul

Bold Denotes Action Item

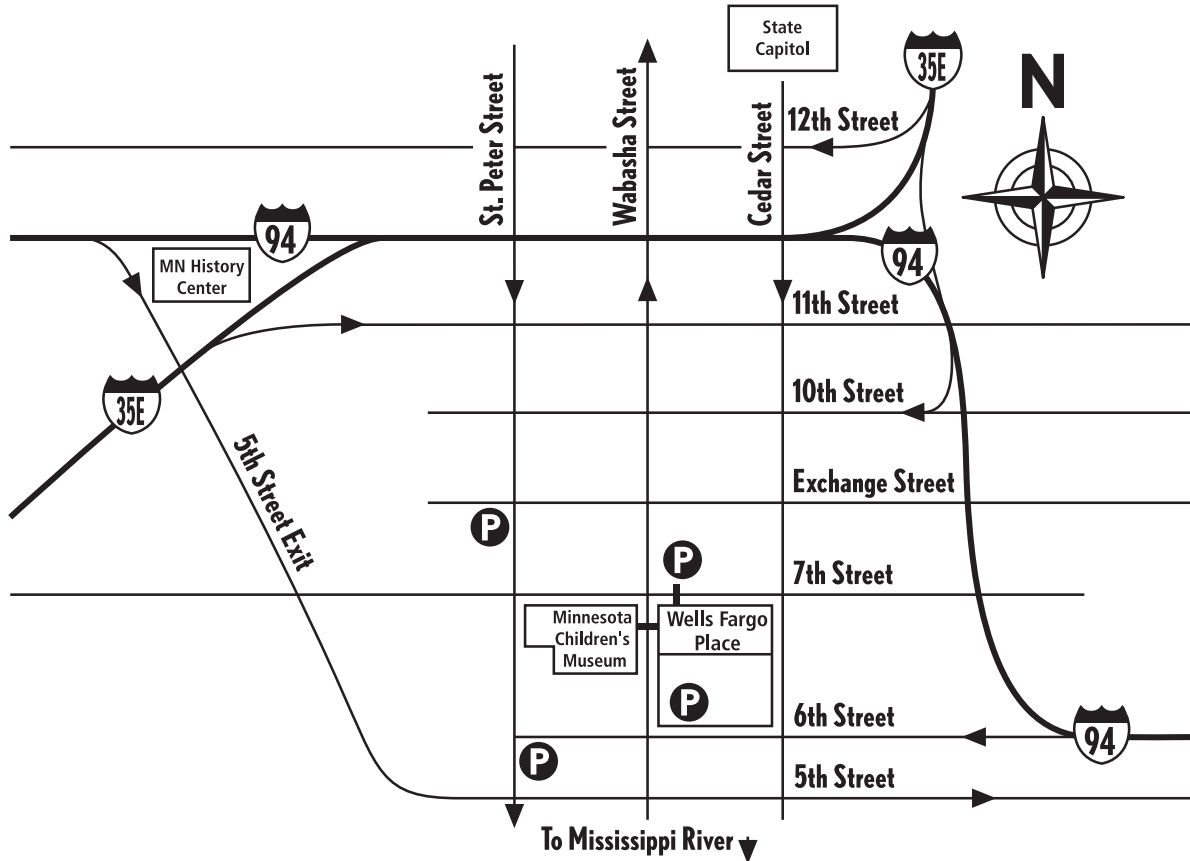


Minnesota
STATE COLLEGES
& UNIVERSITIES

Minnesota State Colleges and Universities System Office directions and parking

Located inside Wells Fargo Place
30 7th St. E., Suite 350
St. Paul, MN 55101-7804

651.201.1800
www.mnscu.edu



Directions:

I-94 Eastbound (from Minneapolis)

Exit at 10th Street, follow for three blocks. Turn right onto Cedar Street.

I-94 Westbound (from the eastern suburbs, etc.)

Exit at 6th Street / Highway 52, follow 6th Street for five blocks. Turn right on Minnesota Street and then left onto 7th Street East. Wells Fargo Place is located on the corner of 7th Street East and Cedar Street (one block SW of Minnesota Street).

I-35 E Southbound (from the northern Suburbs)

Exit at 10th Street / Wacouta, follow 10th Street for three blocks. Turn left on Cedar Street.

I-35 E Northbound (from the southern suburbs)

Take the 11th street exit and follow for three blocks. Turn right on Cedar Street.

Parking Options:

Metered parking may be available. Meters are enforced 8:00 AM to 5:00 PM Monday through Saturday, except certain holidays. Average meter cost is \$2.00 for a 2 hour time limit. Meters accept cash or credit. Several parking ramps with hourly rates are also located in the area.

Maps:

Use "30 East 7th Street, St. Paul, MN 55101" at www.mapquest.com if you need another map of the area.

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

APPROVED FY2016 - FY2017 MEETING CALENDAR

BACKGROUND

The board approved the calendar on June 17, 2015. The calendar is subject to change with the approval of the board chair.

Approved FY2016 Meeting Dates

Meeting	Date	If agendas require less time, these dates will be cancelled.
Added: Closed Session Chancellor Performance Review Committee	August 24, 2015	
Orientation and Board Retreat	September 15-16, 2015	
Added: Board of Trustees Closed Session: Chancellor Performance Review Committee / Board Meetings	September 28, 2015	
Added: Executive Committee	October 20-21, 2015	October 20, 2015
Added: Executive Committee	November 12, 2015	
Committee / Board Meetings	November 17-18, 2015	November 17, 2015
Added: Executive Committee	December 14, 2015	
Added: Executive Committee	January 7, 2016	
Committee / Board Meetings	January 26-27, 2016	January 26, 2016
Added: Special Board and Executive Committee Meetings	February 16, 2016	
Committee / Board Meetings	March 15-16, 2016	March 15, 2016
Committee / Board Meetings Awards for Excellence in Teaching	April 19-20, 2016	
Committee / Board Meetings	May 17-18, 2016	May 17, 2016
Committee / Annual Board Meetings	June 21-22, 2016	

Approved FY2017 Meeting Dates

Meeting	Date	If agendas require less time, these dates will be cancelled.
Orientation and Board Retreat	September 20-21, 2016	
Committee / Board Meetings	October 18-19, 2016	October 18, 2016
Committee / Board Meetings	November 15-16, 2016	November 15, 2016
Committee / Board Meetings	January 24-25, 2017	January 24, 2017
Committee / Board Meetings	March 21-22, 2017	March 21, 2017
Committee / Board Meetings Awards for Excellence in Teaching	April 18-19, 2017	
Committee / Board Meetings	May 16-17, 2017	May 16, 2017
Committee / Annual Board Meetings	June 20-21, 2017	June 20, 2017



BOARD OF TRUSTEES
Policy Committees
Updated March 2016

Executive Committee

Michael Vekich, Chair
Margaret Anderson Kelliher, Vice Chair
Jay Cowles, Treasurer
Thomas Renier, Immediate Past Chair
Alexander Cirillo
Dawn Erlandson
Robert Hoffman

Diversity, Equity and Inclusion Committee

Duane Benson Chair
Louise Sundin, Vice Chair
Ann Anaya
Kelly Charpentier-Berg
Erma Vizenor

Academic and Student Affairs Committee

Alexander Cirillo, Chair
Louise Sundin, Vice Chair
Duane Benson
Elise Bourdeau
Dawn Erlandson
Maleah Otterson
Thomas Renier

Finance and Facilities Committee

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

Audit Committee

Robert Hoffman Chair
Philip Krinkie, Vice Chair
Kelly Charpentier-Berg
Jay Cowles
Erma Vizenor

Human Resources Committee

Dawn Erlandson, Chair
Ann Anaya, Vice Chair
Margaret Anderson Kelliher
Duane Benson
Elise Bourdeau
Alexander Cirillo
Robert Hoffman



**Board of Trustees Meeting Schedule
Tuesday, April 19, 2016
Minnesota State Colleges and Universities
30 7th Street East, St. Paul, Minnesota**

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.

- 1:15 PM Board of Trustees, Michael Vekich, Chair
- Branding Initiative Update, Noelle Hawton, Chief Marketing and Communications Officer

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

Name: Board of Trustees

Date: April 19, 2016

Title: Branding Initiative Update

Purpose (check one):

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

Brief Description:

The goal of this study session is to update the Board of Trustees on the branding work to date and receive the board's suggestions regarding the brand steering committee's recommended name and visual identity. This will enable completion of the graphic standard guidelines, the internal roll-out and communications plan.

The graphic standard guidelines will determine how colleges and universities will employ the new system brand. These guidelines will require a change to Board Policy 3.23 Part 1 (Identification with Minnesota State Colleges and Universities System) and Procedure 3.23.1 (Tagline Procedure).

Scheduled Presenter(s):

Noelle Hawton, Chief Marketing and Communications Officer



**AUDIT COMMITTEE
APRIL 19, 2016
2:00 P.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.

- (1) **Minutes of March 15, 2016 (pages 1-3)**
- (2) Federal Single Audit (pages 4-9)

Members

Robert Hoffman, Chair
Philip Krinkie, Vice Chair
Kelly Charpentier-Berg
Jay Cowles
Erma Vizenor

Bolded items indicate action required.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
AUDIT COMMITTEE MEETING MINUTES
March 15, 2016**

Audit Committee Members Present: Trustees Robert Hoffman, Jay Cowles, and Philip Krinkie.

Audit Committee Members Absent: Trustees Kelly Charpentier-Berg and Erma Vizenor.

Others Present: Trustees Ann Anaya, Margaret Anderson Kelliher, Duane Benson, Dawn Erlandson, Maleah Otterson, Elise Bourdeau, Louise Sundin, and Michael Vekich.

The Minnesota State Colleges and Universities Audit Committee held its meeting on March 15, 2016, in the 4th Floor McCormick Room, 30 East 7th Street in St. Paul. Chair Hoffman called the meeting to order at 1:07 p.m.

1. Minutes of January 27, 2016

The minutes of the January 27, 2016 audit committee were approved as published.

2. Approval of the Audit Committee Charter

Trustee Hoffman reminded committee members that the proposed charter had been discussed at the executive committee meeting, and there had been no additional changes.

Trustee Hoffman called for a motion to approve the audit committee charter. Trustee Krinkie made the motion, Trustee Cowles seconded. There was no dissent and the motion carried.

RECOMMENDED COMMITTEE ACTION:

The audit committee recommends that the Board of Trustees adopt the audit committee charter.

RECOMMENDED BOARD ACTION:

The Board of Trustees approves the audit committee charter.

3. Internal Audit Update

Trustee Hoffman thanked Mr. Eric Wion for all he has done in his role as interim executive director for the Office of Internal Auditing; for stepping in and keeping things running smoothly.

Trustee Hoffman stated that the board had asked CliftonLarsonAllen to do an independent report that would look at the Office of Internal Auditing, the best practices in the industry, and offer insight on the direction of internal auditing as we begin the search for the next executive director. Trustee Hoffman stated that he had seen a copy of the draft report, and anticipated final report would be released soon. Trustee Hoffman shared some of the

highlights in the draft report and stated that once the final report was available he would share it with the committee.

Trustee Hoffman stated that the search for the new executive director would begin soon. He stated that with the help of Vice Chancellor Mark Carlson they were putting together the search committee and finalizing the job description. He stated that ideally they would hope to have the search process complete by July, and he added that he would have a better time table by the next committee meeting.

4. Study Abroad Program Internal Control and Compliance Audit

The results of the Study Abroad Program Internal Control and Compliance audit were released on March 2, 2016. Board members received a copy of the audit at that time and the full report was included in the audit committee materials.

Mr. Wion began by providing background on the audit and described the various forms the study abroad programs could take. He described the kinds of risks these programs can pose in areas like health, safety and security for students, faculty, and staff. He stated that it was important for colleges and universities to consider those risks as they make decisions about whether to hold certain study abroad programs or activities and as they go about preparing their student, faculty, and staff for trips.

Mr. Wion introduced Ms. Melissa Primus, Project Manager. Ms. Primus highlighted some of the findings and recommendations in the report.

Ms. Primus noted that there were no system policies, procedures, or guidelines that specifically address study abroad programs and practices. There were other board policies and procedures that had provisions relevant to study abroad programs including procedures related to conflict of interest, delegations of authority, travel procedures, alcohol use, contracts and procurement, and purchasing cards. She stated that findings 2, 4, and 5 discussed examples of non-compliance with these system procedures. In addition, there were requirements or best practices that applied to study abroad programs but did not reside in system policy or procedure.

Ms. Primus stated that given that there was limited system guidance, institutions must develop their own written study abroad-related policies and procedures. Some of the eight institutions that had been reviewed lacked documented procedures and some did not retain documentation to demonstrate that they had followed their procedures.

Ms. Primus reviewed some of the recommendations. The report recommends that college, university, and system leaders should determine what study abroad-related guidance and requirements should be in system policy, procedure, or guidelines versus institution-specific policies and procedures. It further recommends that the system office should clarify whether system procedure 5.18.1, Alcohol Use and Controlled Substances on Campus, applies to study abroad programs, as well as whether system procedure 5.19.3, Travel Management, applies to all student travel, including study abroad and when enrolled students utilize a third party vendor for its study abroad program. Finally the report recommends that institutions

retain sufficient documentation to demonstrate that they have complied with policies and procedures.

Trustee Hoffman extolled the value of students having an opportunity for international experiences. He asked if there were a couple colleges and universities with programs that could be used as models for some of the other colleges and universities.

Mr. Wion noted the wide variability in study abroad programs. He noted that some of the universities had more robust financial and staffing resources, and they tended to have more formalized policies and procedures. Some of the smaller institutions did not always have dedicated resources for study abroad. He added that there was a good opportunity for those that had developed formal policies and procedures, to share those templates, tools, and best practices.

Trustee Hoffman asked if partnerships were forming throughout the international community to assist with the exchange. Mr. Wion stated that during the course of the audit they had seen examples where partnerships with a foreign college or university had been developed.

Trustee Hoffman asked where the major concern was in the area of study abroad programs. Mr. Wion stated that he would highlight finding one in the report, but added that he would classify it as the greatest opportunity. System leaders should look they types of guidance and requirements should be formalized at the system level and then focus on ways to share knowledge, skills, resources, and tools.

Trustee Cowles agreed that study abroad was an area for opportunity and growth for higher education generally and certainly for MnSCU. He asked if there was a timeline for responding to the recommendations in the report. Mr. Ron Anderson, Vice Chancellor for Academic and Student Affairs, stated that they had already begun discussions with some of the campus leaders to identify best practices. That group would also identify the policies and procedures that exist on the campuses, and would strive over the next semester to determine where there were gaps and what things should be considered for a system level policy, procedure or guideline.

Mr. Anderson agreed with Mr. Wion, in looking at the risk and the variability in programs, there was great opportunity to start collaborating even more deeply. He stated that the community of study abroad professionals was fairly tight, so they know one another, they share ideas, practices, and experiences across the campuses, but bringing that together more formally would be very helpful for everyone. Mr. Anderson stated that the intent would be to work with campuses this spring, finalize an action plan over the course of the summer, and likely have some policy recommendations that would go to the policy council for next fall.

Trustee Hoffman suggested that they include corporate businesses in the conversation as well to capitalize on the expertise that they have been developing in the areas of study abroad.

Trustee Hoffman thanked everyone for the work they had done on the report.

The meeting adjourned at 1:32 p.m.

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

Agenda Item Summary Sheet

Name: Audit Committee

Date: April 19, 2016

Title: Federal Single Audit

Purpose (check one):

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

Brief Description:

Federal law requires an annual audit of major federal financial assistance programs, including the student financial aid programs. The firm of CliftonLarsonAllen, LLP conducted the audit as part of its responsibilities as the system auditor for MnSCU. The auditor's report on compliance for the major federal award programs expressed an unqualified opinion. The audit report contains four isolated compliance findings related to certain federal financial aid regulations.

Scheduled Presenter(s):

Eric Wion, Interim Executive Director, Office of Internal Auditing
Don Loberg, Partner with CliftonLarsonAllen, LLP
Craig Popenhagen, Principal with CliftonLarsonAllen, LLP
Brenda Scherer, Manager with CliftonLarsonAllen, LLP

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

BOARD INFORMATION
FEDERAL SINGLE AUDIT

1 **BACKGROUND**

2
3 Copies of Minnesota State Colleges and Universities Schedule of Expenditures of Federal
4 Awards for the Year Ended June 30, 2015 were provided to members of the Board of Trustees in
5 the board materials for the April 19, 2016 meeting. Additional copies will be made available at
6 the meeting. The report was prepared by the firm of CliftonLarsonAllen LLP as part of its
7 responsibilities as the system auditor for the Minnesota State Colleges and Universities. The
8 results of this report were incorporated into the State of Minnesota’s Single Audit report that was
9 released in late March. Copies of that report are available on the Minnesota Management and
10 Budget web site at (<http://mn.gov/mmb/accounting/reports/single-audit.jsp>).

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12 The Minnesota Office of Higher Education conducts regular program reviews of state student
13 financial aid programs administered by MnSCU colleges and universities.

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15 The attached PowerPoint presentation provides a summary of audit work completed on federal
16 and state student financial aid programs.

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36 *Date Presented to the Board of Trustees: April 19, 2016*

37



Minnesota State Colleges & Universities Presentation of the Student Financial Assistance Program Audit Committee

Year Ending June 30, 2015

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an SEC-registered investment advisor. | ©2016 CliftonLarsonAllen LLP

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



Overview

Overview of the Audit Process

Audit Results

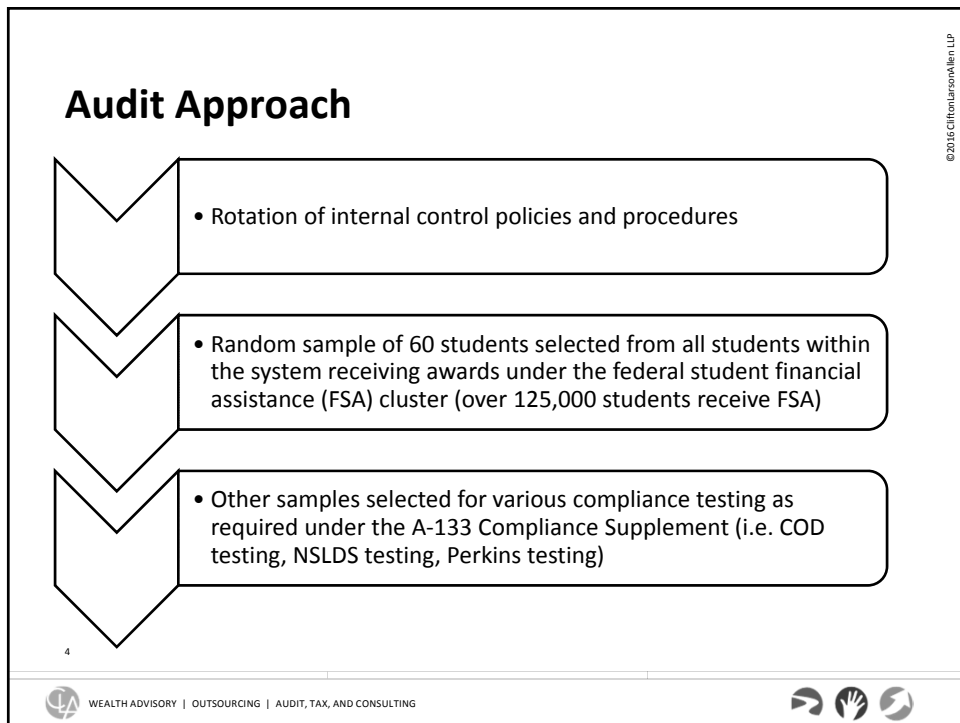
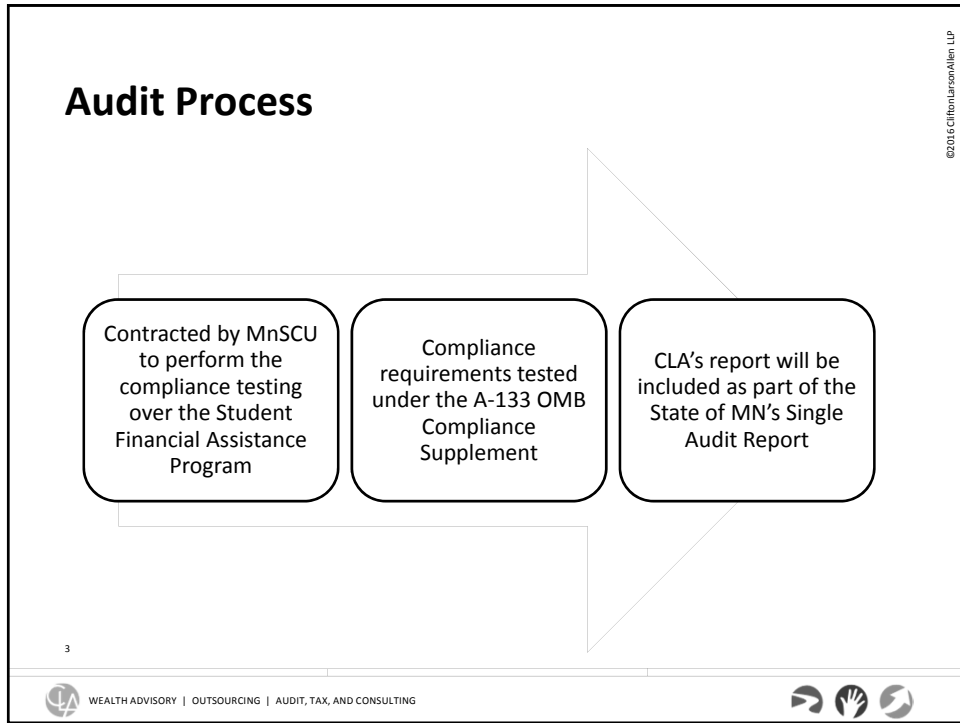
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WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING





Audit Results

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Opinion

- Unmodified opinion on compliance

Results

- No material weakness
- Four findings which were significant deficiencies

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

5

Findings

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Reporting to the COD

2 disbursement dates not reported accurately within the Common Origination & Disbursement (COD) website

4 instances where the disbursement was not reported within the required 15 days

Off-Campus Workstudy Agreements

One campus did not have agreements with off-campus employers

Enrollment Reporting

National Student Clearinghouse issue

Awarding

One student overawarded subsidized Stafford loans of \$632

Two students not maximized subsidized loans before unsubsidized loans

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

6

Questions and Feedback

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- We welcome any questions pertaining to the audit, governance communication letter, management letter or other matters related to the engagement.
- We appreciate the opportunity to serve as the auditors for the Minnesota State Colleges and Universities system and welcome any feedback relative to our performance.

7



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



Craig Popenhagen, CPA

Principal

Ph. 507/434-7041

Craig.Popenhagen@claconnect.com

Brenda Scherer, CPA

Manager

Ph. 612/397-4626

Brenda.Scherer@claconnect.com

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**FINANCE AND FACILITIES COMMITTEE
APRIL 19, 2016
2:30 P.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 March 16, 2016 (to be distributed)**
 2. **Approval of Contracts Exceeding \$1M for: (pp. 1-5)**
 - a) **Metropolitan State University Health Services Vendor**
 - b) **St. Cloud State University Twin Cities Center**
 - c) **Winona State University Lease Approval - Rochester Location**
 3. **Minnesota State University Moorhead Gift of Real Property (pp.6-8)**
 4. Update on the Work of the Long-Term Financial Sustainability Workgroup (pp. 9-28)

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
Agenda Item Summary Sheet**

Name: Finance and Facilities Committee

Date: April 19, 2016

Title: Approval of Contracts Exceeding \$1M for:
Metropolitan State University Health Services Vendor
St Cloud State University Twin Cities Center
Winona State University Lease Approval – Rochester Location

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 several contracts for consideration and approval by the Board. All proposed contracts in this request are for the benefit of campus activities.

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) METROPOLITAN STATE UNIVERSITY HEALTH SERVICES VENDOR
- b) ST CLOUD STATE UNIVERSITY TWIN CITIES CENTER
- c) WINONA STATE UNIVERSITY LEASE APPROVAL – ROCHESTER LOCATION

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 several contracts for consideration and approval by the Board.

All proposed contracts in this request are for the benefit of campus activities.

a. Metropolitan State University Health Services Vendor

Metropolitan State University proposes to enter into a contract with Fairview Health Services to provide fee for-service health services to registered Metropolitan State University students. These healthcare services will initially be available through a Telemedicine (Zipnosis) option followed by walk-in services at selected area clinics provided by the vendor.

During spring and summer of 2015, University administrators engaged various campus constituents including the Student Senate, College of Health Community and Professional Studies (CHCPS) faculty and the Healthcare Services Advisory Committee. The Metropolitan State University Student Senate provided a consultation letter to support these efforts and approved a new per credit fee of \$2.50 to fund health care services. The fee would be assessed to all credits sold by the university.

The University initiated the Request for Proposals process on October 12, 2015; proposals were due on November 5, 2015. Interested vendors were invited to a pre-award conference on Oct 26, 2015. The University received three proposals that were reviewed by the Health Care Services Advisory Committee (HCSAC) and the Metropolitan State University Student Senate. Upon completion of the review process Fairview Health Services was selected to provide predetermined contracted health care services for registered Metropolitan State University students.

Fairview Health Services was the most cost effective and flexible option. Flexibility is important given that students take courses on four primary university sites located in St. Paul, Midway, Minneapolis and Brooklyn Park. The university also has a substantial number of online students

1 who can also access the service online. Their proposal also provides a well thought-out
2 marketing plan to introduce health care services.

3 Health care services will be launched in summer 2016. Students will be able to access Healthcare
4 services through an online platform (Telemedicine) option which enables students via the
5 internet to access a defined list of contracted health care services and receive an evaluation of
6 their condition/symptoms based on information they entered in the Zipnosis system. After
7 consulting Zipnosis students needing additional care may access services at Fairview clinics in
8 the Twin cities metropolitan area, using their health insurance benefits. Additionally, students
9 receiving a diagnosis will work in concert with campus-based health care services advocate to
10 ensure they understand the results of their diagnosis and our directed to appropriate health care
11 services.

12
13 Services provided to students will include health prevention, treatment and screening services,
14 access to medication and referral services. A comprehensive marketing and communication plan
15 will be developed in concert with Fairview to assure that students are aware of the service and
16 how to use it. The university proposes execution of a three year contract at total maximum
17 obligation not to exceed \$1,100,000. If the proposed contract is approved, the university will
18 incorporate this fee into its 2017 operating budget materials to be presented to the committee in
19 May/June 2016.

20
21 **b. St Cloud State University Twin Cities Center**

22
23 St. Cloud State University seeks Board approval for a contract over \$1 million for a new lease to
24 replace its current Twin Cities Center location in Maple Grove. The university has occupied its
25 current Graduate Center location since 2009. The building was acquired in 2013 and the new
26 owner sought to convert the building from multiple tenant to a corporate headquarters. The
27 university has been informed that their current lease would not be extended beyond the current
28 expiration date in January 2017 and so has begun preparations for a new leased location.

29
30 The university hired a real estate brokerage firm and focused their search on the northwest
31 quadrant of the Twin Cities, close to their current location. The university evaluated a pool of
32 over a dozen locations before settling on a new location in Plymouth, Minnesota. The university
33 proposes entering into a new 5 year lease at the new location starting January 1, 2017. The
34 estimated cost of the lease for the five years is \$1.8 million or an average of approximately
35 \$350,000 per year. This is slightly above the cost at the current leased location, but reflects a \$30
36 psf tenant improvement allowance to build out the space.

37
38 The university intends to occupy approximately 12,687 rentable square feet and have access to
39 133 surface parking places. The space will be used for the continued offering of Master of
40 Business Administration (MBA), Master of Engineering Technology, master's degree programs
41 in Applied Clinical Research, Medical Technology Quality and Regulatory Affairs and Services,
42 and a doctoral degree program in Educational Administration and Leadership.

1 **c. Winona State University Lease Approval – Rochester Location**

2
3 Winona State University seeks Board approval for a contract over \$1 million for a new lease in
4 Downtown Rochester. The university seeks to enter into a 5 year lease with an option to renew
5 for five years. The total cost of the lease including renewal is approximately \$1.9 million,
6 including tenant build out and technology costs. The university seeks to locate the business
7 programs, nursing, health sciences, Adult and Continuing Education, Social Work, and
8 HealthForce Minnesota in the leased location downtown. The university intends to continue to
9 maintain a presences on the RCTC campus as well.

10
11 **RECOMMENDED COMMITTEE MOTION**

12
13 The Finance and Facilities committee recommends the Board of Trustees adopt the following
14 motion:

- 15
16 a. The Board of Trustees authorizes the chancellor or his designee to execute a contract with
17 the selected vendor on behalf of Metropolitan State University for a term of up to 3 years
18 ending in 2019 for a total amount not to exceed \$1,100,000. The Board directs the
19 chancellor or his designee to execute all necessary documents.
20
21 b. The Board of Trustees authorizes the chancellor or his designee to execute a contract with
22 the selected vendor on behalf of St Cloud State University for a term of up to 5 years
23 ending in 2021 for a total amount not to exceed \$2,000,000. The Board directs the
24 chancellor or his designee to execute all necessary documents.
25
26 c. The Board of Trustees authorizes the chancellor or his designee to execute a contract with
27 the selected vendor on behalf of Winona State University for a term of five years with an
28 option to renew for an additional five years ending in 2026 for a total amount not to
29 exceed \$2,000,000. The Board directs the chancellor or his designee to execute all
30 necessary documents.

31
32
33 **RECOMMENDED BOARD MOTION**

- 34
35 a. The Board of Trustees authorizes the chancellor or his designee to execute a contract with
36 the selected vendor on behalf of Metropolitan State University for a term of up to 3 years
37 ending in 2019 for a total amount not to exceed \$1,100,000. The Board directs the
38 chancellor or his designee to execute all necessary documents.
39
40 b. The Board of Trustees authorizes the chancellor or his designee to execute a contract with
41 the selected vendor on behalf of St Cloud State University for a term of up to 5 years
42 ending in 2021 for a total amount not to exceed \$2,000,000. The Board directs the
43 chancellor or his designee to execute all necessary documents.
44

1 c. The Board of Trustees authorizes the chancellor or his designee to execute a contract with
2 the selected vendor on behalf of Winona State University for a term of five years with an
3 option to renew for an additional five years ending in 2026 for a total amount not to
4 exceed \$2,000,000. The Board directs the chancellor or his designee to execute all
5 necessary documents.
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13 *Date Presented to the Board of Trustees:* 04/20/2016
14 *Date of Implementation:* 04/20/2016

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

Name: Finance and Facilities Committee

Date: April 19, 2016

Title: Minnesota State University Moorhead Gift of Real Property

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 7.7, *Gifts and Grants Acceptance*, requires the Board to approve acceptance of gifts of real property. Minnesota State University Moorhead seeks Board approval to accept an approximately 89 acre land gift of undeveloped real property from the MSU Moorhead Alumni Foundation. The property is adjacent to the university's Regional Science Center in Glyndon, Minnesota.

Scheduled Presenter(s):

Brian Yolitz, Associate Vice Chancellor for Facilities

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

BOARD ACTION

MINNESOTA STATE UNIVERSITY MOORHEAD GIFT OF REAL PROPERTY

1 BACKGROUND

2 Board Policy 7.7, *Gifts and Grants Acceptance*, requires the Board to approve acceptance of gifts
3 of real property.

4
5 Gift Description and Purpose

6 Minnesota State University Moorhead seeks Board approval to accept an approximately 89 acre
7 land gift of undeveloped real property from the MSU Moorhead Alumni Foundation. The
8 property is adjacent to the university's Regional Science Center in Glyndon, Minnesota.

9
10 The land gift is an express condition for the university to receive a \$527,000 DNR grant from the
11 Environment and Natural Resources Trust Fund articulated in the 2015 legislative session. (2015
12 Minn. Laws Ch 76, Sec 2, Subd. 8(g)). The grant would fund a Prairie and Riparian Restoration
13 and Monitoring project to restore a total of approximately 160 acres of prairie and riparian
14 habitat.

15
16 The Alumni Foundation formerly operated a portion of the subject gift property as a golf course.
17 As the university began due diligence in preparation for this gift conveyance, the university
18 discovered hazardous materials left over from the golf course use, which required modest
19 disposal and remediation, which the university is completing at its expense. The university will
20 complete the clean up of the property before accepting title, which also includes obtaining
21 written approval from the Department of Agriculture regarding the property's final
22 environmental condition.

23
24 RECOMMENDED COMMITTEE MOTION

25
26 The Board of Trustees authorizes the chancellor or his designee to execute necessary contracts to
27 complete acceptance of the gift of real property described above subject to the satisfactory
28 completion of environmental and title diligence. The Board directs the chancellor or his designee
29 to execute all necessary documents.

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RECOMMENDED BOARD OF TRUSTEES MOTION

The Board of Trustees authorizes the chancellor or his designee to execute necessary contracts to complete acceptance of the gift of real property described above subject to the satisfactory completion of environmental and title diligence. The Board directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Board of Trustees: 04/20/2016
Date of Implementation: 04/20/2016

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

Name: Finance and Facilities Committee

Date: April 19, 2016

Title: Update on the Work of the Long-Term Financial Sustainability Workgroup

Purpose (check one):

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

Brief Description:

The workgroup was convened in October, 2015 at the invitation of Chancellor Rosenstone. Today's presentation will update the committee on the group's work and provide an opportunity for discussion and feedback.

Scheduled Presenter(s):

Phil Davis, Associate Vice Chancellor – Executive Director of the CSC
Laura M. King Vice Chancellor - CFO

Update on the Long-Term Financial Sustainability Workgroup



Board of Trustees
Finance and Facilities Committee

April 19, 2016



Workgroup asked to address three questions

1. What changes should be made to the system's revenue and expenditure strategies to ensure the long-term financial sustainability of our colleges and universities in light of the priorities articulated in the strategic framework?
2. Are there alternative models for how we should organize ourselves, educate students, and serve communities across Minnesota that will advance excellence, access and affordability, and that will be more financially sustainable over the years ahead?
3. What tools as well as academic and financial planning strategies are needed to effectively implement these recommended changes?

Presentation overview

- Charge statement
- Challenges
- What has changed?
- Financial outlook

Challenges facing Minnesota

1. Demographic changes

- Baby Boom retirement
- Dip in high school graduates
- Population shifts
- Growing diversity

2. An educated workforce prepared for the jobs of the future

- By 2020, 74% of jobs in Minnesota will require post-secondary credentials

3. Access to affordable higher education

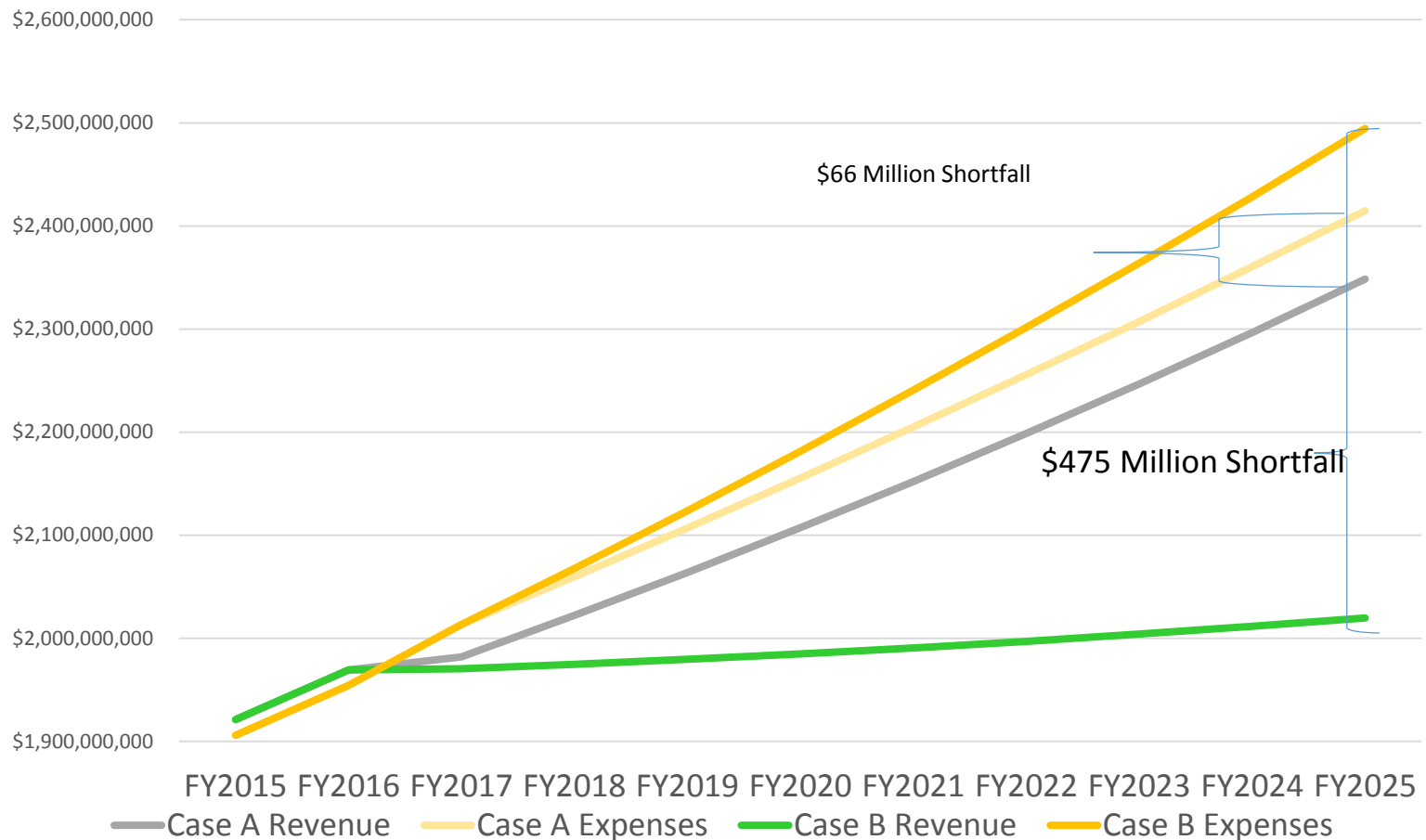
Longer term outlook – what has changed for MnSCU?

- Continued reliance on tuition as primary revenue source
- Fifth year of enrollment declines after five years of increases
- Commitment to affordability is holding down tuition increases
- State support not keeping up with tuition limitations

What we have learned to date

- Both the revenue and the demographic presentations suggest four areas of influence: productivity; tuition flexibility; campus footprint changes; and state investment stability and predictability.
- The decline in state support and downward pressure on tuition represents a structural “pivot.”
- The structural mismatch between revenue and expenses in the current funding model needs to be addressed; enrollment increases alone will not solve the problem.

Financial outlook tied to enrollment and tuition assumptions



Workgroup recommendations expected in June

- November 2015 – Demographic presentation (Tom Gillepsy)
- November 2015 – Defining the Revenue Gap (Deb Bednarz)
- December 2015 – Academic redesign opportunities (Ron Anderson)
- January 2016 – Facilities sustainability (Brian Yolitz)
- February 2016 – Human resources and long term sustainability (Mark Carlson)
- February 2016 – Discussion of academic redesign opportunities/emerging themes (Ron Anderson)
- March 2016 – Changing student profile (Craig Schoenecker and MSUSA)
- April 2016 – Revenue opportunities (Deb Bednarz)
- April 2016 - Discussion of emerging recommendations
- May 2016 - Review of draft final report
- June 2016 - Final report presented to the chancellor

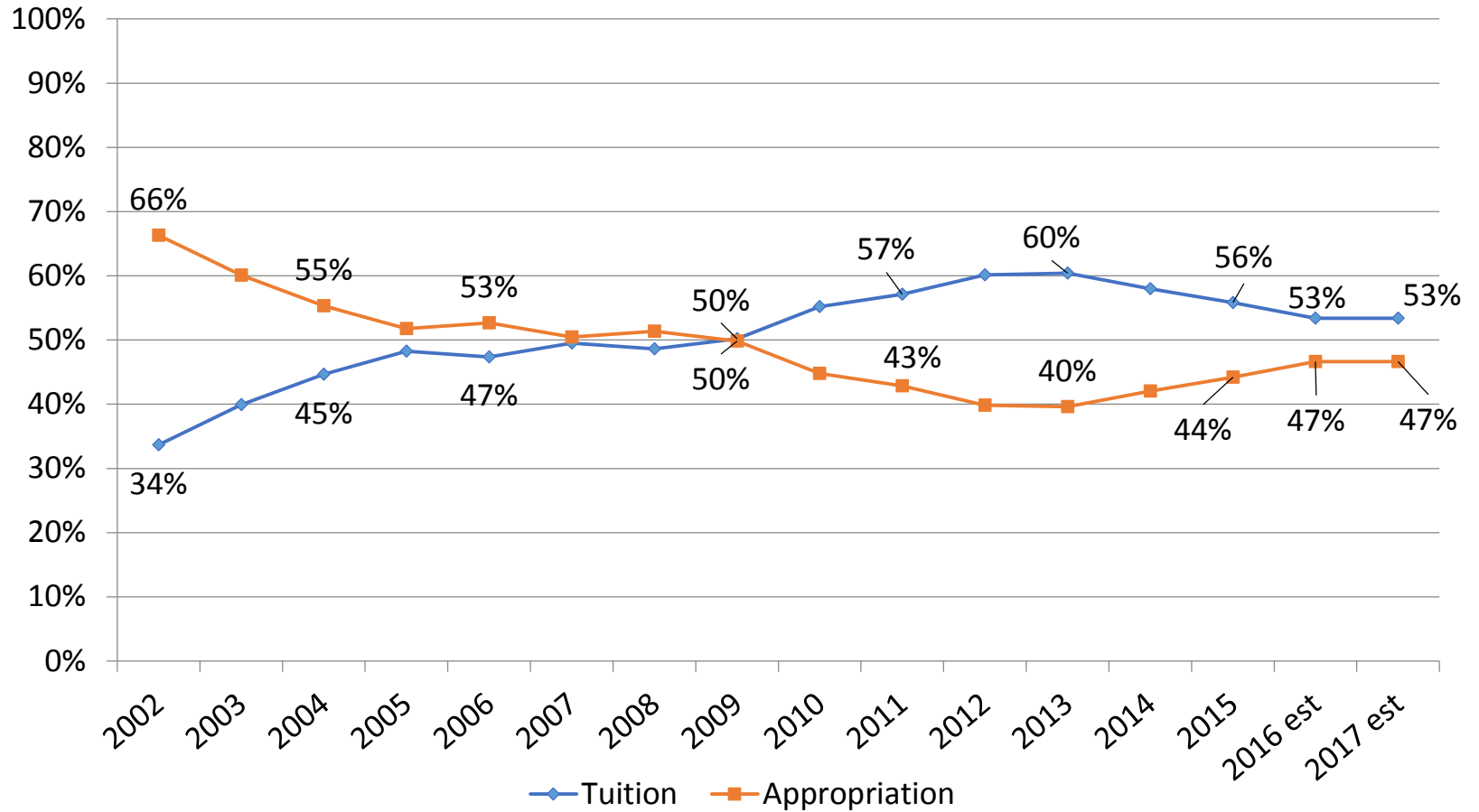
Discussion Questions

- The chancellor will receive the report in early June and bring it forward to the Finance and Facilities committee at the June meeting. He is expected to ask the Board for input on:
 - Scale and scope of change contemplated
 - Timeline for implementation
 - Consultation pathway(s)

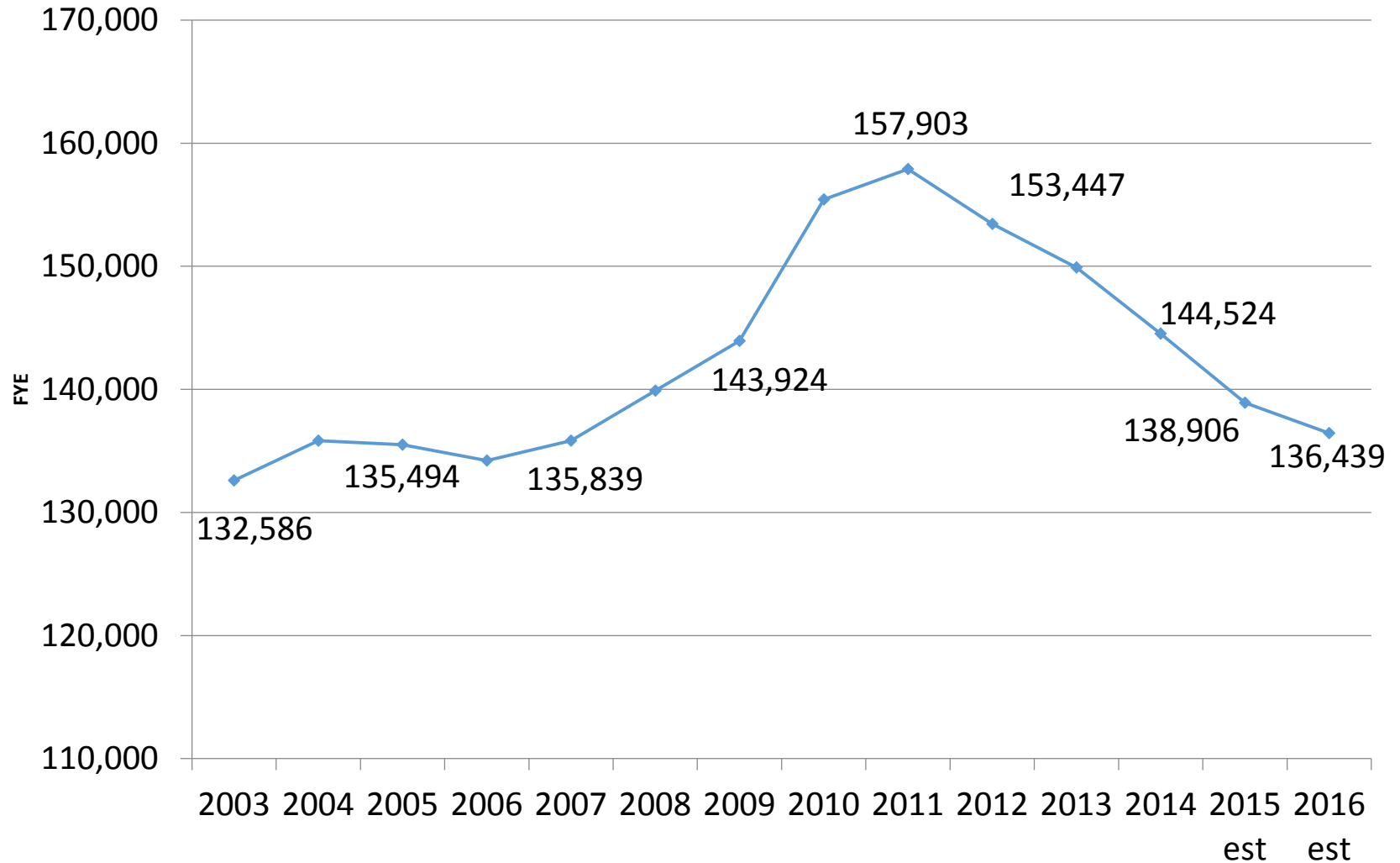
Are there other considerations you would like him to address in his presentation?

Background Reading

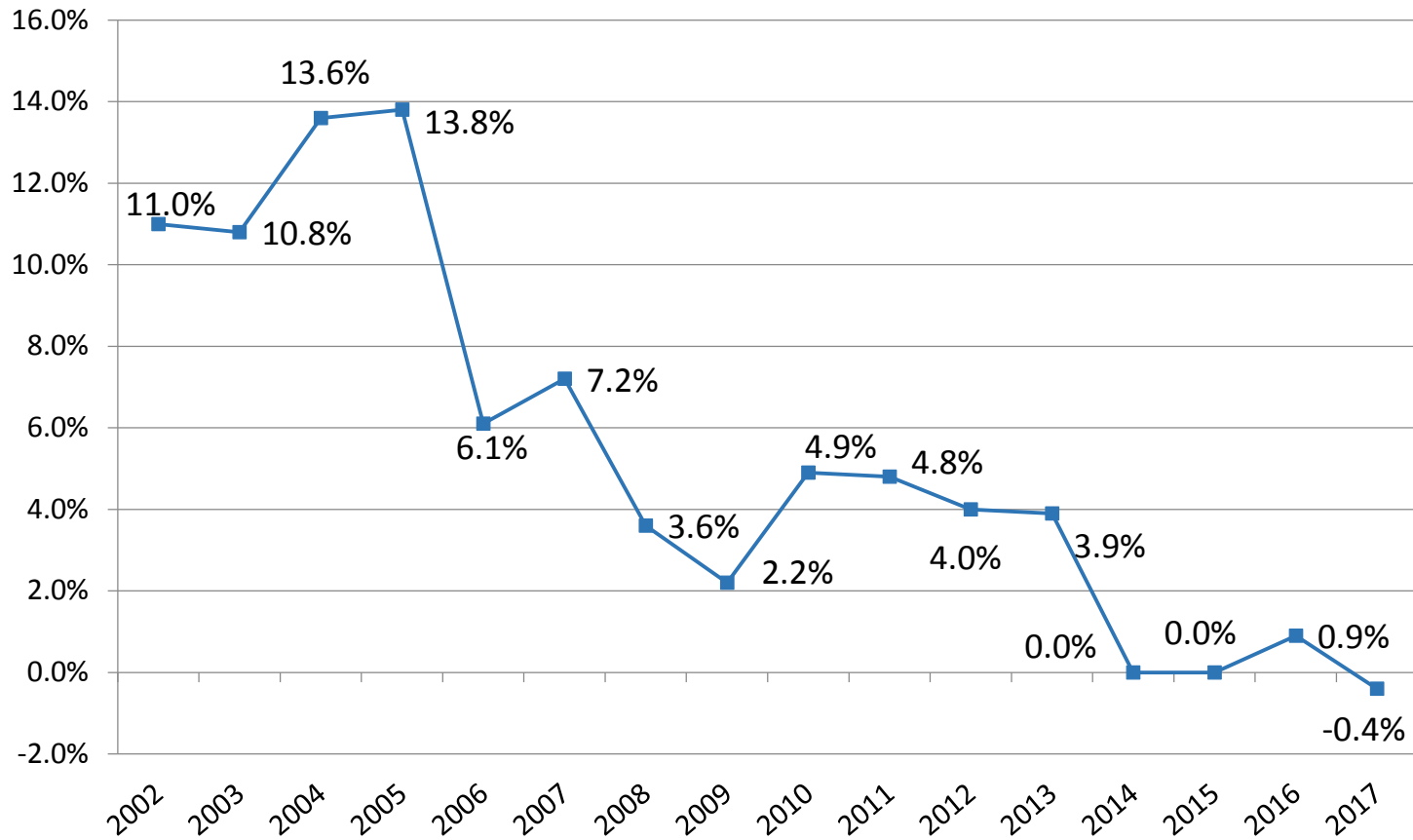
State support and tuition revenues



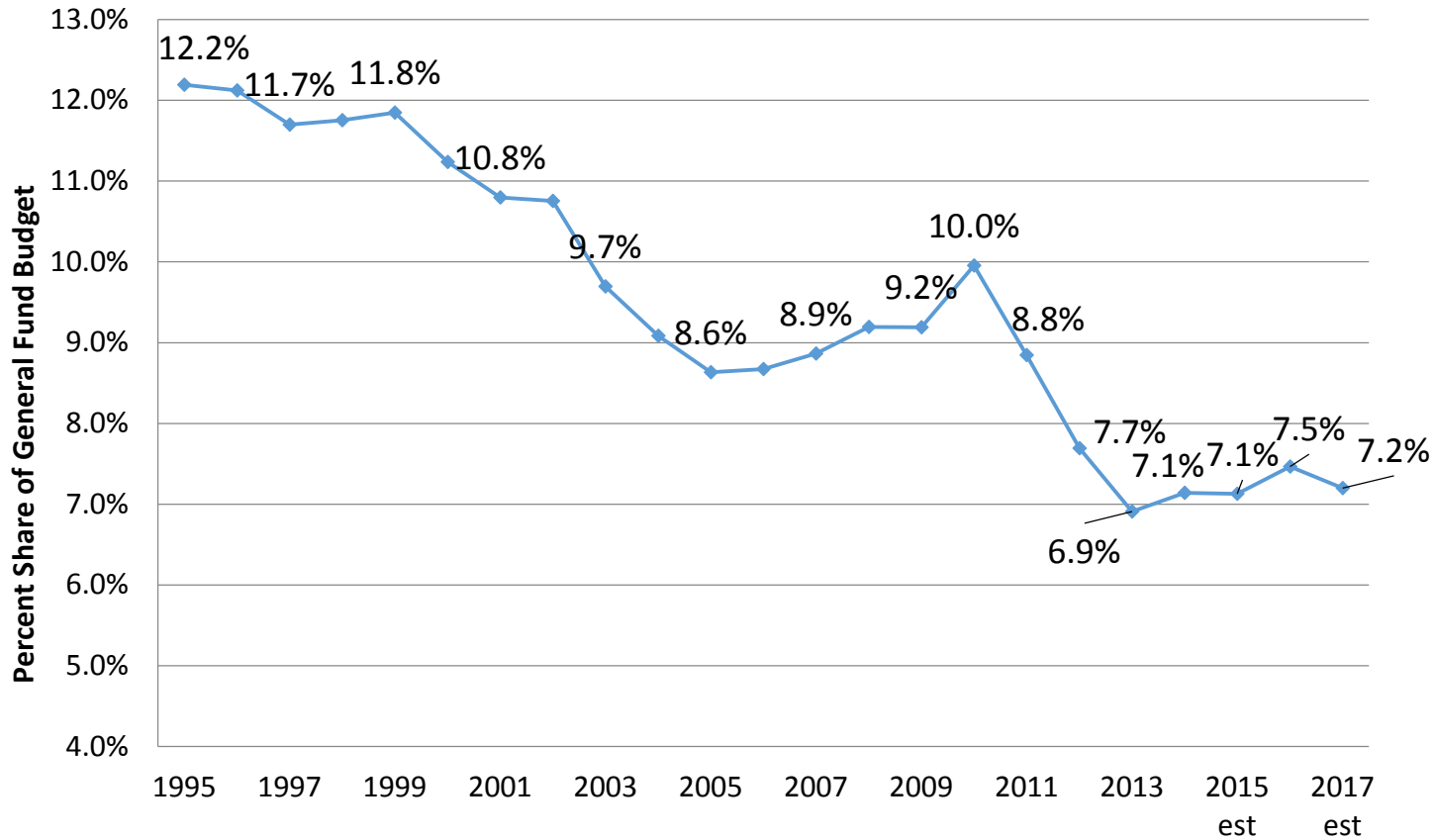
FYE enrollment returning to pre-recession levels



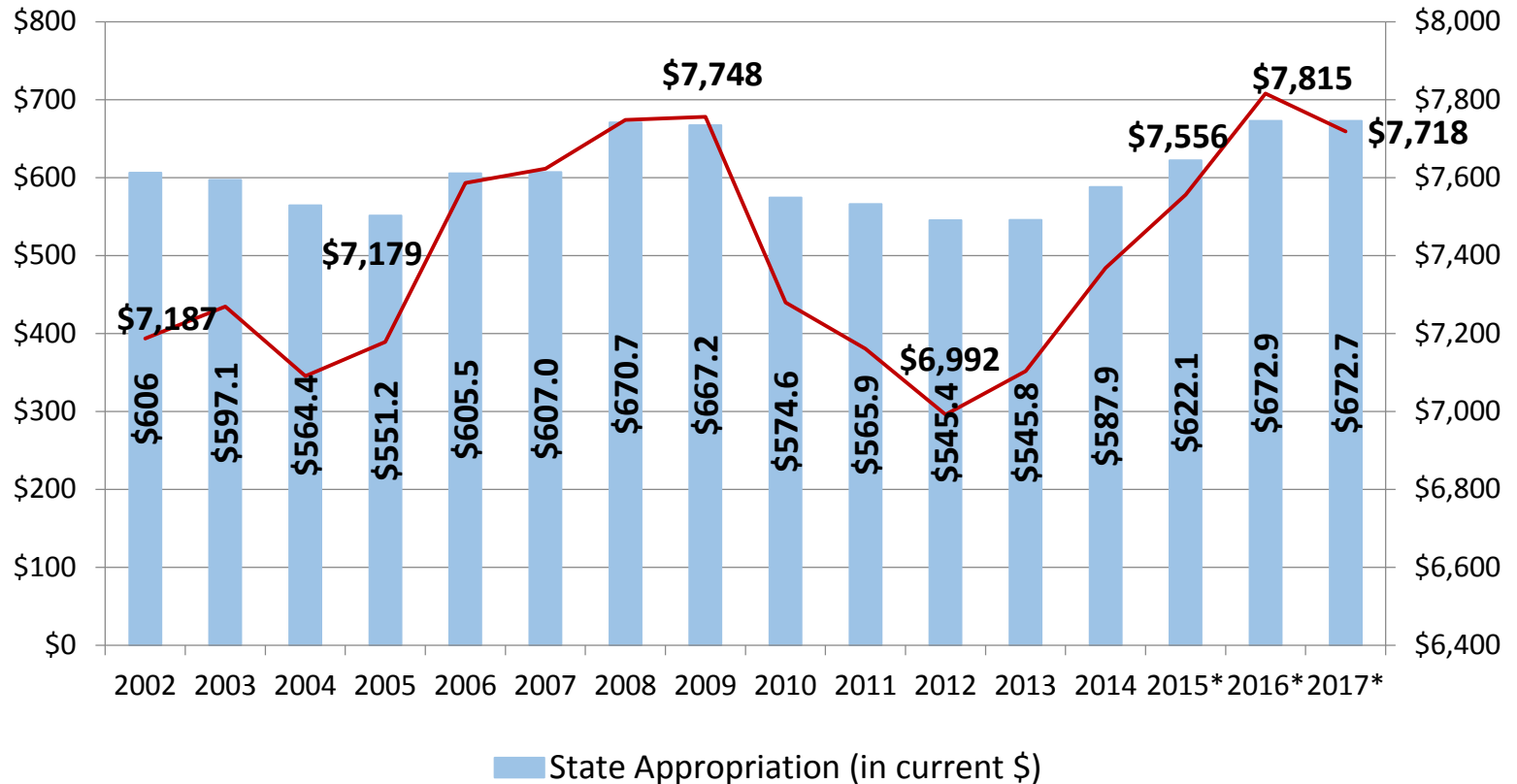
Average Tuition Rate Increases



Higher Education Percent Share of State Budget FY1995-2017 (est.)

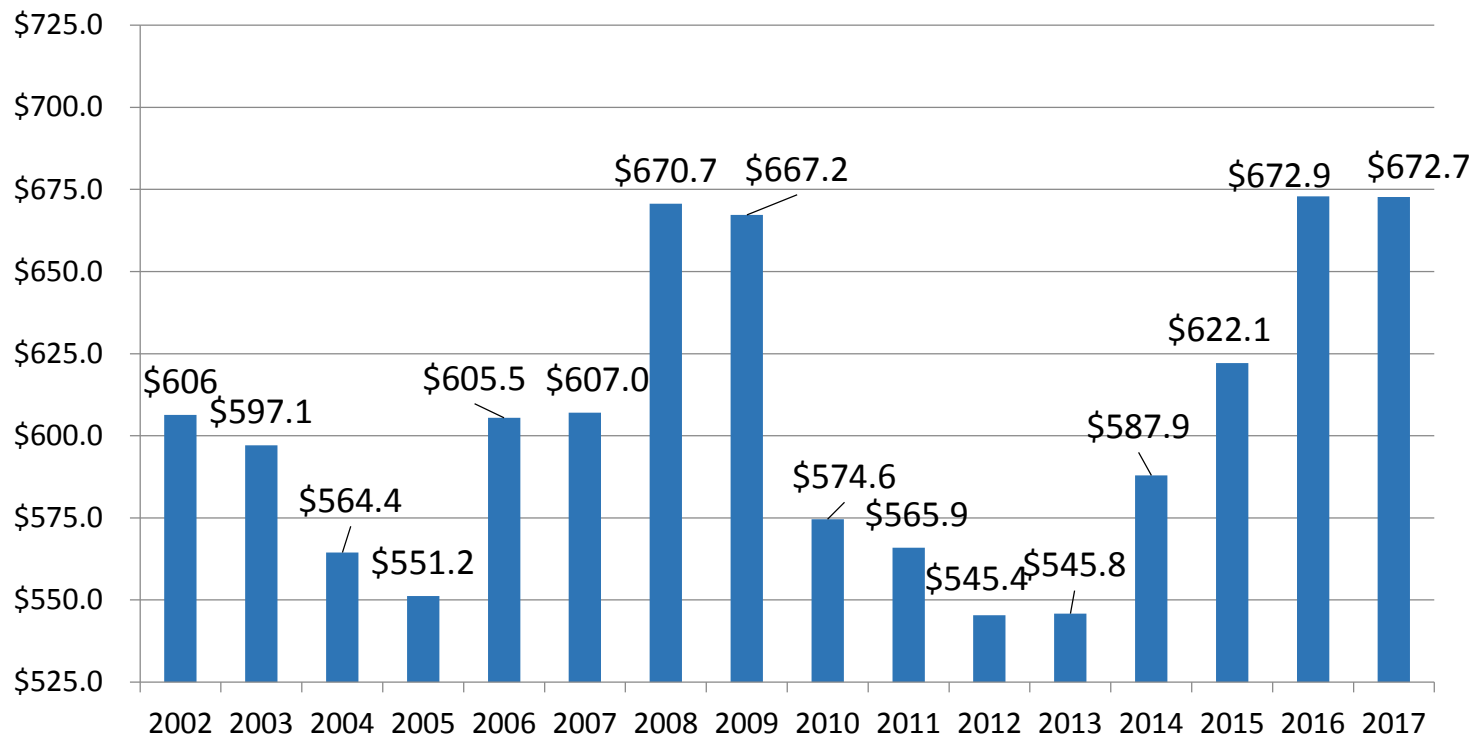


State Appropriation & Tuition Revenue per FYE (\$ in millions)

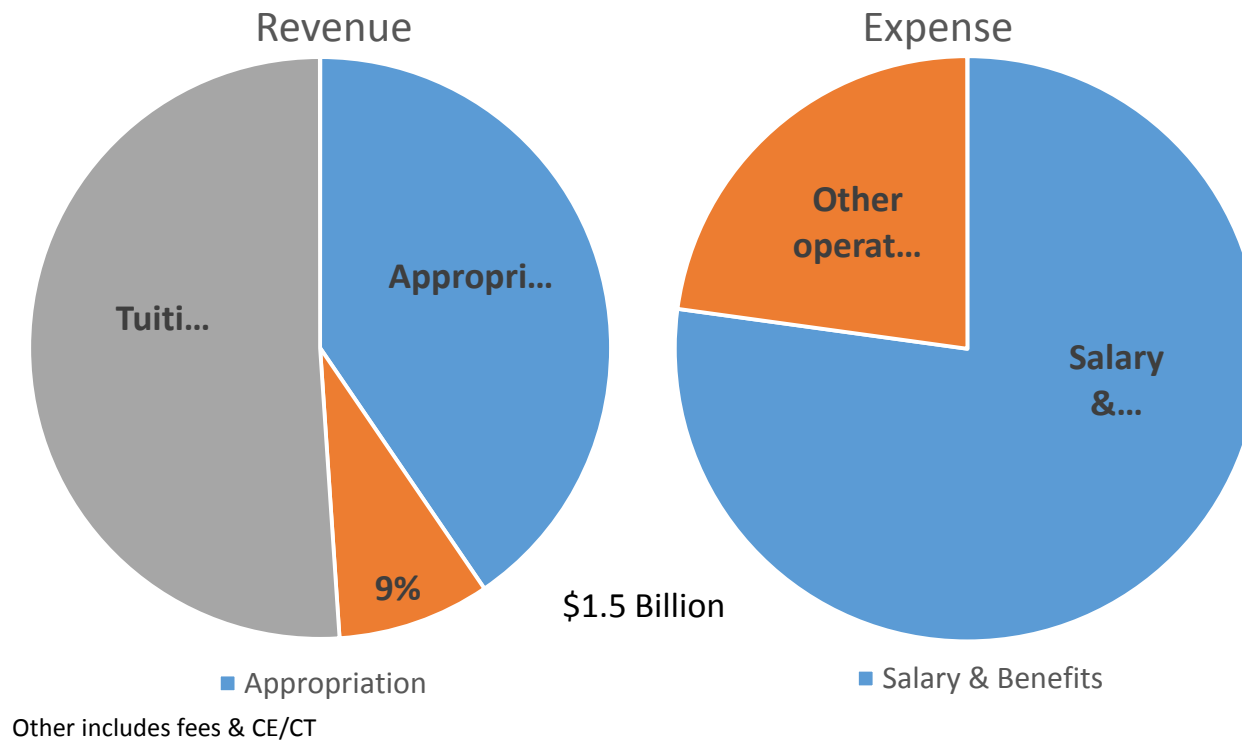


*projected

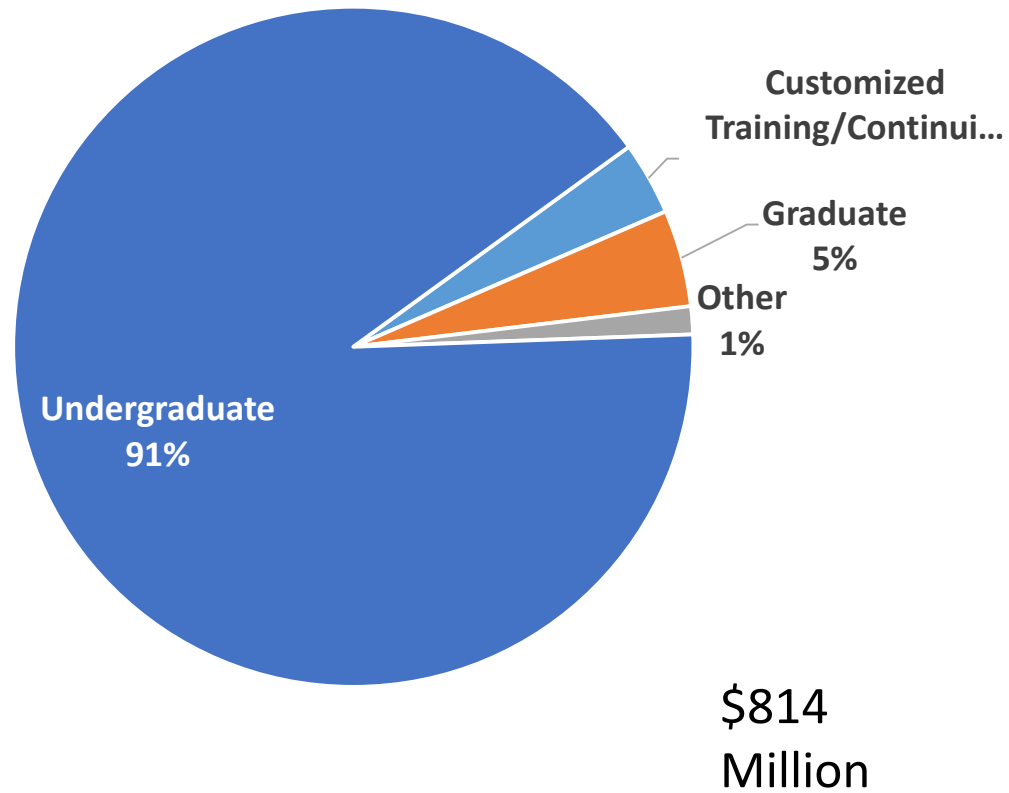
State Appropriation Revenue (\$ in millions)



General fund revenue dedicated to faculty and staff support



Tuition Revenue Breakdown



Workgroup studying range of topics

- Financial profile, trends, outlook, new options
- Demographic and regional trends
- Academic models, trends, new options
- Current and future student profile
- Planning and forecasting tools of the future



JOINT ACADEMIC AND STUDENT AFFAIRS AND FINANCE AND FACILITIES COMMITTEES
APRIL 20, 2016
8:00 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.

Joint Meeting: Academic and Student Affairs and Finance and Facilities Committees, Alex Cirillo and Jay Cowles, Co-chairs

- Protecting Affordability for our Students (pp. 1-31)

Academic and Student Affairs Committee Members

Alexander Cirillo, Chair
Louise Sundin, Vice Chair
Duane Benson
Elise Bourdeau
Dawn Erlandson
Maleah Otterson
Thomas Renier

Finance and Facilities 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
Agenda Item Summary Sheet**

Name: Joint Meeting: Academic and Student Affairs and
Finance and Facilities Committee

Date: April 20, 2016

Title: Protecting Affordability for our Students

Purpose (check one):

Proposed
New Policy or
Amendment to
Existing Policy

Approvals
Required by
Policy

Other
Approvals

Monitoring /
Compliance

Information

Brief Description:

Staff will present information on our students' cost of attendance, how they finance their education, their net cost of attendance and our graduates' student loan debt. The information will concern MnSCU students, Minnesota students, and regional and national trends and provide the basis for a discussion on affordability.

Scheduled Presenter(s):

Craig Schoenecker, Senior System Director of Research
Ron Anderson, Vice Chancellor, Academic & Student Affairs
Laura M. King Vice Chancellor – CFO

Protecting Affordability for Our Students



Board of Trustees – Joint meeting of the
Academic and Student Affairs and Finance and Facilities Committees

April 20, 2016



Executive summary

- Cost
 - Minnesota State Colleges and Universities are the most affordable higher education option in the state. (Figures 1 & 2)
 - State college and university tuition and fee rates have been relatively stable since 2013. (Figure 3)
 - Net tuition and fees as a percent of median family income has declined substantially since 2009. (Figure 4)
 - State college tuition & fees rank third in the nation and state university tuition & fees rank 22nd but Minnesota has the 8th most generous state grant program in the nation. (Figure 5)
- Financial Aid
 - MnSCU students received \$1.2 billion in financial aid in 2015 with 80 percent of it federal aid. (Figure 6)
 - The percent of students receiving aid and the average amount of aid increased substantially between 2006 and 2015. (Figures 7 & 8)
 - Tuition net of grants is relatively low for lower income students. (Figure 10)



Executive summary (cont'd)

- College students are more likely than university students to be employed while enrolled. (Figure 11)
- Debt
 - Median debt for those who borrow ranges from one-quarter to one-half of median annual earnings. (Figure 13)
 - The percent of graduates with student loan debt has begun to decline since 2012. (Figure 14)
 - The growth in median debt has begun to decline. (Figure 15)
 - State college debt is lower than debt at private colleges and state university debt is comparable to debt at other universities. (Figure 9)
 - Since 2006, average grants and loans have grown at rates that are comparable to the increases in college and university tuition rates. (Figure 18)



Questions on background materials?



Strategies to improve affordability for our students

- Pursue additional state appropriations to return the student share of costs to its previous levels.
- Complete a second successful statewide scholarship campaign.
- Fully implement transfer pathways to insure college associate degree graduates can transfer to universities without losing time or money or generating excess credits.
- Provide students guided pathways to their degrees to help them avoid excess credits.
- Expand use of Postsecondary Enrollment Options and concurrent enrollment by high school students.
- Establish common processes to award credit for prior learning.
- Reduce text book costs by expanding use of open source textbooks and open educational resources.
- Continue to reduce costs through shared and regional services.



Strategic questions for discussion

- Are there other suggestions for strategies to increase student affordability?
- How do we balance our commitment to affordability with our commitment to maintain quality in an era of tight resources?



Background Slides



Additional Background to Presentation

The following slides and accompanying narrative provide background information on the affordability our colleges and universities for the joint meeting of the Board of Trustee's Academic and Student Affairs and Finance Committees April meeting.

Affordability Outline

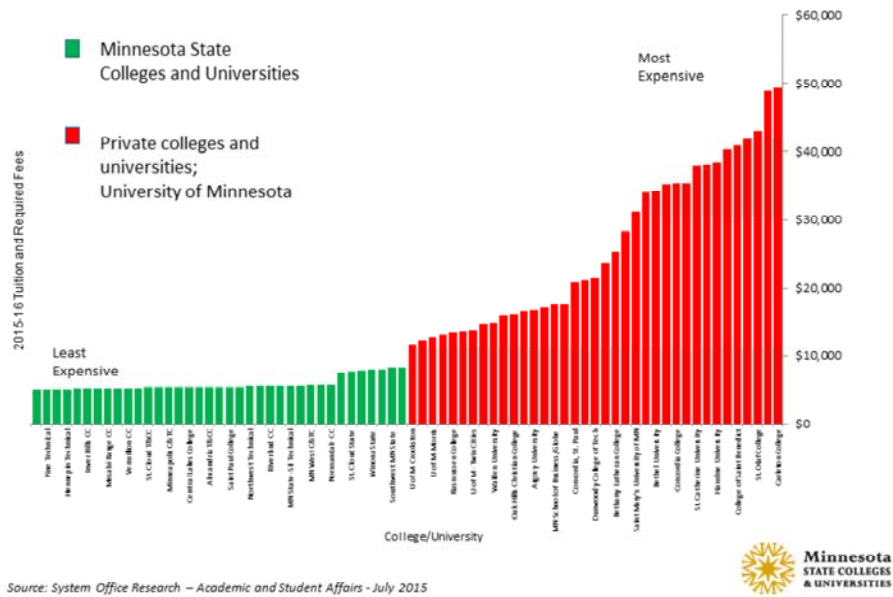
- Cost of attendance
 - What are the trends in the cost of attendance and tuition and fee rates and how do they compare to other sectors and states?
- Financial aid
 - What percent of our students receive aid, how much aid do they receive and how does their aid compare to other sectors?
 - How much is our students' tuition and fees net of grants and scholarships?
 - How much do our student work?
- Graduate Debt
 - How much student loan debt do our graduates have?
 - How does it compare to debt in other sectors?



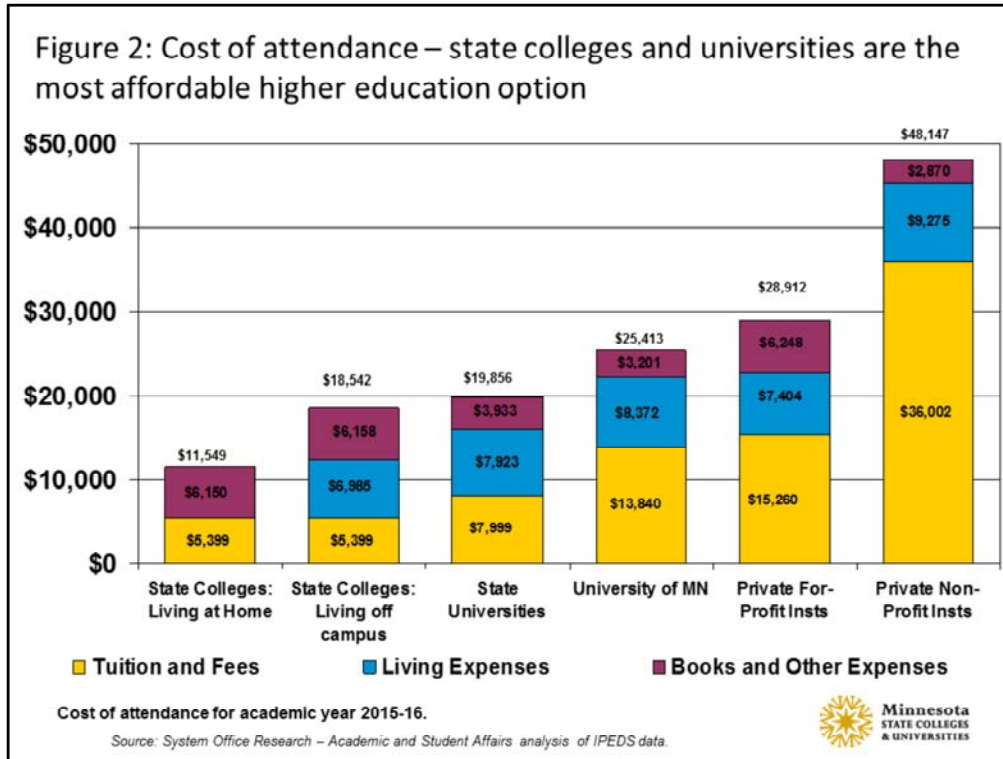
Cost of Attendance



Figure 1: Minnesota State Colleges and Universities:
Minnesota's Most Affordable Higher Education Option



Key Point: MnSCU Tuition and fee are the most affordable among colleges and universities in Minnesota.

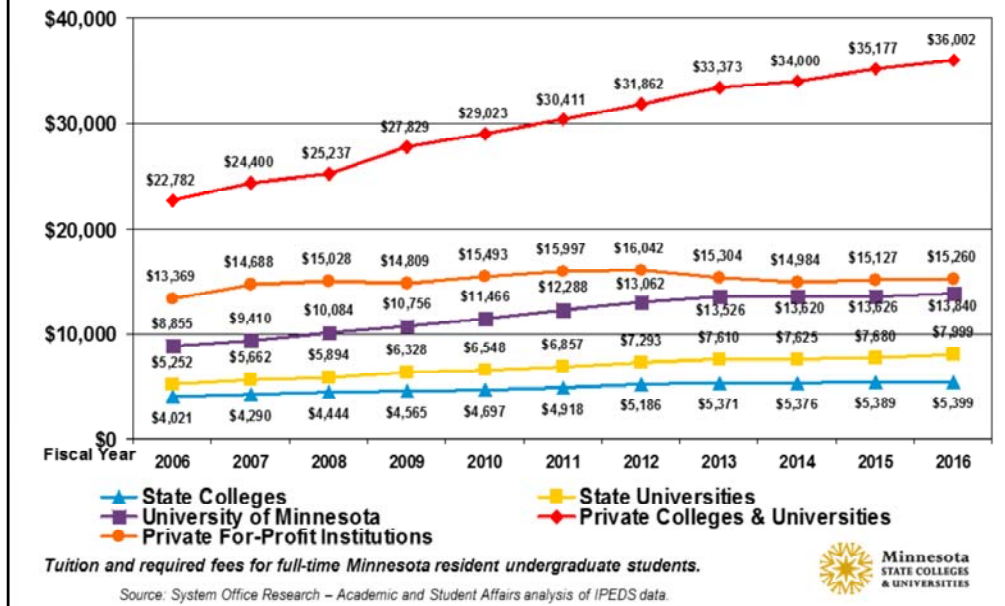


Key Point: Minnesota State Colleges and Universities are the most affordable higher education option in the state.

The cost of attendance includes educational and living expenses that are recognized for determining students’ financial aid packages. Campus financial aid directors establish the cost of attendance for federal and institutional financial aid programs. The Office of Higher Education establishes the cost of attendance for state financial aid programs.

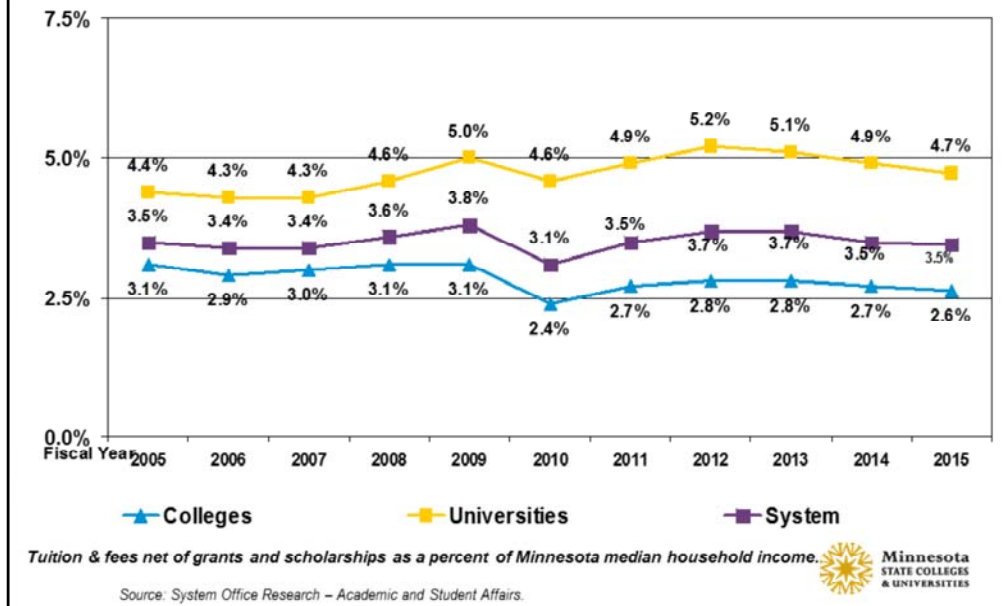
- Differences in tuition and fees across the sectors account for most of the differences in the cost of attendance.
- State colleges and private for-profit institutions have higher levels of other travel expenses since most do not have residential facilities.

Figure 3: State college and university tuition & fee rates have been relatively stable since 2013



Key Point: Tuition and fee rates for full-time undergraduate Minnesota resident students at public colleges and universities have been relatively stable since 2013 due to legislative language restricting tuition increases. Undergraduate tuition and fee rates at private non-profit colleges and universities in Minnesota have increased by eight percent since 2013.

Figure 4: MnSCU net tuition & fees as a percent of state median family income have declined since 2009



Key Point: The affordability of MnSCU colleges and universities has measured by net tuition and fees relative to median family income has improved since 2009. Average grants and scholarships are subtracted from tuition and fees to obtain net tuition and fees.

Figure 5: College tuition & fees rank 3rd and university tuition & fees rank 22nd but Minnesota has the 8th most generous grant program in the U.S.

Community /Technical College Average Tuition and Fees			State University Average Tuition and Fees			State Need-Based Grant Awards per FTE Student		
Rank	State	T&F	Rank	State	T&F	Rank	State	Grant \$ / FTE
1	New Hampshire	\$6,982	1	New Hampshire	\$12,783	1.	Washington	\$1,316
3	Minnesota	\$5,389	5	Michigan	\$10,141	3.	New York	\$1,045
4	South Dakota	\$5,023	6	Illinois	\$10,087	4.	California	\$987
7	Wisconsin	\$4,374	10	Massachusetts	\$9,125	5.	Indiana	\$870
8	Iowa	\$4,365	16	Wisconsin	\$8,050	8.	Minnesota	\$736
10	Virginia	\$4,321		U.S. Average	\$7,817	10.	Illinois	\$710
11	North Dakota	\$4,303	20	Iowa	\$7,749		U.S. Average	\$533
13	Indiana	\$4,055	22	Minnesota	\$7,680	15.	Wisconsin	\$495
20	Maine	\$3,675	24	South Dakota	\$7,580	20.	Delaware	\$348
27	Illinois	\$3,502	28	Indiana	\$7,137	26.	Iowa	\$256
30	Montana	\$3,208	29	Missouri	\$7,055	28.	North Dakota	\$248
32	Michigan	\$3,085	30	New York	\$6,922	30.	Michigan	\$223
	U.S. Average	\$3,006	36	North Dakota	\$6,225	31.	Missouri	\$212
35	Kansas	\$2,974	37	Nebraska	\$6,183	32.	Nebraska	\$191
38	Missouri	\$2,879	40	North Carolina	\$6,053	39.	Kansas	\$125
40	Nebraska	\$2,748	44	Kansas	\$5,566	40.	Nevada	\$125
50	Alaska	\$423	47	New Mexico	\$5,167	50.	South Dakota	\$5

Average 2014-15 full-time resident tuition and required fees for public associate colleges and masters universities.
2013-14 state need-based grant program award dollars per state undergraduate FTE student.



Source: System Office Research – Academic and Student Affairs analysis of IPEDS and NASSGAP data.

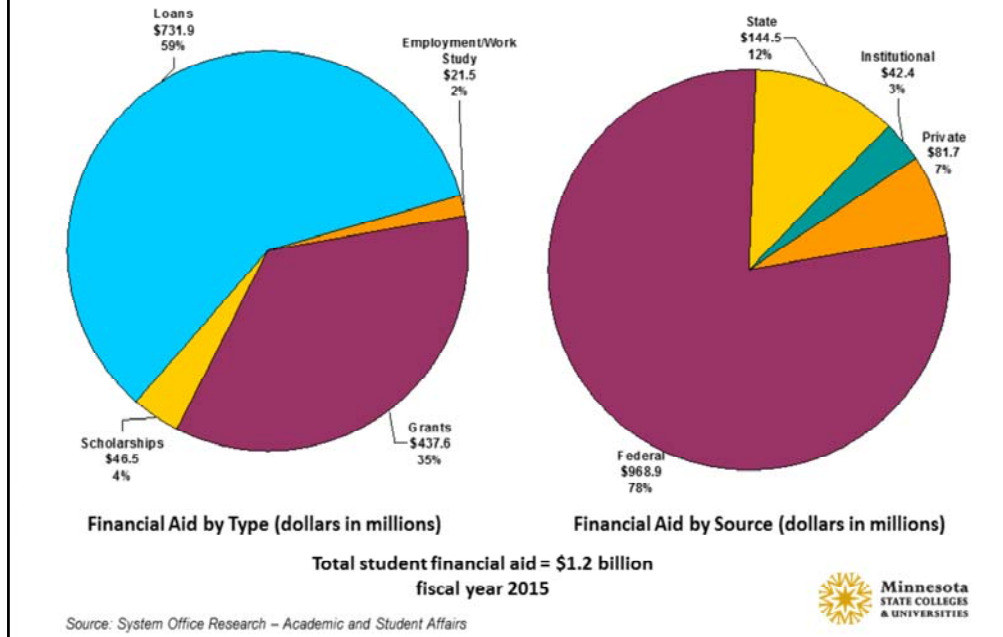
Key Point: Our state college tuition and fees rate ranks third compared to the rates at similar colleges across the country, but Minnesota has the 8th most generous state grant program in the U. S.

- State college tuition and fees rank third and are 80 percent higher than the national average for community and technical colleges nationally.
- The full-time rate at our state universities ranks 22nd among the states and is two percent below the national average for public masters universities.
- Minnesota State Grant program awards per full-time equivalent student ranks 8th among the states and is 38 percent above the national average.
- State college and university students who receive federal grants average over \$4,000 in these grants.

Financial Aid

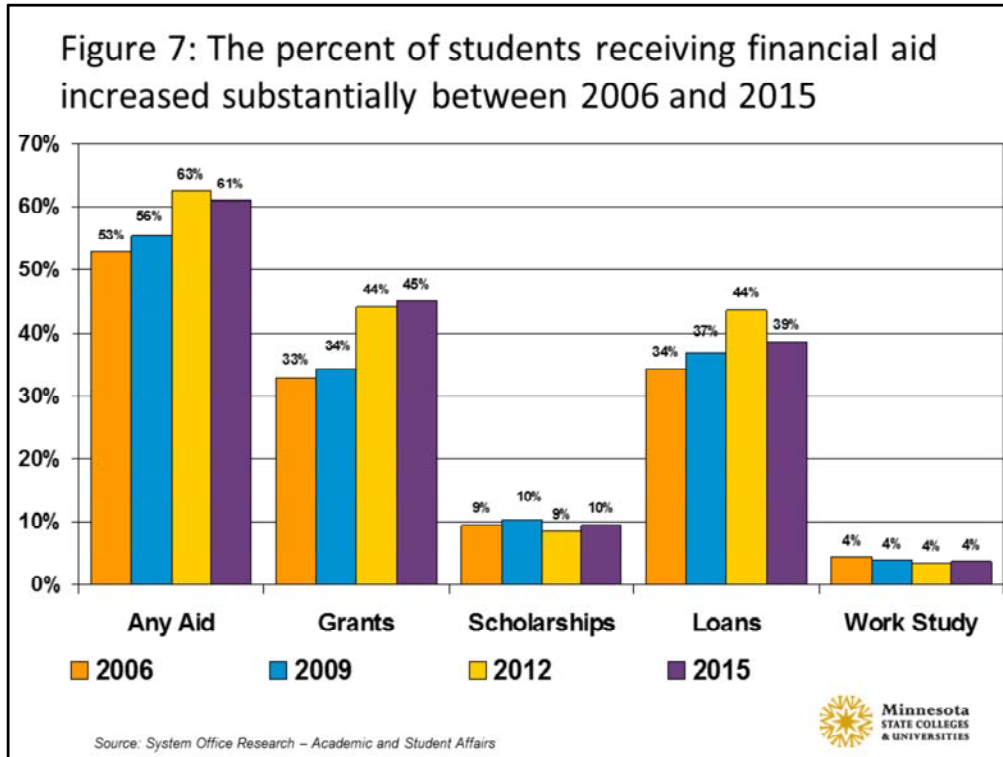


Figure 6: MnSCU students received \$1.2 billion in financial aid and 80 percent was federal aid



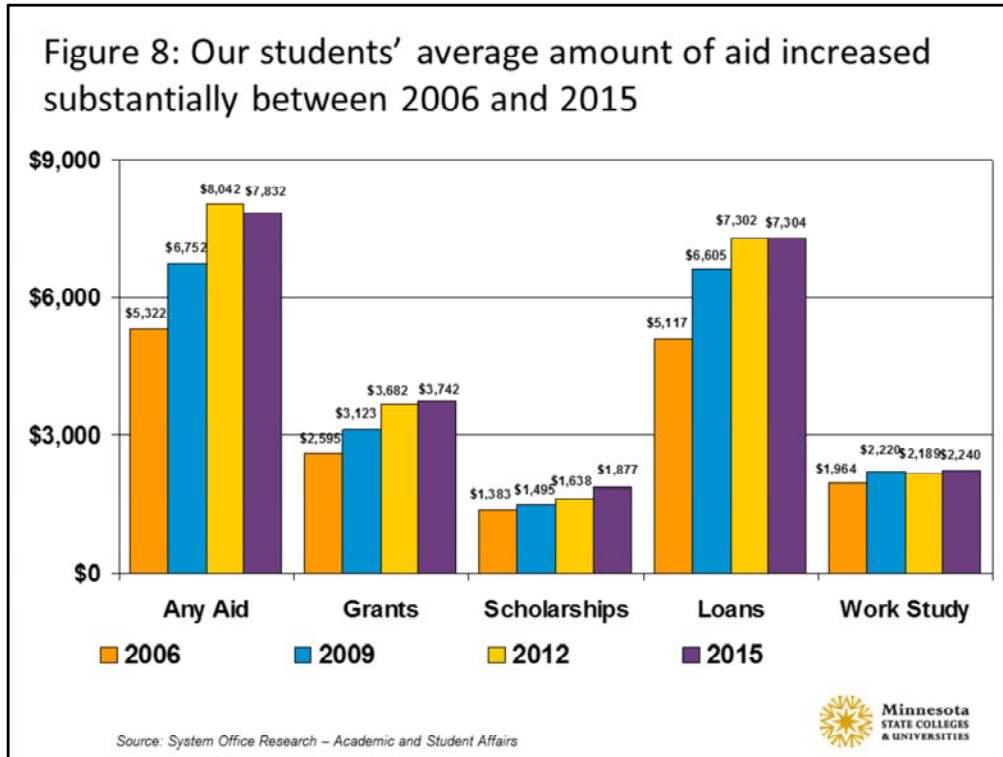
Key Point: Our students received \$1.2 billion dollars in financial aid awards in fiscal year 2015.

- Student loans accounted for 59% of the aid, and grants for another 35%.
- 78% of all student aid is federally funded and another 12% is state funded.



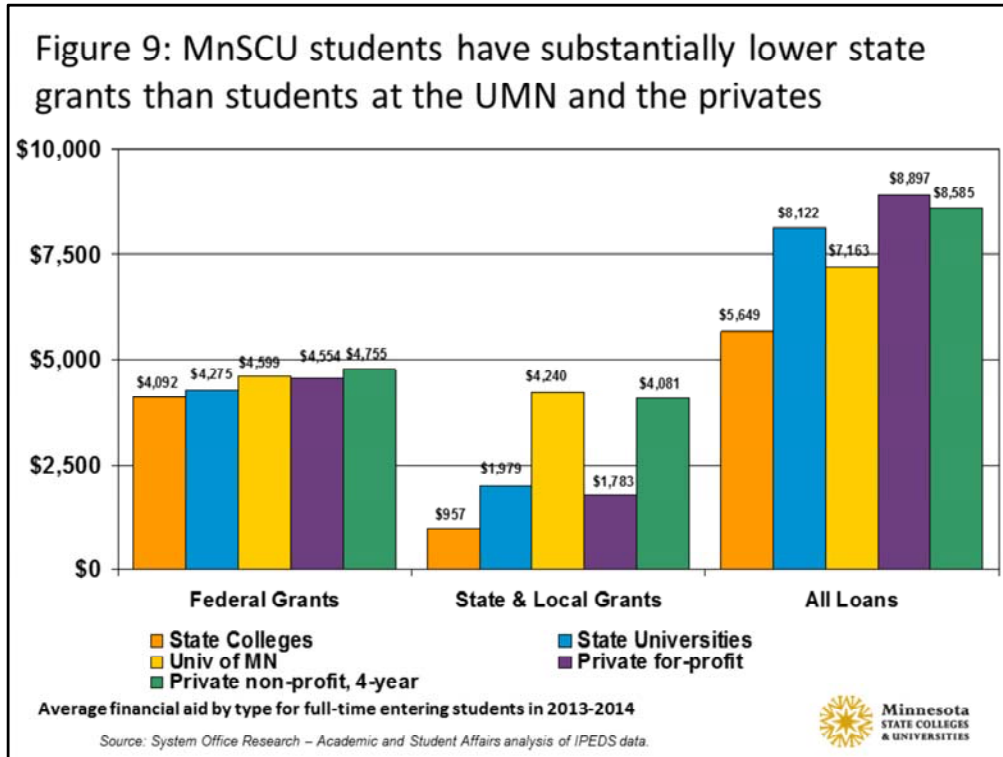
Key Point: The percent of students receiving financial aid increased between 2006 to 2012 when 63 percent of all credit students received aid and decreased to 61 percent in 2015.

- The percent of students receiving grants increased substantially between 2006 and 2012, due in part to the recession.
- The percent of students taking loans increased substantially from 34 to 44 percent between 2006 and 2012 and decreased to 39 percent in 2015.



Key Point: There were substantial increases in the amounts students received in grants, scholarships, and loans between 2006 and 2012, but the growth has slowed since 2012.

- The average total financial aid award increased by 51% from \$5,322 in 2006 to \$8,042 in 2012 and is down by three percent in 2015.
- Average grants increased by 44 percent between 2006 and 2015, due in part to the recession and an increase in the maximum Pell grant.
- Average scholarships increased by 18 percent between 2006 and 2012 and increased by 15 percent since 2012, due in part to the college and university foundation scholarship campaigns.



Key Point: MnSCU students have substantially lower state grants than students in most other sectors because of lower tuition and fee rates.

This graphic compares financial aid by type of award for full-time fall entering undergraduate students across the higher education sectors in Minnesota.

- The average state grant varies substantially across the sectors and MnSCU students have substantially lower grants than students at the U of MN and the private non-profit institutions.
- Students at the state colleges and at the University of Minnesota borrow substantially less than students enrolled in the other sectors.

Figure 10: MnSCU tuition net of grants is relatively low for lower income students in 2016

Academic Year 2015-2016

2015-16 tuition rate for full-time students (30 credits, 15 per term) minus estimated state and Pell grants:

**MnSCU
COLLEGE
STUDENTS**

**MnSCU
UNIVERSITY
STUDENTS**

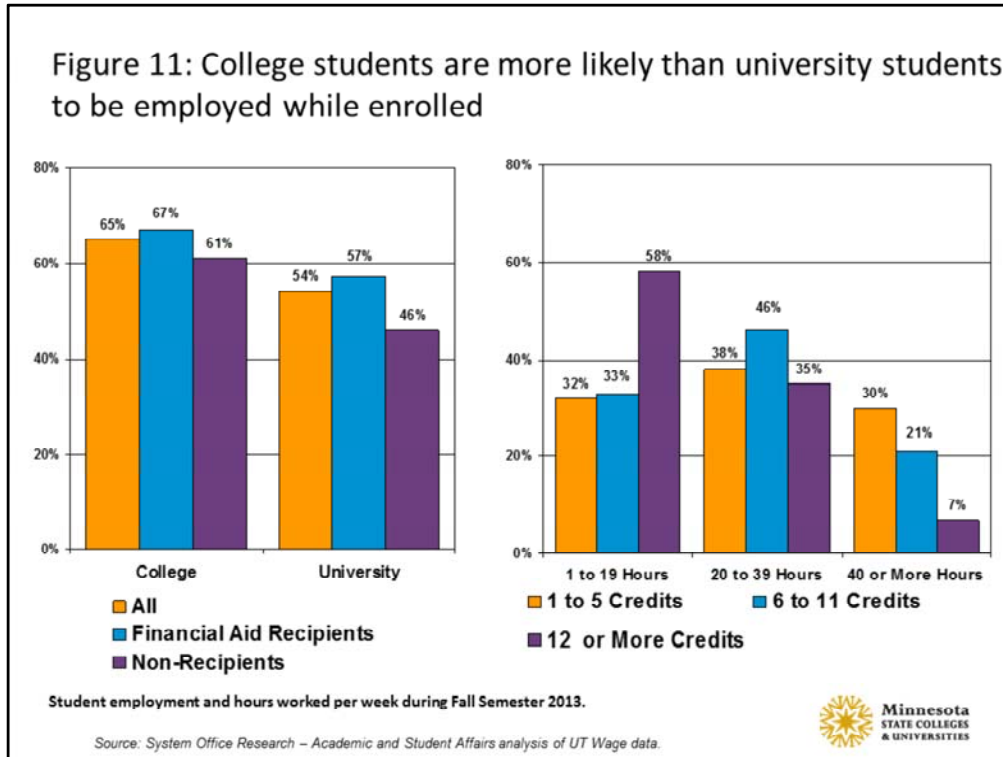
INCOME LEVELS FOR GRANT RECIPIENTS	AVERAGE 2015-16 STUDENT TUITION COST	AVERAGE 2015-16 STUDENT TUITION COST
Less than \$20,000	\$525	\$841
\$20,000 to \$39,999	\$1,075	\$1,409
\$40,000 to \$59,999	\$1,742	\$2,869
\$60,000 and above	\$2,903	\$4,653
Cost without grants	\$4,816	\$7,016

Tuition net of federal and state grants by student income.

Source: System Office Research – Academic and Student Affairs.



Key Point: MnSCU tuition net of federal and state grants is below \$1,500 for students with family incomes below \$40,000.



Key Point: College students (65%) are more likely than university students (54%) to be employed while enrolled.

- Full-time students (58%) are most likely to be working under 20 hours per week.
- Students taking six to eleven credits (46%) are most likely to be working 20 to 39 hours per week.
- Students taking 1 to 5 credits are equally split between the three categories of hours per week.
- Employment is measured by records in the state’s unemployment insurance (UI) wage data system.
- The estimates of employment rates understate actual employment rates because the following types of employment are not captured in the Minnesota UI Wage system:
 - Employment as a contractor
 - Self employment
 - Federal government employment
 - Military employment
 - Employment in bordering states
 - Student employment at our colleges and universities

Figure 12: Completion rates vary by academic preparation and financial need

**Minnesota State Colleges
Students Entering in Fall 2004 through Fall 2010**

Completion Rates at Third Spring After Entry	Less Prepared	Moderately Prepared	Highly Prepared
Low Financial Need	49%	56%	57%
Moderate Financial Need	44%	52%	54%
High Financial Need	35%	41%	42%

**Minnesota State Universities
Students Entering in Fall 2002 through Fall 2006**

Completion Rates at Sixth Spring After Entry	Less Prepared	Moderately Prepared	Highly Prepared
Low Financial Need	51%	53%	57%
Moderate Financial Need	45%	49%	56%
High Financial Need	40%	45%	51%

Source: System Office Research – Academic and Student Affairs



Key Point: Financial need and academic preparation are important predictors of student success.

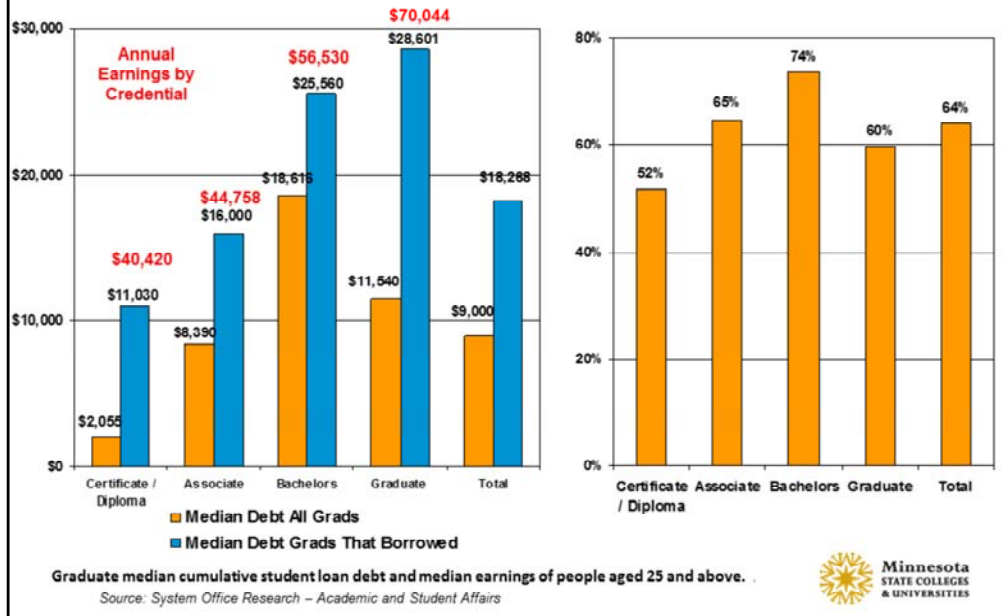
- Although not directly related to affordability, this chart illustrates how the availability of financial resources affects our students’ completion rates.
- Completion rates are measured three years after entry at the colleges and include both graduation and transfer.
- Completion rates are measured six years after entry at the universities and include graduation.
- The overall completion rate for both college and university students is 49%.

As academic preparedness declines and financial need increases, completion rates decrease. Most of our students are not in the upper right-hand corner of these tables. Most do not have high ACT or Accuplacer scores nor do they come from families that can easily afford the cost of a post-secondary education. However, to meet the state’s pressing need for more graduates with post-secondary credentials we must address the college readiness and financial needs of these students. Hence, we pursue strategies to address both affordability and completion.

Debt



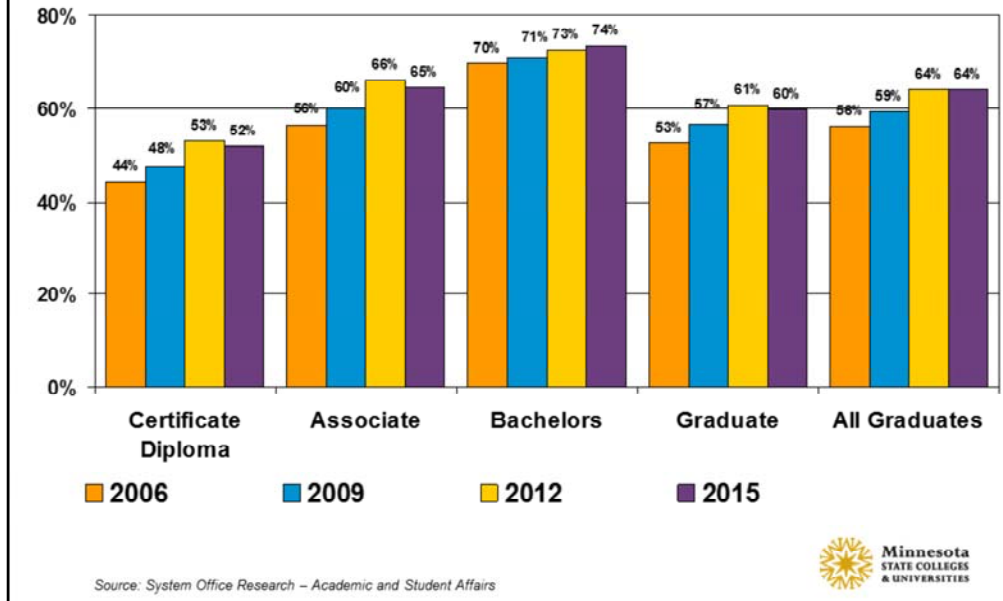
Figure 13: Median debt for those who borrow ranges from one-quarter to one-half of median annual earnings



Key Point: Median annual earnings range from two to three times the cumulative debt at graduation.

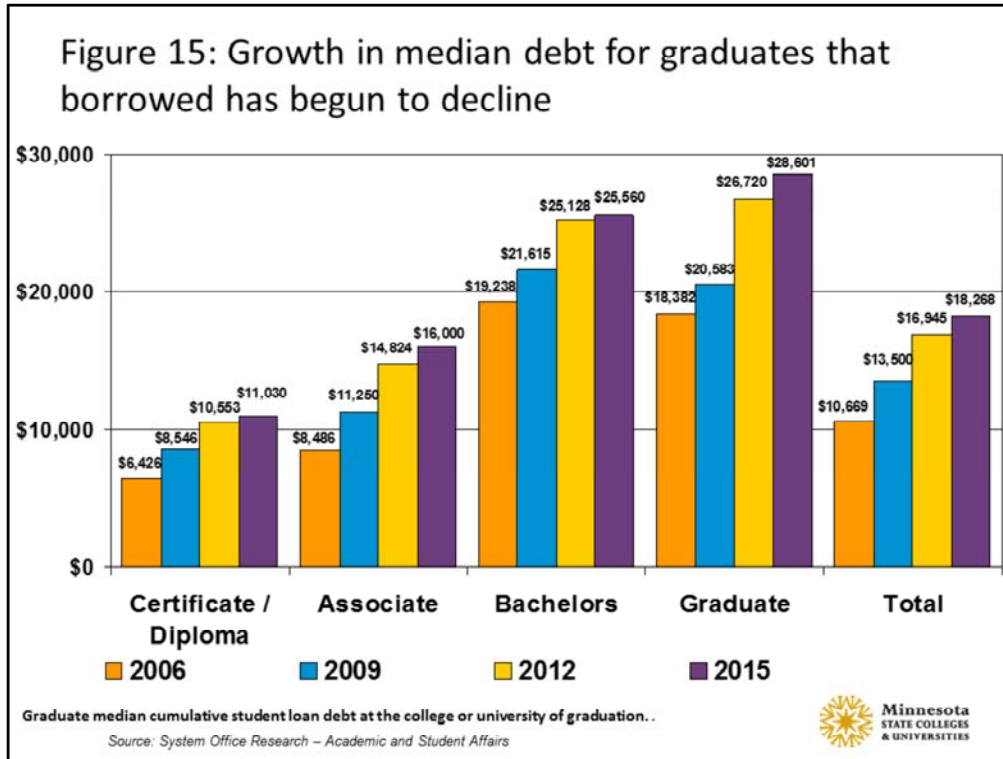
- The lower levels of debt for all graduates reflects the fact that many graduates do not borrow.
- This graphic compares median debt at graduation for graduates that borrowed and for all graduates with the median earnings by credential level for the population aged 25 and above.
- Debt is the graduates' median cumulative student loan debt at the college or university of graduation.
- The percent of graduates that borrow ranges from 52 percent at certificate/diploma level to 74 percent at the bachelors level.

Figure 14: Percent of MnSCU graduates with debt has begun to decline since 2012



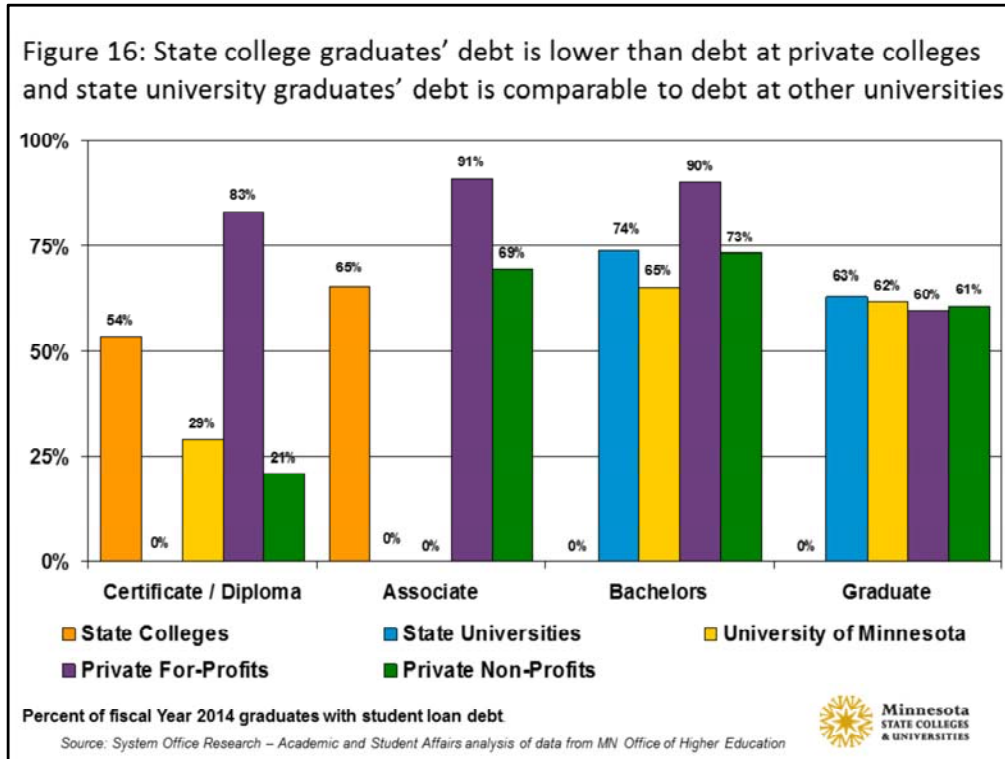
Key Point: The percent of MnSCU graduates with student loan debt increased between 2006 and 2012 but began to decline between 2012 and 2015.

- The percent of graduates with student loan debt decreased between 2012 and 2015 at the certificate, associate and graduate levels.
- The percent of bachelors graduates with debt was stable at 74 percent since 2013.



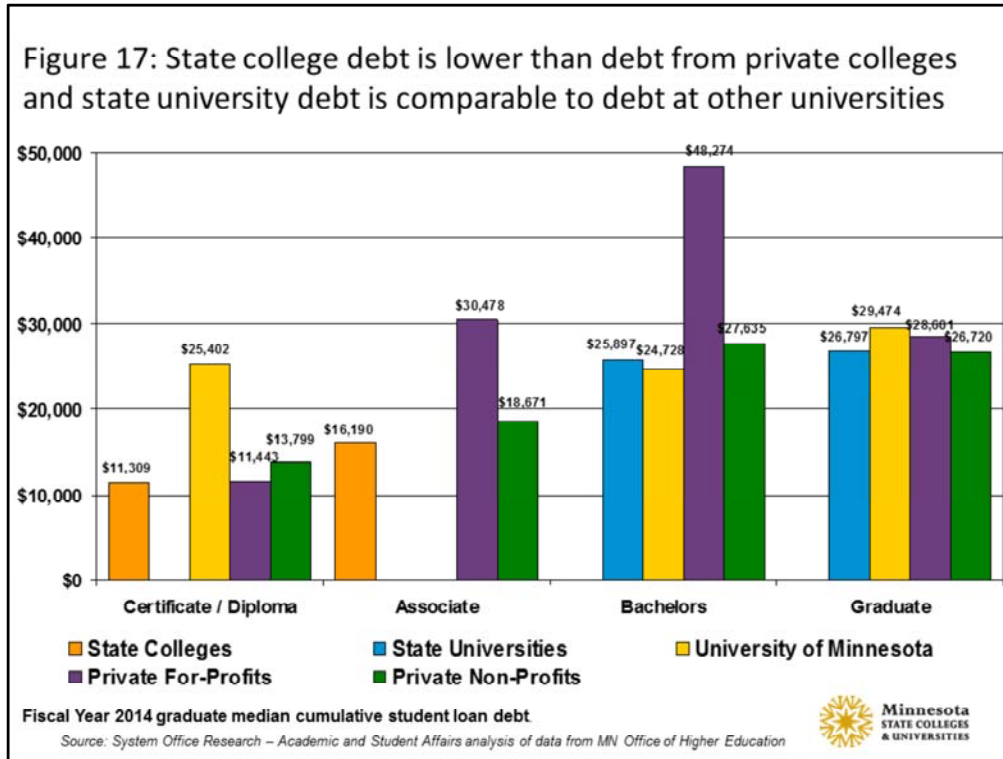
Key Point: Median student loan debt increased between 2006 and 2012, but has grown more slowly since 2012.

- Median debt increased between 2006 and 2012, due in part to the recession.
- Growth in median debt slowed since 2012 at the certificate and associate levels and decreased between 2014 and 2015 at the bachelors and graduate levels.
- This graphic presents trends in our graduates' median student loan debt that was incurred at the college or university of graduation.



Key Point: Certificate, associate and bachelors level graduates from for-profit institutions had substantially higher borrowing rates than our college and university graduates.

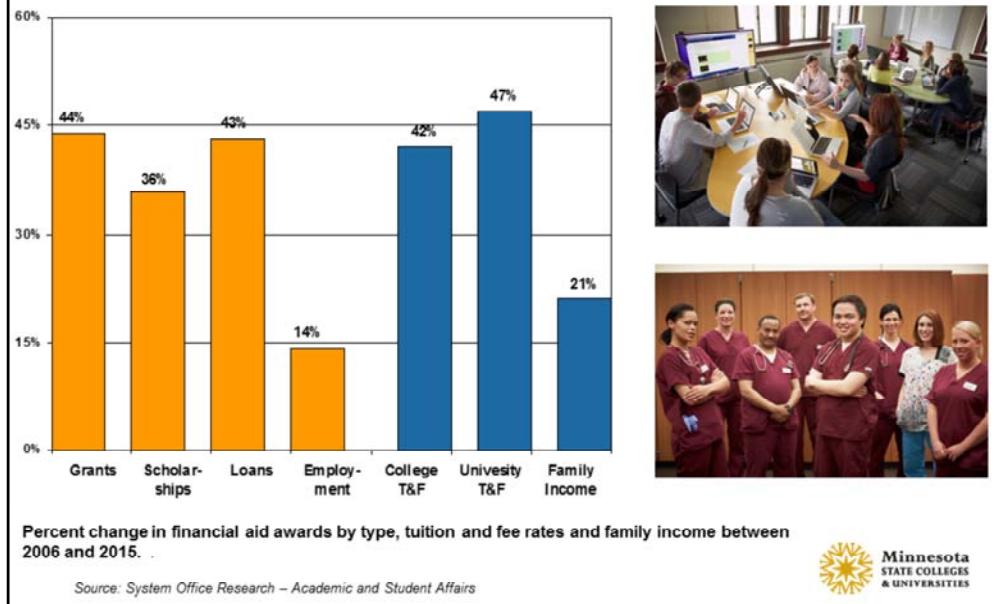
- This graphic reports the percent of graduates with student loan debt for sectors of Minnesota higher education.
- State university bachelors level graduate had higher borrowing rates than University of Minnesota bachelor's graduates.



Key Point: State college graduates had the lower median debt than graduates in other sectors of higher education and state university graduates at the bachelors and graduate levels had median debt that was comparable to the graduate debt at the University of Minnesota and the private non-profit colleges and universities.

- This graphic reports the median cumulative student loan debt in 2014 for graduates by sectors of Minnesota higher education.

Figure 18: Average grants and loans have grown at rates that are comparable to the increases in college and university tuition rates since 2006



Key Point: The change in average grants, loans, college tuition and fees and university tuition and fees between 2006 and 2015 were comparable.

- This graphic reports the percent change in average financial aid awards, tuition and fees and per capita personal income between 2006 and 2015.
- Average scholarships, employment and median family income were lower.



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STATE COLLEGES
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30 7th St. E., Suite 350, St. Paul, MN 55101-7804

(651) 201-1800 | (800) 456-8519 | +1 (651) 556-0596

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HUMAN RESOURCES COMMITTEE
APRIL 20, 2016
9:00 AM

MINNESOTA STATE COLLEGES AND UNIVERSITIES
MCCORMICK ROOM, FOURTH FLOOR
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.

Committee Chair Dawn Erlandson calls the meeting to order.

- (1) Minutes of March 16, 2016 (pp. 1-7)**
- (2) Succession Planning (pp.8-9)
- (3) Appointment of President of Bemidji State University/ Northwest Technical College (pp.10-11)**
- (4) Appointment of President of Metropolitan State University (pp. 12-13)**

Members

Dawn Erlandson, Chair
Ann Anaya, Vice Chair
Margaret Anderson Kelliher
Duane Benson
Elise Bourdeau
Alexander Cirillo
Robert Hoffman

Bolded items indicate action required.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
HUMAN RESOURCES COMMITTEE
MEETING MINUTES
March 16, 2016**

Human Resources Committee Members Present: Dawn Erlandson, Chair; Ann Anaya, Vice Chair; Trustees Margaret Anderson Kelliher, Duane Benson, Elise Bourdeau, and Robert Hoffman

Human Resources Committee Members Absent: Alexander Cirillo.

Other Board Members Present: John Cowles, Maleah Otterson, Louise Sundin, and Michael Vekich.

Leadership Council Members Present: Steven Rosenstone, Chancellor; Mark Carlson, Vice Chancellor for Human Resources.

The Minnesota State Colleges and Universities Human Resources Committee held its meeting on March 16, 2016, at Wells Fargo Place, 4th Floor, Board Room, 30 East 7th Street in St. Paul. Chair Erlandson called the meeting to order at 10: 03 a.m.

1. Minutes of January 27, 2016

Chair Erlandson called for the motion to approve the minutes of the Human Resources Committee on January 27, 2016. The minutes were moved, seconded and passed without dissent.

2. Approval of Human Resources Committee Charter

Chair Erlandson stated that Human Resources Committee, along with other committees, has an agenda item recommending the adoption of a committee charter. The charters were developed at the suggestion of the board chair as an aid to the work of each committee. It essentially expands on the authorities of the Human Resources committee spelled out in board policy and provides a more extensive list of the committee's areas of oversight. While not intended to be an exhaustive list, it does add dimension and context to the words in board policy. Please note that it is imagined that the charter will be reviewed annually and modified as warranted.

Vice Chancellor Carlson gave a brief description of the proposed Human Resources Committee charter.

The Human Resources Committee recommended that the Board of Trustees adopt the following motion:

The Human Resources Committee recommends the Board of Trustees adopt the Human Resources Committee charter.

The motion passed without dissent.

3. Charting the Future: Human Resources Project Update

Vice Chancellor Carlson and Associate Vice Chancellor Appelquist introduced and provided updates on the Human Resources Transactional Service Model (HR-TSM). Associate Vice Chancellor Appelquist stated that the HR-TSM project was influenced by the *Charting the Future* initiative. The System Incentives and Rewards team was charged with developing recommendations to “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,” and recommended a new systemwide human resources transactional service delivery model.

Associate Vice Chancellor Appelquist shared that since merger in 1995, each campus has developed many of its own transactional HR processes, resulting in disparate practices across the system. While this has worked well for many campuses, disparate practices have also created a serious vulnerability for HR teams which frequently deal with lean staffing or high turnover. Associate Vice Chancellor Appelquist added that current state means that campuses can't effectively help each other when needed and is not a sustainable model for the HR community. By leveraging the talent and expertise of our HR community, we can work together as a system to efficiently deliver consistent, high-quality HR services systemwide.

Associate Vice Chancellor Appelquist stated that campus HR resources are stretched to the max, but presidents and CAOs need HR to be more “at the table” playing an active role in setting the strategic direction of the institution – and in managing the myriad human dynamics that go along with the inevitable changes coming our way. Campuses need their HR teams to be strategic partners in planning and managing current and future workforce challenges, such as:

- Reduced resources
- Student and workforce demographic changes
- Increased scrutiny and accountability within the public sector
- Political ramifications of the decisions we make
- And much, much more

Creating a new HR service delivery model will allow campus HR teams to better focus their attention on the transformational needs of their institutions.

At this time, Associate Vice Chancellor Appelquist introduced the HR Service Continuum diagram, which was shared with Trustees at the November Board meeting, shows the work HR professionals engage in on a day-to-day basis from transactional to transformational activities. To be sure, all HR activities are critical, but HR-TSM leadership team strongly believe that the transactional work can be managed more effectively in a shared service environment.

Associate Vice Chancellor Appelquist stated that to begin this monumental effort, this past summer a 14-member leadership team made up of eight (8) chief human resources officers from our colleges and universities, four (4) HR division staff, and two (2) CSC staff who provide project management services convened to this effort. Leadership team have been clear, this is not, nor will it become, a St. Paul initiative. This impressive group of leaders have been empowered to make the important decisions relating to this effort—and they've done so in a highly professional

manner. At this time, Associate Vice Chancellor Appelquist asked those in attendance to stand and be recognized.

HR-TSM Leadership Team:

Carmen Bradach, CHRO, Northeast Higher Ed District

Suzie Brusoe, CHRO, Dakota County Technical College/Inver Hills Community College

Mike Freer, CHRO, North Hennepin Community College

Sharon Mohr, CHRO, Hennepin Technical College

Jay Nelson, CHRO, Anoka-Ramsey Community College/Anoka Technical College

Lori Reed, CHRO, Winona State University/Minnesota State College-Southeast Technical

DeeAnn Snaza, CHRO, Minnesota State University, Mankato

Megan Zothman, CHRO, Bemidji State University/Northwest Technical College

Barb Biljan, System Director for HRIS

Andrea Kubat, Project Manager for HRIS

Phil Davis, Associate Vice Chancellor, Campus Service Cooperative

Kari Campbell, Project Manager, Campus Service Cooperative

Sue Appelquist, Associate Vice Chancellor for Human Resources

Mark Carlson, Vice Chancellor for Human Resources

Vice Chancellor Carlson stated that the overarching goal of HR-TSM is to improve services to students by providing exceptional HR support to employees. Through a team approach, and by leveraging the scale of our system, the HR community will develop a new business model that allows campus HR professionals to focus squarely on the strategic and transformational needs of their campus while assuring the critical transactional pieces of their work are being expertly managed.

At this time, Vice Chancellor Carlson introduced the HR-TSM guiding principles:

1. Provide customers with a voice in the service delivery process
2. Operate accurately and efficiently
3. Provide consistent high-quality customer service
4. Provide a growth-oriented and creative work environment
5. Focus on continuous improvement
6. Value partnerships across the MnSCU system
7. Be the experts; provide expert advice and consultation to campus HR business partners
8. Deliver, cost-effective, flexible, and reliable services to all customers

Associate Vice Chancellor Appelquist stated that the HR-TSM project focuses on two areas. First, creating and implementing a new shared services environment in which HR transactional and operational services are delivered to clientele via HR service centers that support multiple institutions. And, second, given the fact that HR transactional work varies from institution to institution, leadership team is now in the process of reviewing current processes and establishing a single common business practice for each transactional work element in order for us to be able to work in a shared services environment.

At this time, Associate Vice Chancellor Appelquist introduced the project timeline and stated that project is well underway and that there is a very aggressive timeline. This past fall leadership team spent most of their time engaging the HR community in developing the architecture for delivering

transactional services, and began putting together the structure to establish common business practices.

Between now and the end of the year, leadership team will continue to establish common business practices, fine-tune service delivery, and focus on developing HR professionals to build HR capacity on campuses.

Associate Vice Chancellor Appelquist shared that with the help of the entire HR community, the HR-TSM leadership team came to agreement on a multiple service center model. To help determine the number and configuration of the service centers, leadership team looked at headcount at each institution. Leadership team then grouped them into four (4) distinct service centers (North, West Central, East Central, and South) where HR staff will continue performing critical transactional work with dedication to data integrity, continuous improvement, and a keen focus on providing extraordinary customer service to employees.

Associate Vice Chancellor Appelquist stated that there were much discussion about developing a virtual model to minimize disruption for current HR staff. The leadership team determined we are not quite ready as a system to operate in a virtual environment, but that does not preclude from considering virtual work spaces in the future. There are several reasons why this decision was made:

1. HR staff who become service center employees but remain in current work locations would be easily pulled away from service center work to address local campus needs;
2. It would be difficult to build a true team of individuals to collaborate, share knowledge, and improve processes if not co-located; and
3. It would be difficult to attain the consistency, accuracy, and efficiency we seek—and must attain—through this transformation.

Associate Vice Chancellor Appelquist stated that in order to cover the full spectrum of HR work, 24 workgroups are being charged with mapping current and future state processes as well as delivering action plans to support implementation of the new common practice, including step-by-step guides, training components, and templates and forms to support consistent and accurate processes. Leadership team expect this work to be completed by early fall.

Vice Chancellor Carlson stated that a strong communication plan has been, and continues to be, an essential element towards success. Keeping the HR community highly informed and included in key decision making in this quickly evolving project has been absolutely critical, and is helping leadership team maintain a high level of engagement from each and every campus HR office.

Communication and engagement strategies include:

- Community-wide engagement at Human Resources fall conference where over 135 participants “Dream Big” to begin developing our new model
- Bi-weekly HR-TSM updates to HR community that also explain the “why” behind key decision making
- HR-TSM Connect SharePoint site to promote transparency systemwide; it is accessible to anyone with a MnSCU StarID
- Regular conference calls and WebEx meetings to encourage bi-lateral communication and minimize travel expenses

- Statewide meet and confer meetings to begin engaging and informing union leadership in this effort
- CFO and CAO meeting presentations to promote awareness and seek cross-functional support; and a
- Dedicated project email box to submit questions, comments or feedback

Vice Chancellor Carlson shared that the project is well underway and meeting project timeline goals, which include:

- Begun the process of establishing common business practices in earnest;
- Successfully developed the framework for new service delivery model;
- And, have identified two of the four service center locations and expect to have the other two identified very soon.

There has been a great deal of interest in the location of the service centers, so at this time, Vice Chancellor Carlson provided a little information about the selection process. This winter, HR partnered with colleagues in facilities to look at space availability at campuses, and decided to use a mini-RFP process to ensure objectivity and fairness. Criteria for selection included: space availability, use and repurposing costs, quality of space, technology availability and support, workforce availability, parking and commuting options, inclusive campus culture, and full campus experience.

In addition to reviewing service center criteria, the leadership team felt it was an important consideration to take a look at where current HR employees live in proximity to the proposed sites. So, leadership team worked with facilities folks to generate a heat map of current transactional users by home zip code.

The RFP resulted in eleven (11) submissions from across the state; five (5) from the North region, five (5) from the South region, and one (1) from the West Central region. There were no submissions from the East Central region. Given lack of metro area proposals, leadership team asked some campuses to reconsider submitting a proposal.

The HR-TSM leadership team is in the process of finalizing decision making and has selected two of the four service centers. Vice Chancellor Carlson stated that this was not an easy decision for the leadership team.

Vice Chancellor Carlson introduced the selected site for north and south regions. The north region's service center will be located at Mesabi Range College, part of the Northeast Higher Education District in Virginia, MN. The south region's service center will be located at Minnesota State College - Southeast Technical in Winona, MN in the Tandiski Center. Leadership team expect to have the west and east central service center locations identified very soon.

At this time, Associate Vice Chancellor Appelquist provided details on what the project will look like a year from now. The project is on target to implement Phase 1 of this effort and have the four service centers ready for business in January 2017. The HR-TSM leadership team designed a governance structure that will be campus-based and campus-led, and will maintain the need for quality assurance and consistency across the system. Once again, this is not a St. Paul or System Office driven effort.

Each service center will have a supervisor that reports to the HR division, and service center staff will be employees of the host campus. A steering committee, similar to the current HR-TSM leadership team, will be made up of CHROs and division employees that will oversee the HR-TSM to ensure thoughtful decision making, and good communication between service centers, campus HR, system office, and other constituents.

Associate Vice Chancellor Appelquist stated that a phased approach is being taken to staff the four service centers over a three year period. The actual FTE needed in each phase is yet to be determined and will depend on the types of transactional services offered to campuses. In phase 1, starting next January, we expect to have approximately five (5) – seven (7) total employees at each service center delivering up to eight transactional work elements. As the HR-TSM project evolves, FTE will be refined to ensure optimal function going forward.

Vice Chancellor Carlson stated that presidents and their cabinets has shared that what they need from their local HR professionals is more attention toward strategic and transformational activities, such as workforce planning, succession planning, targeted recruitment, and workplace climate issues. Efforts are well underway to build HR capacity and deliver effective, sustainable training to HR professionals whether they are engaged in transactional work or transformational work. HR Academy is being rebuilt, which is a comprehensive training and development program for all MnSCU HR professionals.

The Academy will be divided into two tracks:

- the *Art of MnSCU HR* (strategic and transformational HR development); and,
- the *Science of MnSCU HR* (transactional and operational HR development)

There is significant effort into delivering the Academy's *Science of MnSCU HR* track over the past two years by delivering transactional training to our campuses through in-person, workshops, and WebEx trainings, and now in the process of developing more online training. More energy will be put into the Academy's *Art of MnSCU HR* track soon. Among other things, Human Resources is currently providing funding to chief human resources officers to help them earn their HR certification through the Society for Human Resources Management.

Following Vice Chancellor and Associate Vice Chancellor Appelquist's presentation, trustees were invited to comment and ask questions.

4. Appointment of President of Central Lakes College

Chancellor Rosenstone stated that upon the announcement of President Larry Lundblad's retirement, a national search was initiated for a new president of Central Lakes College. The executive search firm RPA Inc. was retained to assist with the recruitment for this position, and Laura Urban, president of Alexandria Technical & Community College, served as search chair. After careful consideration of information received from each element of the interview process, Chancellor Rosenstone recommended Hara Charlier to serve as the next president of Central Lakes College.

The Board of Trustees, upon the recommendation of Chancellor Rosenstone, appoints Hara Charlier as president of Central Lakes College effective July 1, 2016, subject to the completion of an employment agreement. The board authorizes the chancellor, in consultation with the chair of the board and chair of the Human Resources Committee, to negotiate and execute an employment agreement in accordance with the terms and conditions of the MnSCU Personnel Plan for Administrators.

The motion passed without dissent.

5. Appointment of President of Minneapolis Community and Technical College

Chancellor Rosenstone stated that Dr. Avelino Mills-Novoa has served as interim president of Minneapolis Community and Technical College since September 2014 after President Phil Davis was appointed as associate vice chancellor and managing director of the Campus Service Cooperative. A national search was initiated for Minneapolis Community and Technical College in the fall of 2015. The executive search firm Greenwood/Asher & Associates was retained to assist with the recruitment for this position, and Annette Parker, president of South Central College, served as search chair. After careful consideration of information received from each element of the interview process, Chancellor Rosenstone recommended Dr. Sharon Pierce to serve as the next president of Minneapolis Community and Technical College.

The Board of Trustees, upon the recommendation of Chancellor Rosenstone, appoints Dr. Sharon Pierce as president of Minneapolis Community and Technical College effective July 1, 2016, subject to the completion of an employment agreement. The board authorizes the chancellor, in consultation with the chair of the board and chair of the Human Resources Committee, to negotiate and execute an employment agreement in accordance with the terms and conditions of the MnSCU Personnel Plan for Administrators.

The motion passed without dissent.

The meeting adjourned at 11:02 a.m.
Respectfully submitted,
Pa Yang, Recorder

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

Agenda Item Summary Sheet

Name: Human Resources Committee

Date: April 20, 2016

Title: Succession Planning

Purpose (check one):

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

Brief Description:

Vice Chancellor Carlson will present MnSCU's campus-based succession planning efforts.

Scheduled Presenter(s):

Mark Carlson, Vice Chancellor for Human Resources

Anita Rios, System Director for Talent Management

Joyce Helens, President, St. Cloud Technical and Community College

Deb Holstad, CHRO, St. Cloud Technical and Community College

Kristina Keller, Associate VP, St. Cloud Technical and Community College

Laura Urban, President, Alexandria Technical and Community College

Shari Maloney, CHRO, Alexandria Technical and Community College

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

INFORMATION ITEM
SUCCESSION PLANNING

BACKGROUND

Vice Chancellor Carlson will present MnSCU's campus-based succession planning efforts.

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

Name: Human Resources Committee

Date: April 20, 2016

Title: Appointment of President of Bemidji State University/ Northwest Technical College

Purpose (check one):

Proposed
New Policy or
Amendment to
Existing Policy

Approvals
Required by
Policy

Other
Approvals

Monitoring /
Compliance

Information

Brief Description:

Following the announcement of President Richard Hanson's retirement, Chancellor Rosenstone initiated a national search for president of Bemidji State University/ Northwest Technical College. It is anticipated that Chancellor Rosenstone will recommend an individual for this position.

Scheduled Presenter(s):

Steven Rosenstone, Chancellor

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

BOARD ACTION

APPOINTMENT OF PRESIDENT OF BEMIDJI STATE UNIVERISTY/ NORTHWEST TECHNICAL COLLEGE
--

1 **BACKGROUND**

2 Following the announcement of President Richard Hanson’s retirement, Chancellor Rosenstone
3 initiated a national search for president of Bemidji State University/ Northwest Technical College.
4 It is anticipated that Chancellor Rosenstone will recommend an individual for this position.

5
6 **RECOMMENDED COMMITTEE MOTION**

7 The Human Resources Committee recommends that the Board of Trustees adopt the following
8 motion.

9
10 **RECOMMENDED BOARD MOTION**

11 The Board of Trustees, upon the recommendation of Chancellor Rosenstone, appoints
12 _____ as president of Bemidji State University/ Northwest Technical
13 College effective _____, 2016, subject to the completion of an employment agreement.
14 The board authorizes the chancellor, in consultation with the chair of the board and chair of the
15 Human Resources Committee, to negotiate and execute an employment agreement in accordance
16 with the terms and conditions of the MnSCU Personnel Plan for Administrators.

17
18 *Date of Adoption:* April 20, 2016

19 *Date of Implementation:*

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

Name: Human Resources Committee

Date: April 20, 2016

Title: Appointment of President of Metropolitan State University

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:

It is anticipated that Chancellor Rosenstone will recommend an individual for the presidency at Metropolitan State University.

Steven Rosenstone, Chancellor

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

BOARD ACTION
APPOINTMENT OF PRESIDENT OF METROPOLITAN STATE UNIVERSITY

1 **BACKGROUND**

2 It is anticipated that Chancellor Rosenstone will recommend an individual for the presidency at
3 Metropolitan State University.

4
5 **RECOMMENDED COMMITTEE MOTION**

6 The Human Resources Committee recommends that the Board of Trustees adopt the following
7 motion.

8
9 **RECOMMENDED BOARD MOTION**

10 The Board of Trustees, upon the recommendation of Chancellor Rosenstone, appoints
11 _____ as president of Metropolitan State University effective _____, 2016,
12 subject to the completion of an employment agreement. The board authorizes the chancellor, in
13 consultation with the chair of the board and chair of the Human Resources Committee, to
14 negotiate and execute an employment agreement in accordance with the terms and conditions of
15 the MnSCU Personnel Plan for Administrators.

16
17 *Date of Adoption:* *April 20, 2016*

18 *Date of Implementation:*

19



**Board of Trustees Agenda
April 20, 2016
Minnesota State Colleges and Universities
30 7th Street East
St. Paul, Minnesota**

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.

Tuesday, April 19, 2016

1:15 PM – 2:00 PM

Board of Trustees, Michael Vekich, Chair

- Branding Initiative Update,
Noelle Hawton, Chief Marketing and Communications Officer

Note: Board meeting will recess until 10:00 AM on April 20, 2016.

Wednesday, April 20, 2016

10:00 AM – 11:00 AM

1. Call to Order, Michael Vekich, Chair
2. **Consent Agenda**
 - a. **Minutes of the Board of Trustees Meeting on March 16, 2016**
(pp. 1-5)
 - b. **Approval of Contracts Exceeding \$1M for:**
(pp. 1-5 of the Finance and Facilities Committee)
 1. **Metropolitan State University Health Services Vendor**
 2. **St. Cloud State University Twin Cities Center**
 3. **Winona State University Lease Approval – Rochester Location**
 - c. **Minnesota State University Moorhead Gift of Real Property**
(pp. 6-8 of the Finance and Facilities Committee)
3. Chair's Report, Michael Vekich
4. Chancellor's Report, Steven Rosenstone
5. Joint Council of Student Associations
 - a. Minnesota State College Student Association
 - b. Minnesota State University Student Association

6. Minnesota State Colleges and Universities' Bargaining Units
 - a. American Federation of State, County, and Municipal Employees
 - b. Inter Faculty Organization
 - c. Middle Management Association
 - d. Minnesota Association of Professional Employees
 - e. Minnesota State College Faculty
 - f. Minnesota State University Association of Administrative and Service Faculty

7. Board Standing Committee Reports
 - a. Human Resources Committee, Dawn Erlandson, Chair
 1. Succession Planning
 2. **Appointment of President of Bemidji State University / Northwest Technical College (pp. 10-11)**
 3. **Appointment of President of Metropolitan State University (pp. 12-13)**
 - b. Audit Committee, Robert Hoffman, Chair
 - Federal Single Audit (pp. 4-9)
 - c. Finance and Facilities Committee, Jay Cowles, Chair
 - Update on the Work of the Long-Term Financial Sustainability Workgroup (pp. 9-28)
 - d. Joint Meeting: Academic and Student Affairs and Finance and Facilities Committees, Alex Cirillo and Jay Cowles, Co-Chairs
 - Protecting Affordability of our Students 1-31)

8. Trustee Reports
9. Other Business
10. Adjournment

Bold Denotes Action Item



**Board of Trustees Agenda
April 20, 2016
Minnesota State Colleges and Universities
30 7th Street East
St. Paul, Minnesota**

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.

Consent Agenda

- a. Minutes of the Board of Trustees Meeting on March 16, 2016 (pp. 1-5)**
- b. Approval of Contracts Exceeding \$1M for:
(pp. 1-5 of the Finance and Facilities Committee)**
 - 1. Metropolitan State University Health Services Vendor**
 - 2. St. Cloud State University Twin Cities Center**
 - 3. Winona State University Lease Approval – Rochester Location**
- c. Minnesota State University Moorhead Gift of Real Property
(pp. 6-8 of the Finance and Facilities Committee)**

**Minnesota State Colleges and Universities
Board of Trustees Meeting Minutes
March 16, 2016**

Present: Chair Michael Vekich, Trustees Ann Anaya, Margaret Anderson Kelliher, Duane Benson, Elise Bourdeau, Alex Cirillo, Jay Cowles, Dawn Erlandson, Robert Hoffman, Philip Krinkie, Maleah Otterson, Louise Sundin and Chancellor Steven Rosenstone

Absent: Kelly Charpentier-Berg, Thomas Renier and Erma Vizenor

1. Call to Order

Chair Vekich called the meeting to order at 11:22 AM and announced that a quorum was present. Trustee Cirillo participated by phone.

2. Consent Agenda

a. Meeting Minutes:

- **Joint Board of Trustees and Leadership Council Study Session, Strategies for Addressing the Impact of Poverty on Students, January 26, 2016**
- **Board of Trustees Study Session, Strategies for Managing Strategic Risks, January 26, 2016**
- **Board of Trustees Study Session, Charting the Future Update, January 27, 2016**
- **Board of Trustees, January 27, 2016**
- **Special Board of Trustees, February 16, 2016**

b. Revised FY2016 Board Operating Budget

c. Charters for the Academic and Student Affairs, Audit, Executive, Finance and Facilities, and Human Resources Committees

d. FY2018-2024 General Obligation Capital Budget Program Guidelines

e. Contract Exceeding \$1M for State Universities Food Service Vendors

Chair Vekich removed the Academic and Student Affairs Committee Charter from the Consent Agenda because the charter had been amended during the Academic and Student Affairs Committee meeting.

Trustee Anderson Kelliher moved approval of the remaining Consent Agenda items.

The motion was seconded and carried.

Chair Vekich called upon Academic and Student Affairs Committee Vice Chair Sundin for the amended committee charter. Committee Vice Chair Sundin reported that the committee approved amendments to item 4 in the committee charter.

Committee Vice Chair Sundin moved approval of the amended Academic and Student Affairs Committee Charter.

Chair Vekich called the question and the motion carried.

3. Chair's Report: *Michael Vekich*

Chair Vekich expressed his gratitude to Governor Dayton for recommending \$21 million in supplemental base support for our colleges and universities. He added that our colleges and universities are the most powerful, effective, and efficient way to address the biggest threats to the economic vitality of our state: Minnesota's racial and economic disparities and the pressing need for talent. This \$21 million in support is critical to avoiding cuts that would undermine our ability to turn out the talent Minnesota needs to reduce racial and economic disparities and ensure that communities across the state prosper.

Chair Vekich also thanked Governor Dayton for his support of the board's bonding request. The Governor's bill would provide \$154 million for college and university projects and Higher Education Asset Preservation and Renovation. These projects represent the highest priority needs on our campuses, as well as opportunities for students from all backgrounds to become the homegrown talent Minnesota needs.

Chair Vekich also expressed his gratitude to members of the legislature for their visits over the past year to so many of the campuses where they saw first-hand the work that is being done for students. Chair Vekich continued with his appreciation of the time devoted by his colleagues on the board as well as students, faculty, staff, and presidents in sharing with legislators the importance of this request to their communities, to Minnesota, and to the students we serve.

4. Chancellor's Report: *Steven Rosenstone*

Chancellor Rosenstone also expressed his gratitude to Governor Dayton for his support of our bonding and supplemental requests. Chancellor Rosenstone thanked everyone who has participated in the presidential searches. He anticipates bringing to the board for its consideration the appointment of a president for Metropolitan State University and a president for Bemidji State University and Northwest Technical College in April. Chancellor Rosenstone continued that his recommendations for presidents of Century College and Rochester Community and Technical College will be in the next several weeks, with recommendations coming to the board in May or June.

Chancellor Rosenstone reported that Associate Vice Chancellor and Interim Chief Diversity Officer Younger, Vice Chancellor Carlson, Chief of Staff Joyer, and he met with Trustee Benson to seek his counsel on the consultation process regarding the position of Chief Diversity Officer. Through the coming months they will meet with the campus chief diversity officers; chief human resources officers; affirmative action officers; presidents; each bargaining unit at regularly scheduled meet and confers, and the leaders of the student associations. They also will meet with each member of the board's Diversity, Equity, and Inclusion Committee and would welcome the opportunity to meet with any other board member. At Trustee Benson's suggestion, they will also reach out to a number of organizations outside of higher education to examine how they have configured these types of positions and the qualities they have sought to ensure effective leadership. In May, the Diversity, Equity, and Inclusion Committee will present the results of the consultation and the path to fill the chief diversity officer position. Chancellor Rosenstone commented that the chief diversity officer position will be filled. This period of consultation is designed to ensure that we configure the position and search in a way that will help drive better outcomes for students, faculty, and staff, as well as for the communities we serve.

Chancellor Rosenstone reported that he visited Metropolitan State University to tour its new facilities. The new Student Center provides technology rich study and meeting space, offices for student associations, and venues for student events. With an entrance on 7th Street, the center's bright, open floor plan has provided the community a welcoming front door to the university. The new Science Education Center is a state-of-the-art facility designed to facilitate the hands-on teaching of science located in labs adjacent to classrooms and faculty offices. The new labs will provide research opportunities for students in STEM fields, positioning them for graduate school and careers in science.

5. Student Associations

- a. Minnesota State College Student Association
Kevin Parker, president, provided written comments to the board.
- b. Minnesota State University Student Association
Cara Luebke, state chair, addressed the board.

6. Minnesota State Colleges and Universities Bargaining Units

- a. American Federation of State, County, and Municipal Employees
June Clark, president, policy committee, addressed the board.
- b. Inter Faculty Organization
Jim Grabowska, president, addressed the board.
- c. Minnesota State College Faculty
Kevin Lindstrom, president, addressed the board.

7. Board Policy Decisions

• Proposed Amendment to Board Policies (second readings):

- a. **1A.2 Board of Trustees, Part. 5. Standing Committees, Committees, and Working Groups of the Board**
- b. **1C.1 Board of Trustees Code of Conduct**
- c. **2.1 Campus Student Associations**
- d. **3.7 Statewide Student Association**
- e. **3.29 College and University Transcripts**
- f. **5.9 Biennial Budget Planning**

Chair Vekich moved approval of the proposed amendments to the above-referenced Board Policies. .

Trustee Anaya proposed a friendly amendment to 1C.1 Board of Trustees Code of Conduct, Part 3, Subpart A. The friendly amendment was to add the word “substantial” to the following sentence: *This conflict may arise from the personal, professional or substantial economic interest of themselves, members of their immediate families or others with whom they have a personal or professional relationship, including outside organizations.*

The friendly amendment and motion were seconded and carried.

8. Board Standing Committee Reports

a. Human Resources Committee, Dawn Erlandson, Chair

1. Appointment of President of Central Lakes College

Committee Chair Erlandson moved that the Board of Trustees, upon the recommendation of Chancellor Rosenstone, appoint Dr. Hara Charlier as president of Central Lakes College effective July 1, 2016, subject to the completion of an employment agreement. The board authorized the chancellor, in consultation with the chair of the board and chair of the Human Resources Committee, to negotiate and execute an employment agreement in accordance with the terms and conditions of the MnSCU Personnel Plan for Administrators.

The motion was seconded and carried unanimously.

2. Appointment of President of Minneapolis Community and Technical College

Committee Chair Erlandson moved that the Board of Trustees, upon the recommendation of Chancellor Rosenstone, appoint Dr. Sharon Pierce as president of Minneapolis Community and Technical College effective July 1, 2016, subject to the completion of an employment agreement. The board authorized the chancellor, in consultation with the chair of the board and chair of the Human Resources Committee, to negotiate and execute an employment agreement in accordance with the terms and conditions of the MnSCU Personnel Plan for Administrators.

The motion was seconded and carried unanimously.

3. Human Resources Transactional Service Model Update

Committee Chair Erlandson reported that committee heard an update on the Human Resources Transactional Service Model.

b. Audit Committee, Robert Hoffman, Chair

• Study Abroad Programs Internal Control and Compliance Audit

Committee Chair Hoffman reported that the committee heard the results on the Study Abroad Programs Internal Control and Compliance Audit.

c. Finance and Facilities Committee, Jay Cowles, Chair

1. System Financial Health Update, Including Update on Financial Recovery Plans and Monitoring Metrics

Committee Chair Cowles reported that the committee heard a presentation on the System Financial Health Update, Including the Financial Recover Plans and Monitoring Metrics.

2. Integrated Statewide Records System (ISRS) NextGen Business Case Report

Committee Chair Cowles reported that the committee heard a presentation on the Integrated Statewide Records System NextGen Business Case Report.

3. FY2018-2019 Legislative Operating Budget Request Planning

Committee Chair Cowles reported that the committee heard a presentation on the FY2018-2019 Legislative Operating Budget Request Planning.

4. Campus Service Cooperative Update
Committee Chair Cowles reported that the committee heard a report on the Campus Service Cooperative.

d. Academic and Student Affairs Committee, Louise Sundin, Vice Chair

1. Report of the Vice Chancellor on the Work of Academic and Student Affairs
Committee Vice Chair Sundin reported that Vice Chancellor Anderson gave the committee an update on the work of Academic and Student Affairs.
2. Discussion of Open Educational Resources
Committee Vice Chair Sundin reported that the committee heard a presentation on Open Educational Resources.
3. Proposed Amendments to Policies (First Readings)
 - a. 2.9 Academic Standing and Financial Aid Satisfactory Academic Progress
 - b. 3.1 Student Rights and Responsibilities
 - c. 3.6 Student Conduct
 - d. 3.30 College Program Advisory Committees
 - e. 3.38 Career Information
 - f. 3.39 Transfer Rights and ResponsibilitiesCommittee Vice Chair Sundin reported that the committee heard a first reading of the proposed amendments to the policies.

9. Trustee Reports

Trustee Erlandson reported that she, along with Chair Vekich and Trustee Krinkie, attended the Association of Community College Trustees (ACCT) meetings in Washington, D.C. Trustee Erlandson also discussed ACCT faculty awards. Trustee Cowles reported that he visited Century College's Fabrication Lab. Trustee Sundin reminded the trustees of the upcoming Nellie Stone Johnson Scholarship Program Annual Dinner on March 31.

10. Other Business

There was no other business.

11. Adjournment

Chair Vekich announced that the Executive Committee will meet on April 7. The next Board of Trustees meetings are on April 19-20, 2016. The meeting adjourned at 12:45 PM.

Ingeborg K. Chapin, Secretary to the Board

Acronyms

AACC	American Association of Community Colleges
AASCU	American Association of State Colleges and Universities
ACCT	Association of Community College Trustees
AFSCME	American Federation of State/County/Municipal Employees
AGB	Association of Governing Boards of Universities and Colleges
AQIP	Academic Quality Improvement Program
ASA	Academic and Student Affairs
CAS	Course Applicability System
CASE	Council for the Advancement and Support of Education
CCSSE	Community College Survey of Student Engagement
CFI	Composite Financial Index
CIP	Classification of Instructional Programs – or - Capital Improvement Program
COE	Centers of Excellence <ul style="list-style-type: none">• 360° Manufacturing and Applied Engineering Center of Excellence• Center for Strategic Information Technology and Security• Health Force Minnesota• Minnesota Center for Engineering and Manufacturing Excellence
CSC	Campus Service Cooperative
CTF	“Charting the Future” strategic planning document,workgroups
CTL	Center for Teaching and Learning
CUPA	College and University Personnel Association
D2L	Desire2Learn
DARS	Degree Audit Reporting System
DEED	Department of Employment and Economic Development
DOA	Department of Administration

EEOC	Equal Employment Opportunity Commission
FCI	Facilities Condition Index
FERPA	Family and Educational Rights and Privacy Act
FIN	Finance
FTE	Full Time Equivalent
FY	Fiscal Year (July 1 – June 30)
FYE	Full Year Equivalent
HEAC	Higher Education Advisory Council
HEAPR	Higher Education Asset Preservation
HLC	Higher Learning Commission
HR	Human Resources
IAM	Identity and Access Management
IDM	Identity Management (Old term)
IFO	Inter Faculty Organization
IPEDS	Integrated Postsecondary Education Data System
ISEEK	Minnesota’s Career, Education and Job Resource
ISRS	Integrated Statewide Records System
IT	Information Technology
ITS	Information Technology Services
LSER	Legislative Subcommittee on Employee Relations
MAPE	Minnesota Association of Professional Employees
MDOE	Minnesota Department of Education
MHEC	Midwestern Higher Education Compact
MMA	Middle Management Association
MMB	Minnesota Management and Budget
MnCCECT	Minnesota Council for Continuing Education and Customized Training
MMEP	Minnesota Minority Education Partnership

MNA	Minnesota Nurses Association
MOU	Memorandum of Understanding
MSCF	Minnesota State College Faculty
MSCSA	Minnesota State College Student Association
MSUAASF	Minnesota State University Association of Administrative and Service Faculty
MSUSA	Minnesota State University Student Association
NASH	National Association of System Heads
NCAA	National Collegiate Athletic Association
NCHEMS	National Center for Higher Education Management Systems
NSSE	National Survey of Student Engagement
OCR	Office for Civil Rights
OET	Office of Enterprise Technology
OHE	Minnesota Office of Higher Education
OLA	Office of the Legislative Auditor
PEAQ	Program to Evaluate and Advance Quality
PM	Project Manager
PSEO	Post-Secondary Enrollment Options
RFP	Request for Proposal
SARA	State Authorization Reciprocity Agreement
SEMA4	Statewide Employee Management System
SHEEO	State Higher Education Executive Officers
SWIFT	State accounting and payroll information system
USDOE	United States Department of Education