



**Board of Trustees Meeting Schedule
Tuesday and Wednesday, March 15 - 16, 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.

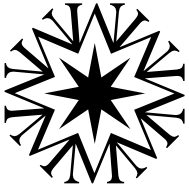
TUESDAY, MARCH 15, 2016

- 1:00 PM Audit Committee, Robert Hoffman, Chair
1. **Minutes of January 27, 2016 (pp. 1-5)**
 2. **Approval of Audit Committee Charter (pp. 6-9)**
 3. Study Abroad Programs Internal Control and Compliance Audit (pp. 10-29)
- 1:30 PM Finance and Facilities Committee, Jay Cowles, Chair
1. **Minutes of January 27, 2016 (pp. 1-13)**
 2. **Approval of Finance and Facilities Committee Charter (pp. 14-17)**
 3. **Proposed Amendments to Board Policy 5.9 Biennial Budget Planning (Second Reading) (pp. 18-23)**
 4. **FY2018-2024 General Obligation Capital Budget Program Guidelines (Second Reading) (pp. 24-41)**
 5. **Approval of Contract Exceeding \$1M for State Universities Food Service Vendors (pp. 42-62)**
 6. System Financial Health Update, Including Update on Financial Recovery Plans and Monitoring Metrics (pp. 63-91)
 7. Integrated Statewide Records System (ISRS) NextGen Business Case Report (pp. 92-110)
 8. FY2018-2019 Legislative Operating Budget Request Planning (pp. 111-125)
 9. Campus Service Cooperative Update (pp. 126-131)
- 4:30 PM Meeting Ends
- 5:00 PM Dinner (social event, not a meeting)

WEDNESDAY, MARCH 16, 2016

- 8:00 AM Academic and Student Affairs Committee, Louise Sundin, Vice Chair
- 1. Minutes of January 26, 2016 (pp. 1-6)**
 - 2. Approval of Academic and Student Affairs Committee Charter (pp. 7-9)**
 3. Report of the Vice Chancellor on the Work of Academic and Student Affairs (pp. 10-11)
 4. Discussion of Open Educational Resources (pp. 12-33)
 - 5. Proposed Amendment to Policies (Second Readings) (pp. 34-44)**
 - a. 2.1 Campus Student Associations**
 - b. 3.7 Statewide Student Association**
 - c. 3.29 College and University Transcripts**
 6. Proposed Amendments to Policies (First Readings): (pp. 45-65)
 - 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 Responsibilities
- 9:30 AM Human Resources Committee, Dawn Erlandson, Chair
- 1. Minutes of January 27, 2016 (pp. 1-2)**
 - 2. Approval of Human Resources Committee Charter (pp. 3-5)**
 3. Human Resources Transactional Service Model Update (pp. 6-8)
 - 4. Appointment of President of Central Lakes College (pp. 9-10)**
 - 5. Appointment of President of Minneapolis Community and Technical College (pp. 11-12)**
- 10:30 AM Board of Trustees Meeting, Michael Vekich, Chair
- 12:30 PM Meeting Ends

Bold Denotes Action Item

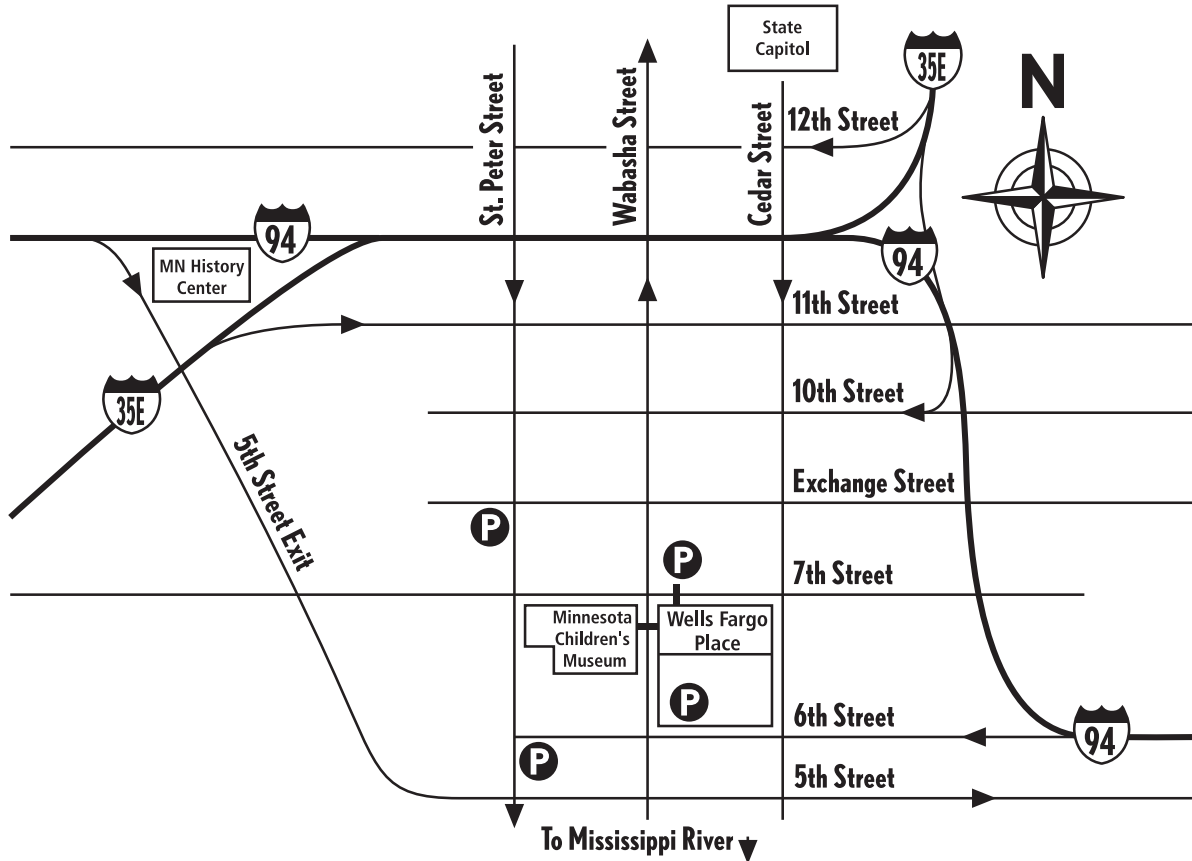


Minnesota
STATE COLLEGES
& UNIVERSITIES

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
July 23, 2015

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 and Equity 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
Dawn Erlandson
Maleah Otterson
Thomas Renier
Elise Ristau

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
Alexander Cirillo
Robert Hoffman
Elise Ristau



**AUDIT COMMITTEE
MARCH 15, 2016
1:00 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 January 27, 2016 (pages 1-5)**
- (2) Approval of Audit Committee Charter (pages 6-9)**
- (3) Study Abroad Program Internal Control and Compliance Audit (pages 10-29)

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
January 27, 2016**

Audit Committee Members Present: Trustees Robert Hoffman, Kelly Charpentier-Berg, John Cowles, and Philip Krinkie.

Audit Committee Members Absent: Trustee Erma Vizenor

Others Present: Trustees Duane Benson, Alexander Cirillo, Maleah Otterson, and Michael Vekich.

The Minnesota State Colleges and Universities Audit Committee held its meeting on January 27, 2016, at the Minneapolis Community and Technical College, Room 3000, 1501 Hennepin Avenue in Minneapolis, Minnesota. Chair Hoffman called the meeting to order at 8:06 a.m.

1. Minutes of November 17, 2015

The minutes of the November 17, 2015 audit committee were approved as published.

2. NCAA Agreed Upon Procedures External Audit

Mr. Eric Wion, Interim Executive Director of the Office of Internal Auditing, began by explaining that the six state universities with intercollegiate athletic programs were required to have a financial agreed upon procedures review once every three years. That work was included as part of the contract for external audit services when we hired CliftonLarsonAllen.

He introduced Mr. Don Loberg, Partner with CliftonLarsonAllen and Ms. Brenda Scherer, Audit Manager with CliftonLarsonAllen. Ms. Scherer explained that the services were not audits of the intercollegiate athletic programs. The NCAA spells out the procedures auditors are required to perform each year. Mr. Loberg highlighted the fact that they did not test the completeness of the information that was provided to them by the universities.

Ms. Scherer explained the changes in new procedures that were released for 2015. She talked though the common themes that were noted. There were no significant issues to note.

Trustee Krinkie asked if the results of the review were reported to NCAA. Ms. Scherer explained that the results of the review were given to the university presidents who were required to keep them on file. The results were not given to the NCAA.

Trustee Cowles asked if the scope of the audits would extend into the athletic departments to the extent that they could comment on the controls. Mr. Loberg explained that the financial statement audits consider the controls in terms of materiality, but they do not do internal control and compliance testing at the athletic department level. He stated, however, that he

did feel confident that the controls at MnSCU were strong, but he added that this particular review was not designed to catch those issues.

Trustee Krinkie asked if there was an explanation for why the athletic department at Southwest Minnesota State University had expenses that were so much higher than revenues. Vice Chancellor Laura King, chief financial officer, stated that she had an idea but she would confirm the situation and get back to trustees with that answer.

Trustee Hoffman asked if CliftonLarsonAllen had any recommendations. Mr. Loberg said that decisions would need to be made at each university to decide what was best for that university and MnSCU as a whole. He added that some infractions may not even be cost efficient to correct.

3. Progress on Recommendations from January 2015 Special Review

Mr. Wion began by providing a brief background about the special payroll review that was done at Metropolitan State University. In January 2015, when the report was presented to the board, there was interest by the audit committee to have a future update on the progress made on the recommendations.

Mr. Wion introduced Vice Chancellor Carlson, Human Resources, and Interim President Malhotra, Metropolitan State University.

Vice Chancellor Carlson talked briefly about the lessons learned as a Human Resources community from the issues at Metropolitan State University. He discussed the plan that was developed to address the issues throughout the system. Then he highlighted several elements of the plan that he hoped would mitigate many of the pay/human resources risks. He explained that the Faculty Assignment Management Automation project (FAMA) is a technology project that will integrate and automate the process of transmitting faculty assignment data from the academic side of the house to human resources. He talked about the Human Resources Transactional Service Model (HRTSM) which is a regional model and will make transactional work consistent and more efficient, which will allow campus human resources professionals time to focus on transformational and strategic needs of their institution. Finally he talked about the MnSCU Human Resources Academy that will help to develop human resources capacity and deliver effective sustainable training to the entire human resources community of professionals.

Vice Chancellor Carlson stated that they had spent the time to learn from these missteps and as a result, to grow as professional community. He stated that while there may always be some human errors, leveraging technology, redesigning work processes and developing comprehensive training modules for all levels of the team, was moving the human resources community toward a more efficient, productive, and satisfying work environment.

Vice Chancellor Carlson finished by stating that they believed the Metropolitan State University human resources payroll issues had been resolved. He added that President Malhotra had put together a great team at the university that was stable and doing incredible work.

Trustee Krinkie noted a finding at Minnesota State University, Mankato where some faculty had been paid late. He asked if the changes that Vice Chancellor Carlson had outlined would address the issues in Mankato as well as at other institutions. Vice Chancellor Carlson stated that although the finding was new and he hadn't had time to look at it in detail, he believed that the work that was being done in the human resources community would mitigate those types of errors throughout the system. He stated that because of the complexities involved there may always be the odd error, but they will be vastly reduced and much more easily resolved because of the work that was being done.

Trustee Krinkie asked if labor relation negotiations could help simplify faculty pay issues. Vice Chancellor Carlson stated that they were looking for ways to ensure that each faculty transaction is clearly understood, through technology, through training, and through transparency. He explained that faculty were paid on a credit basis, and he further explained some of the complicated teaching assignments. Vice Chancellor Carlson stated that he did not believe that the mechanism for how faculty was paid could be changed through negotiations. However, he stated that the process was now much safer in terms of ensuring that people understand how they were being paid and that they would be paid in a timely manner.

Trustee Hoffman asked if our current technology systems could accommodate the increased load that the new human resource process might place on them. Vice Chancellor Carlson assured the committee that the current system could absolutely handle the new processes. He thanked Vice Chancellor Padilla and his staff for their hard work. He stated that it took some time to figure out all the components of faculty pay because of the complexities, but once the new processes were in place they were fairly easy to integrate into the current systems.

Chancellor Rosenstone stated that this was a fundamental change in how human resources worked across the system. He stated that the transactional model and the technology would be the same across the entire state, and that would allow for transformational work to be done on the campuses. In addition, the results had been shared with faculty at statewide meet and confers so that they could see how they will be able to verify and know for the first time, the details behind the calculations of their pay. Trustee Hoffman agreed and said it was exciting to see. He praised the tremendous amount of work that had been done.

Interim President Devinder Malhotra discussed progress on addressing university-specific issues including resolving pay errors and implementing new processes to address the issues identified in the report. He said that at the university level they continue to be in constant conversation with the faculty, engaging them in ways to simplify the process even further. He added that with the help of technology, they were now making adjustments in real time. In addition they had checks and balances in place to minimize the likelihood of the same kinds of errors in the future. They have also conducted training with deans and department chairs.

Trustee Hoffman thanked President Malhotra and Vice Chancellor Carlson for their hard work.

4. MSU, Mankato Internal Control and Compliance Audit

Mr. Wion reminded the committee that the Minnesota State University, Mankato Internal Control and Compliance audit was approved by the audit committee as part of the Fiscal Year 2015 Internal Auditing Annual Audit Plan.

The results of the Minnesota State University, Mankato Internal Control and Compliance audit were released on January 7, 2016. Board members received a copy of the audit at that time. The report is available on the internal auditing website, but a copy was provided to the board members in their board materials.

Mr. Wion thanked President Davenport, Vice President Rick Straka, System Vice President Steve Smith and all their staff for being extremely helpful and very professional on the audit. He thanked the internal audit team who worked on the audit which was led by Mr. Craig Fautsch.

Mr. Wion walked through the executive summary and reviewed the scope and methodology. The overall conclusions were that the university generally had good internal controls and they generally complied with finance related matters and policies and procedures. Mr. Wion stated that the last internal control and compliance audit at Minnesota State University, Mankato was done in 1999 and was conducted by the Office of the Legislative Auditor. Knowing that had been so long since their last audit, he praised the university for the phenomenal results.

Mr. Wion highlighted three findings in the report because a couple of them were commonly seen in these types of audits and the final one had a recommendation to the system office and the board.

- a) Incompatible access into ISRS – employee access into the system that allows them to perform duties that are incompatible with one another. In instances where that is not possible, then the university should design mitigating control, such as reviewing an individual's transactions on a regular basis. Mr. Wion stated that often those mitigating controls may not be performed on a regular basis, in some cases the individuals who perform them do not fully understand the purpose or what to look for during the review. Mr. Wion stated that his team can offer assistance in the area of designing effective mitigating controls.
- b) Compliance with Policy 5.12, Tuition and Fee Due Dates, Refunds, Withdrawals, and Waivers – the policy allows colleges and universities to waive student tuition and certain fees, however, the policy states that the university cannot waive student association fees. In this case the university waived those fees, but then they paid them to the association. Mr. Wion stated that he had conversations with Vice Chancellor King and others, and found that this was not a unique practice. In some cases the student association fee can be really small and it would actually be more work to bill a student and to collect and process those fees. The recommendation is for the system office and the board to look at the policy and see if it needs to be amended to reflect actual practice.
- c) Equipment inventory. Information Technology is usually responsible for accounting for new computer equipment and disposal of old equipment. Often maintaining the

inventory and ensuring that ISRS properly records the inventory on hand is not done effectively. Information Technology at Minnesota State University, Mankato had not performed those periodical inventories and their process for disposing of computer equipment was not done in a manner that made it easy to see what pieces were actually disposed.

Trustee Hoffman complimented President Richard Davenport and Vice President Rick Straka for the very good report.

President Davenport stated the Vice President Straka and the staff had done a really good job. He stated that they have been working to improve the equipment inventory process, educating faculty and staff on the proper way to dispose of old equipment.

Vice President Straka thanked his staff for all their hard work. He stated that Assistant Vice President Steve Smith, Comptroller Debbie Sinning, and Student Financial Services Director Jan Marvel had done a fabulous job and take things seriously at the university. He stated the credit for the good report goes out to the faculty and staff at the university and how well they work at making sure that they comply with the internal controls.

Trustee Cowles congratulated the university on a very solid report after many years without an audit. He encouraged the university to take advantage of the relationship with the Office of Internal Auditing to continue to review mitigating controls on a routine basis. Vice President Straka agreed and stated that these reports were a great opportunity to see what they could do even better.

Chancellor Rosenstone suggested that if Policy 5.12 is at odds with the practice at the institutions, that they may want Vice Chancellor King to bring policy for review by the board in the near future. Trustee Cowles and Trustee Hoffman agreed. Vice Chancellor King agreed to review the policy and propose amendments to the board that would align with current practice.

Trustee Hoffman asked if there was an audit done when an institution transitioned to a new president. Mr. Wion stated that they do not do internal control and compliance audits at that time. Chancellor Rosenstone stated that the transition process for the last several years has been that an outgoing president files a transition report which is a systematic review of known risks, potential risks and challenges facing the new president. In addition, as part of orientation the incoming president meets with each member of the cabinet, including the director of internal audit, for a deep dive on any issues or concerns that cabinet members have about the college or university.

The meeting adjourned at 9:00 a.m.

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

Agenda Item Summary Sheet

Name: Audit Committee

Date: March 15, 2016

Title: Approval of Audit Committee Charter

Purpose (check one):

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

Brief Description:

The executive committee of the board has asked that each committee develop and approve a committee charter.

Scheduled Presenter(s):

Eric Wion, Interim Executive Director

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

ACTION ITEM
APPROVAL OF AUDIT COMMITTEE CHARTER

PURPOSE

Board governance best practices as offered by organizations including the Association of Governing Boards, encourages the development and adoption of committee charters to guide the work of board committees.

AGB observes that:

A college or university's bylaws often define the board's committee structure, with many institutions including committee charges and other committee details in bylaw clauses. However, mention in the bylaws does not formally establish a board committee; that is accomplished through a separate board-approved committee charter that outlines the committee's mission, composition, responsibilities, and procedures for conducting its business.

Last fall, the board chair asked each committee chair to work with the associated cabinet officer to research and draft a committee charter for consideration and adoption by the committee.

The draft audit committee charter has been reviewed by the Board Executive Committee. It relies upon the enabling language in Board Policy 1A.2 *Board of Trustees, Part 5 Standing Committees, Committees and Working Groups of the Board, subpart E: Audit Committee*. The board will be asked to approve amendments to Policy 1A.2 at its March meeting. Please refer to board meeting materials for additional information.

The charter is intended for the use of the committee and is subject to annual review.

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.

Date Presented to the Board of Trustees: March 15, 2016

Charter of the Board of Trustees

Audit Committee

Revised February 2016

Purpose:

The Audit Committee shall assist the board in fulfilling its oversight responsibility for MnSCU's system of internal control, the audit process, and compliance with legal and regulatory requirements. The committee provides ongoing oversight of internal and external audits of all system functions including individual campus audits.

Committee Structure:

The committee shall consist of no fewer than three and no more than seven members to be appointed by the chair of the board annually.

Authority:

The principle elements of the Charge of the Audit Committee shall be:

1. Internal Auditing

- Approve decisions regarding the appointment and removal of the executive director who shall report directly to the Audit Committee and board consistent with Board Policy 1A.4.
- Review, at least once per year, the performance of the executive director and concur with the annual compensation and any salary adjustment consistent with Board Policy 1A.4. The performance review process should include input from the chancellor and other key stakeholders.
- Provide input, review, and approve an annual audit plan that is based on a risk assessment(s). The plan shall include all internal auditing and external audit activities planned for the ensuing fiscal year.
- Review and evaluate the effectiveness of MnSCU's internal control system, including information technology security and control. Review and discuss the audit results and management's response to each internal audit report.
- Review with the executive director the internal audit budget, resource plan, activities, and organizational structure of the internal audit function.
- On a regular basis, the audit committee chair or vice chair should meet with the executive director to discuss any matters that they or the executive director believes should be discussed privately.

- The committee has authority to direct the Office of Internal Auditing to conduct any investigations, audits, or other assurance-related projects within its scope of responsibility. It may also direct the office to provide professional advice on any matters within its scope of responsibility.

2. Independent External Audits

The committee shall oversee the services of independent external auditors.

- Oversee the process for selecting and removing independent auditors. The committee shall select one or more independent auditors to audit system-level or institutional financial statements.
- Review any non-audit services proposed by independent external auditors under contract for audit services. The board must approve in advance any non-audit services to be provided by independent auditors under contract for audit services unless the scope of non-audit services is completely distinct from the scope of the audit engagement.
- The audit chair or vice chair should meet with the external auditors to discuss any matters that they or the external auditors believe should be discussed privately.
- Review and discuss the results of each audit engagement with the independent auditor and management prior to recommending that the board release the audited financial statements.

3. Other Responsibilities

The committee shall perform other duties, including:

- The committee has authority to conduct or authorize special audits and investigations into any matters within its scope of responsibility.
- Periodically review and assess the adequacy of the committee charter and request board approval for proposed changes.
- Committee members should obtain annual training on their roles and responsibilities.

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

Agenda Item Summary Sheet

Name: Audit Committee

Date: March 15, 2016

Title: Study Abroad Program Internal Control and Compliance 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:

As part of the Fiscal Year 2015 Internal Auditing Annual Audit Plan, the Office of Internal Auditing conducted an internal control and compliance audit of Study Abroad programs. The results of the audit will be presented and discussed.

Scheduled Presenter(s):

Eric Wion, Deputy Director, Office of Internal Auditing
Melissa Primus, Audit Program Manager

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

BOARD INFORMATION
STUDY ABROAD PROGRAM INTERNAL CONTROL AND COMPLIANCE AUDIT

- 1 The Study Abroad Program Internal Control and Compliance audit was approved by the audit
- 2 committee as part of the Fiscal Year 2015 Internal Auditing Annual Audit Plan, and was
- 3 completed in fiscal year 2016.
- 4
- 5 The results of the Study Abroad Program Internal Control and Compliance audit were released
- 6 on March 2, 2016. Board members received a copy of the audit at that time.
- 7
- 8 The Study Abroad Program Internal Control and Compliance audit report is also included in this
- 9 packet.
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- 35 *Date Presented to the Board of Trustees: March 15, 2016*

Study Abroad Programs:

Internal Control and Compliance Audit

Office of Internal Auditing

March 2, 2016



Minnesota
STATE COLLEGES
& UNIVERSITIES

Reference Number 2016-01

Report Classification: Public



Minnesota
STATE COLLEGES
& UNIVERSITIES

Study Abroad Programs Internal Control and Compliance Audit

Office of Internal Auditing
Reference Number 2016-01

Public Release Date – March 2, 2016

Members of the MnSCU Board of Trustees
Chancellor Steven J. Rosenstone
College and University Presidents

In June 2014, the Board approved the system audit of Study Abroad programs. This report presents the results of the audit. It contains six findings and one recommendation for long term consideration to assist colleges, universities, and the system office in improving processes, controls, and compliance.

We conducted this audit in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

The results of the audit were discussed with the system office and college and university staff for the eight institutions included in our review on February 23, 2016.

We appreciate the excellent cooperation and assistance that we received from employees at the colleges, universities, and system office.

Eric Wion, CPA, CIA, CISA, CISSP
Interim Executive Director

Executive Summary

Background

- Study abroad programs provide students tremendous learning opportunities; about half of MnSCU’s institutions offer them.
- Programs present health, safety, and other risks.
- Each institution is responsible for developing their own internal controls and risk mitigation strategies for study abroad programs.

Conclusion

There is little MnSCU system guidance related to study abroad programs. As a result, each institution must develop its own policies and procedures to manage risks associated with study abroad programs. However, we noted institutions lacked procedures for some key areas and did not always retain documentation to demonstrate they had properly followed policies and procedures. In addition, we found a few instances of non-compliance with MnSCU system procedures.

Findings

- There is limited system guidance related to study abroad programs. In addition, some institutions did not have their own documented policies or procedures and others did not retain documentation to demonstrate they followed them. (Finding 1)
- Compliance related findings:
 - Approval of student travel (finding 2)
 - Student orientation programs (finding 3)
 - Code of ethics (finding 4)
 - Contract requirements (finding 5)
 - New Minnesota law regarding reporting of study abroad programs (finding 6)

Long Term Consideration

System leaders should consider whether additional guidance is needed for selecting and promoting third party study abroad providers, including consortiums.

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*The audit was performed by Carolyn Gabel, Marita Hickman,
Kim McLaughlin, Indra Mohabir, and Melissa Primus*

Section I: Background

Background

Study abroad programs provide college and university students learning opportunities and a global perspective to their education. The Institute of International Education reported in its 2014 Open Doors report that during the 2012-13 academic year, a record high of approximately 290,000 students studied abroad, representing about 1.5% of all U.S. students enrolled at institutions in the United States. About 60% of the students participated in a short-term program and only 3% of students were abroad for an entire academic year. Minnesota had approximately 9,000 students that participated in study abroad programs, representing 2.0% of all students enrolled at public and private Minnesota institutions.

As noted in Table 1, study abroad programs can vary greatly. For example, an institution may have a partnership agreement with a foreign institution to exchange students or students may directly enroll at a foreign institution. Institutions may also have faculty lead a study abroad program or institutions may work with a third party to lead the study abroad program. Program duration can vary from an entire academic year, one semester, one week, or several weeks.

**Table 1
Terms Related to Study Abroad Programs**

Term	Definition
Direct Enrollment	Study at an overseas university without the assistance of an external office such as those of a program provider.
Faculty-led/directed Program	A study abroad program directed by a faculty member(s) from the home campus who accompanies students abroad. Usually, though not always, brief in duration.
Student Exchange	A reciprocal agreement of exchanging students between two institutions. May be student-per-student, or a specified number of incoming students may be accepted per outgoing student.
Travel Seminar / Study Travel Program	A program in which students travel to many different cities or countries and receive instruction in each location, often regarding a designated, unifying topic.
Third Party Provider	An institution or organization that offers study abroad program services to students. A program provider may be another college or university, a nonprofit organization, a for-profit business, or a consortium.
Group Travel Provider Model	This model utilizes a third party educational group travel provider who arranges an institution’s study travel program, including service projects. For example, an institution may have a faculty-led student group of 10 participants travel to London and the group may be mixed with other organizations or institutions for the trip.
Program Provider Model	This model uses a third party organization that specializes in placing students at foreign colleges or universities; the organization will provide travel arrangements, student orientation, student housing, excursions, and an onsite director. Institutions may provide a list of program providers for students to select a study abroad opportunity that fits their needs (location and duration). After acceptance to the program, students will participate in the program with students from other institutions.

Source: Auditor prepared from Forum of Education Abroad Education Abroad Glossary www.forumea.org

Study abroad programs are not without risks. Each institution must consider the risks when determining if they should hold a study abroad program and preparing faculty, staff, and students for the trip. Some of the risks include:

- Health risks including infectious diseases,
- Vehicular and other accidents,
- Violent crimes including terrorism and kidnappings,
- Health care systems and providers that differ from the U.S., and
- Foreign legal systems, which may have harsher penalties and fewer individual “rights,” if incidents occur.

Of course, some of the risk items listed above may also occur on local field trips or on campus. However, if an incident occurs during a study abroad trip, distance, foreign laws, language barriers, and other factors can be complicating factors when difficult situations occur.

Overview of MnSCU Study Abroad Programs

To determine the level of MnSCU institution participation in study abroad programs, we surveyed all 37 accredited institutions during the planning stage of the audit. Our survey results showed about half offered credit or noncredit programs for students to study abroad. Table 2 provides summary information about MnSCU institution participation.

**Table 2
MnSCU Institution Study Abroad Participation ⁽¹⁾**

Offered Study Abroad Programs	Did not Offer Study Abroad Programs
19 Institutions (including all 7 state universities)	18 Colleges
Number of Program Offerings per Year	
<ul style="list-style-type: none"> • 11 institutions offered 1-2 programs • 3 institutions offered more than 2 programs • 5 institutions offered more than 10 programs 	N/A
Estimated Number of Students Participating Each Year	
<ul style="list-style-type: none"> • 3 institutions had 5 or less students • 12 institutions had 7-75 students • 3 institutions had more than 300 students • 1 institution did not provide an estimate 	N/A
Student Participation in Programs at Other Institutions	
12 institutions had students that recently participated in another institution’s study abroad program	2 institutions had students that recently participated in another institution’s study abroad program
Faculty Teaching Outside the U.S.	
10 institutions had faculty that recently taught at an institution outside the U.S.	2 institutions had faculty that recently taught at an institution outside the U.S.

Offered Study Abroad Programs	Did not Offer Study Abroad Programs
Other Non-Student Arrangements	
10 institutions allowed community members (non-students) to participate in their programs	N/A

Source: Auditor prepared from survey of institutions

Note (1) - Table 2 reports information gathered from OIA survey of institutions requesting institutions to approximate programs offered during a typical academic year for credit or non-credit study abroad programs.

Each institution is responsible for developing their own internal controls and risk mitigation strategies for study abroad programs. The system office’s academic and student affairs division and general counsel does provide some guidance. The academic and student affairs division has one employee who spends approximately 10% of time on study abroad-related matters. General counsel has a website related to study abroad and has posted resources such as links to the Forum of Education Abroad Standards of Good Practice and information provided by the National Association of College and University Attorneys related to study abroad. The system office recently purchased a system membership with the Forum of Education Abroad providing access for all institutions to their tools and resources. General Counsel has also provided two international and study abroad webinars in February 2011 and 2015 to provide general guidance to institutions. The webinars included information on employee conflict of interest, contracts and agreements, student applications to programs, alcohol at institution sponsored events, and compliance with a new state law passed in 2014.

In May 2014, the Minnesota legislature enacted a new law requiring all Minnesota institutions to annually report to the Secretary of State certain health and safety information about their study abroad programs. Institutions were required to report its statistics by November 1, 2015 for the period August 1, 2014, through July 31, 2015. Institutions must report any deaths or hospitalizations that occur for its students while participating in study abroad programs, whether offered by the institution or another organization. Institutions must also report whether its study abroad programs comply with health and safety standard set by the Forum on Education Abroad or similar study abroad program standard setting agencies. The Forum on Education Abroad standard for health, safety, security, and risk management includes:

- Prioritize health and safety in program development, implementation, and management,
- Conduct appropriate risk assessments for its sites and activities,
- Maintain written emergency plans,
- Train staff to anticipate and respond responsibility to student health, safety, or security issues,
- Train students to responsibly manage their own health, safety, and security,
- Monitor health, safety, and security issues,
- Maintain appropriate kinds and levels of insurance, and
- Operate in compliance with local laws.

Table 3 provides information reported by institutions to the Minnesota Office of Higher Education on hospitalizations and deaths occurring for the first reporting period.

Table 3
Hospitalizations and Deaths Reported for MnSCU Institutions
August 1, 2014 – July 31, 2015⁽¹⁾

Institution	Participants	Hospitalizations	Deaths
Bemidji State University	36	<10	0
Central Lakes College (Brainerd)	23	0	0
Itasca Community College	14	0	0
Lake Superior College	24	0	0
Minnesota State Community and Technical College	13	0	0
Minnesota State University Moorhead	143	0	0
Minnesota State University, Mankato	312	<10	0
Normandale Community College	41	<10	0
North Hennepin Community College	<10	0	0
Northland Community and Technical College	<10	0	0
Ridgewater College	<10	0	0
Rochester Community and Technical College	*	*	*
St. Cloud State University	343	0	0
Southwest Minnesota State University	*	*	*
Winona State University	418	0	0

Source: Minnesota Office of Higher Education (February 2016) <http://www.ohe.state.mn.us/sPages/SAHS.cfm>

*Listed as “Failed to Report”

Note (1) - Table 3 shows data institutions reported to OHE related to study abroad programs offered or approved for credit during a specific academic year. Institutions not included above reported they did not offer credit based study abroad programs.

Section II: Audit Objectives, Scope, Methodology, and Conclusion

Objectives

Our overall audit objectives were to answer the following questions for the institutions selected to be reviewed:

- Were policies, processes, and practices in place to manage risks, including compliance risks, related to study abroad programs?
- Do opportunities exist for management to improve practices to make them more effective and efficient?

Scope and Methodology

We surveyed each MnSCU institution to gain a better understanding of their participation, if any, in study abroad programs. We selected eight institutions to review internal controls. Areas of focus included institution-specific policies and procedures including the assessment and approval of study abroad programs and steps taken to prepare faculty, staff, and students for their program travel.

We interviewed staff at the eight institutions to identify current internal controls. We reviewed relevant documentation including MnSCU system policies, procedures, and guidelines and any institution specific policies and procedures. In addition, we selected a sample of 14 study abroad programs and reviewed supporting documentation to test whether controls were effective and it complied with policies and procedures.

Our review did not include programs where international students attended MnSCU colleges or universities. We also did not assess the academic rigor or any financial aspects of study abroad programs.

Conclusions

There is little MnSCU system guidance related to study abroad programs. As a result, each institution must develop its own policies and procedures to manage risks associated with study abroad programs. However, we noted institutions lacked procedures for some key areas and did not always retain documentation to demonstrate they had properly followed procedures. In addition, we found a few instances of non-compliance with MnSCU system procedures.

Section III – Audit Findings and Recommendations

- 1. There is limited system guidance related to study abroad programs. In addition, some institutions did not have their own documented policies or procedures and others did not retain documentation to demonstrate they followed them.**

There are no system policies, procedures, or guidelines that specifically address study abroad programs and practices. There are other board policies and procedures that have 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. Findings 2, 4, and 5 discuss some examples of non-compliance with these system procedures. In addition, there are requirements or best practices that apply to study abroad programs but do not reside in system policy or procedure, including the following examples:

- **Student international accident and illness insurance:** During our planning meetings, we were told students are required to have international accident and illness insurance. Maintaining appropriate insurance coverages is a baseline best practice for the Forum of Education Abroad health and safety standard.
- **Post-secondary enrollment options (PSEO):** Students that participate in PSEO courses generally are not charged most tuition or fees. However, institutions can charge PSEO students for optional field trips and have latitude on deciding which courses are available to PSEO students. One institution thought it would be responsible to cover the entire expense for any PSEO students that participated in study abroad programs.
- **Student disability information:** A general counsel webinar provided guidance that institutions should not request disability information until students have been accepted to the study abroad program. Two institutions' practice was to request the information from students when they applied to the program.
- **Alcohol use:** While there is a system procedure related to alcohol use, 5.18.1 Alcohol Use and Controlled Substances on Campus, it does not clearly indicate it applies to study abroad programs. The procedure applies to any institution-sponsored event on or off campus. One institution required parents to sign a permission form indicating whether they did or did not give permission for their child under age 21 to drink an occasional wine or beer while under the supervision of group leaders during study abroad trips. This type of activity would be considered an institution sponsored event because it includes "supervision" by group leaders and all events that contain alcohol must be approved in advance by the president. Also, procedure 5.18.1 indicates that persons must be of legal age in order to be in possession of alcohol at an institution-sponsored event.

Study abroad requirements that apply to all MnSCU institutions should be in system policy or procedure. Also, a tool such as a checklist may be helpful to remind institutions of applicable procedures, requirements, or best practices.

Given limited system guidance, institutions must develop their own written study abroad-related policies and procedures. Some of the eight institutions reviewed lacked documented procedures and some did not retain documentation to demonstrate they followed their procedures:

- **Program approvals:** One institution did not have documented procedures related to program approvals. Three institutions did not maintain documentation to demonstrate the study abroad programs selected for review had been properly vetted and approved. Institutions should have clear documented procedures for vetting, approving, and documenting new and reoccurring study abroad programs.
- **Risk assessments:** Five institutions considered their program approval process to be their risk assessment. However, the approval processes lacked information and details that should be considered in a formal risk assessment. The approval processes did not identify specific risks associated with the study abroad location and activities, assess risk levels, or identify steps or actions to mitigate the risks.

Program risk assessments are important for institutions to thoroughly consider and assess the risks involved with a study abroad program and determine how those risks should be addressed and mitigated. A detailed risk assessment would include information such as local health issues, transportation, and crime. Institutions should conduct a thorough risk assessment to ensure it has done its due diligence to consider and address potential risks. Finally, Minnesota institutions are required to comply with the Forum of Education Abroad safety and health standard which includes conducting risk assessments as a baseline best practice in meeting the standard.

- **Monitoring for travel advisories:** Six institutions did not have documented procedures for performing and monitoring travel advisories including who should monitor them, the frequency of review, and any documentation requirements. Seven institutions did not have documentation to demonstrate they had performed the required reviews of the U.S. Department of State travel advisory information to determine if travel advisories existed.

MnSCU Procedure 5.19.3 Travel Management applies to all employee and student travel, including international travel. It requires a president or designee to approve student travel. In addition, it requires institutions to determine if a U.S. Department of State travel advisory exists for international destination countries. Institutions are also required to continually monitor for new or revised travel advisories up to the point of departure to determine if the trip should be cancelled or changed in any way. If a travel advisory exists, institutions must seek written approval from the Vice Chancellor – Chief Financial Officer. In addition to MnSCU procedure, the Forum on Education Abroad includes monitoring the U.S. Department of State’s travel advisories and other appropriate resources as a baseline best practice in meeting its health and safety standard.

- **Third party vendors:** As discussed more in the Long Term Consideration section of the report, institutions may utilize third party vendors for some of their study abroad programs. When third party vendors are used, students typically continue to stay

enrolled at their home institutions in order to receive financial aid and credits for terms while traveling abroad. We reviewed a third party arrangement for a student and the institution did not approve the program or student for travel nor did it monitor the country visited for travel advisories because the institution did not think procedure 5.19.3 applied. Procedure 5.19.3 does not indicate that enrolled students utilizing a third party program provider are exempt from the approval or monitoring requirements.

- **Written emergency plans:** Four institutions lacked written emergency plans and three were missing procedures to address missing students or emergency evacuations. Written emergency plans are important because they help institutions prepare for an emergency before it happens. The Forum on Education Abroad includes maintaining written emergency plans and protocols as a baseline best practice in meeting its health and safety standard.

Having written study abroad policies and procedures are important for institutions. They help clarify roles and responsibilities, ensure study abroad programs are properly vetted, address risks and mitigation strategies, and properly prepare faculty, students, and staff.

Recommendations

- *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. Areas for consideration should include:*
 - *Student international accident and illness insurance requirements,*
 - *Post-secondary enrollment options (PSEO),*
 - *Requirements for requesting student disability information,*
 - *Vetting and approving new and repeated study abroad programs,*
 - *Conducting and documenting risk assessments,*
 - *Developing written emergency plans and protocols related to crisis management, emergency evacuations, and missing students, and*
 - *Identifying related procedures or requirements that apply to study abroad programs such as 5.18.1 related to alcohol.*
- *The system office should clarify whether system procedure 5.18.1, Alcohol Use and Controlled Substances on Campus, applies to study abroad programs.*
- *The system office should clarify 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.*
- *Institutions should retain sufficient documentation to demonstrate it:*
 - *Thoroughly vetted and approved each study abroad program, including repeat programs, and*

- Continually reviewed the U.S. Department of State travel advisories up to the trip, whether advisories did or did not exist.
- Institutions should address any noted non-compliance and work with general counsel and academic and student affairs to ensure they:
 - Comply with procedure 5.18.1 Alcohol Use and Controlled Substance on Campus, which applies to both on-campus and off-campus, institution-sponsored activities,
 - Comply with Minnesota data practices laws related to requesting student disability information,
 - Charge the appropriate fees to PSEO students for study abroad courses, and
 - Prepare program risk assessments and written emergency plans.

2. Institutions had varying interpretations of how often or when they needed to provide advance approval for students travelling internationally. In addition, three of eight institutions did not have delegations of authority in place for employees that approved international student travel.

MnSCU Procedure 5.19.3 Travel Management requires that faculty and students receive prior written approval for travel outside the U.S. Institutions had procedures in place to obtain advance, individual approval for faculty or staff participating in study abroad programs. However, for students, institutions considered the “program approval” the advance approval rather than approving a specific roster of students for a specific trip.

MnSCU procedure does not clearly define how often or when the advance approval should be provided for students travelling internationally, so the practice of using the program approval may be allowable. However, we noted that program approval might be provided several months in advance of the trip. In addition, three institutions did not require that repeat programs be re-approved at least annually; therefore, approval for students to travel could have been provided years earlier. One institution had a very informal process for approving its programs and did not have documentation or other evidence students had been approved for international travel.

Finally, MnSCU procedure requires the president or designee approve international student travel. Three institutions had not formally delegated the authority to approve international student travel to the persons that were providing them.

Recommendations

- *The system office should clarify system procedure 5.19.3 Travel Management regarding how frequently or close to the dates of departure advance approvals for international student travel should be obtained.*
- *Institutions should ensure that employees that approve international student travel have been delegated the appropriate authority.*

3. Institutions did not always retain documentation to demonstrate faculty and students were properly prepared for study abroad trips. In addition, orientation programs at four institutions did not provide information to students to manage their own health, safety, and security while travelling abroad.

For the programs selected, we reviewed study abroad files to determine if employees and students received training and orientation. We also reviewed study abroad records to determine if students had submitted required program participation forms, permission forms if a student was a minor, written release if travel advisories existed, and students purchased required international accident and illness insurance.

- **Employee training:** Seven institutions were not able to demonstrate faculty and staff received appropriate training to anticipate and respond responsibly to student health, safety, or security issues.
- **Student orientation:** Seven institutions were not able to demonstrate that students had participated in pre-trip or on-site orientation. Pre-departure training and on-site orientation are important to help students achieve academic success and anticipate personal, health, or safety issues that might arise. Documenting the orientation occurs demonstrates institutions have done their due diligence to prepare students for their study abroad experience.
- **International accident and illness insurance:** Two institutions were not able to demonstrate that students had obtained the required international accident and illness insurance. International accident and illness insurance is important in case a student becomes ill, has an accident, or an emergency evacuation is necessary.

Faculty training and student orientation are important to prepare travelers for study abroad trips. Minnesota statute requires that MnSCU institutions comply with the health and safety standard set by the Forum of Education Abroad. The standard includes training employees and students to manage their own health, safety, and security while abroad as a baseline best practice. However, four institutions did not include this information in their orientation program.

Recommendation

- *Institutions should implement procedures to ensure they retain sufficient documentation to demonstrate:*
 - *Faculty participated in training for leading study abroad programs,*
 - *Students participated in pre-trip and on-site orientation, including providing information related to managing their own health, safety, and security, and*
 - *Students purchased required international accident and illness travel insurance.*

4. Two institutions did not have procedures in place to ensure employees leading trips did not receive a personal benefit in violation of the code of ethics.

MnSCU procedure 1C.0.1 Employee Code of Conduct, as well as the State of Minnesota requirements related to the Code of Ethics, require that employees do not receive a benefit not otherwise available to a non-employee. For example, if an employee's spouse or children participated in a study abroad trip and did not incur travel expenses, the employee may have received a benefit from their employment with the institution. During our audit, we discussed institution controls to ensure employees did not receive an unallowable benefit. We noted that one institution did not have procedures in place to ensure employees that participate in study abroad do not receive an unallowable benefit. The institution indicated it was not sure how it would identify that an employee received a benefit. At a second institution, we noted that the institution utilizes a travel company owned and operated by an employee of the institution that works with the study abroad programs.

One institution appeared to have a best practice related to conflict of interest policies. The institution provided information related to the code of ethics and conflict of interest in its Faculty Guide for study abroad programs. The guide provides examples of allowable and unallowable activities.

Recommendations

- *Institutions and the system office should consider whether additional guidance is needed in system policy or procedure to address conflicts of interest related to study abroad programs and participation.*
- *Institutions should develop procedures to identify and resolve potential conflicts of interest.*
- *The institution with a potential conflict of interest should work with general counsel to address it.*

5. Two institutions did not comply with contract requirements.

Institutions may enter into agreements with third party program providers to facilitate the study abroad program. Board Policy 5.14 Contracts and Procurements requires that contracts, including agreements, not prepared on MnSCU templates be reviewed and approved in advance by general counsel or the Attorney General's Office. Some institutions did not think that contract requirements applied to study abroad agreements. Two institutions did not have study abroad agreements reviewed when they were not prepared on MnSCU templates.

Recommendation

- *Institutions should ensure study abroad contracts or agreements with third parties, not prepared on MnSCU templates, are reviewed and approved in advance by general counsel or the Attorney General's Office.*

6. Two institutions did not report student study abroad information to the Minnesota Office of Higher Education¹ as required.

Minnesota Statute 5.41 Study Abroad Programs requires that by November 1 of each year, institutions must report to the Minnesota Office of Higher Education (OHE) data related to deaths and hospitalizations that occurred for the academic year. Institutions must report on incidents that occur for their students whether the student is attending a program they operate or a program operated by third party. Two of the eight institutions we reviewed did not properly report information to OHE. One institution did not report its information. The other institution reported it did not have students that studied abroad, however, this conflicted with information we reviewed during our audit.

Recommendation

- *Institutions should update their procedures to ensure they submit study abroad student data to OHE in a timely manner.*

¹ Minnesota Statute 5.41 requires data to be reported to the Minnesota Secretary of State. However, in January 2015, Minnesota Office of Higher Education issued a report that indicated it would work with the Secretary of State to publish the information.

Section IV – Long Term Consideration

Institutions may enter into agreements with third party providers to facilitate their study abroad programs. As discussed in Table 1, these arrangements can vary depending on the needs of the institution and can offer opportunities to students that are interested in studying in countries other than where they have developed study abroad programs. Third party vendors allow institutions to offer more choices to their students with less administrative and personnel requirements. While third party provider relationships may be valuable, it is not clear how some system procedures may apply to program providers. In addition, institutions may be assuming risk by utilizing or recommending third party providers.

Long Term Consideration: System leaders should consider whether additional guidance is needed for selecting and promoting third party study abroad providers, including consortiums.

There is no system guidance related to creating or providing third party provider lists for students to select their study abroad programs. Institutions indicated students are generally free to choose a provider that fits their needs. However, some institutions provide links to the provider study abroad programs on their websites.

Program providers may offer “benefits” to institutions for using their services. For example, one group travel provider offered one “free enrollment” for six enrolled students and cash stipends when enrollment exceeds six students. In addition, the provider indicates it will supply faculty with comprehensive lesson plans related to the groups travel destinations. A conflict of interest or benefit may exist if the “free enrollment” is not used to reduce the overall cost of the program for the students. Institutions need to ensure they do not utilize these benefits in a manner that would violate the code of ethics, such as utilizing the free enrollment to bring along a spouse or child.

One program provider offers program development funds to its member institutions such as \$2,000 annually for travel to develop a new study abroad course, up to \$1,000 annually for travel to its annual conference, and will pay travel expenses for one employee every three years for a site visit. Again, while these benefits may offer cost savings to institutions, institutions need to ensure any travel paid by a vendor does not violate the code of ethics.

While researching this topic we noted that the California State University system has, in addition to its regular purchasing and contract procedures, defined acceptable practices for approving agreements for study abroad program providers to avoid the appearance of conflicts of interest. For example, their practices included:

- Defining program provider selection criteria to consistently apply criteria for selection, including elements such as program offerings, risk management issues, student support services, and potential benefits to the students and institution,
- Maintaining a list of approved program providers that includes why provider was chosen according to criteria,
- Defining provisions for provider renewals, and

- Define unacceptable practices related to program providers.

System leaders should consider additional system guidance to institutions related to selecting study abroad program providers, including provider consortiums.

Finally, during audit meetings, one institution discussed they preferred using the program provider model because it shifted liability away from the institution. However, the institution also mentioned it helped students vet the list of providers. When institutions provide links to third party vendor sites or lists of third party vendors, parents and students may assume the vendors have been thoroughly vetted by the institution. Research indicated institutions might be assuming some risk when it provides program provider lists to students and assists students in vetting lists. Written guidance should be provided to institutions to discuss risks institutions may be assuming by providing third party lists to students.

Section V – Management’s Response

Management response follows:



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March 1, 2016

Board of Trustees
Chancellor Steven Rosenstone
Minnesota State Colleges and Universities

The Office of the Internal Auditing has completed an internal control and compliance audit of study abroad programs at the System's colleges and universities. We view the completed audit as helpful and informative in better understanding institutional policies and procedures currently in place to provide high quality study abroad programs and, most importantly, to ensure the safety of our students while they study abroad.

It is the auditor's opinion that "institutions had developed some policies and procedures to manage risks associated with study abroad programs; however...they lacked procedures for some key areas and did not always retain documentation to demonstrate they had properly followed policies and procedures." In the course of the audit some instances of non-compliance with MnSCU procedures were noted, as were areas that needed greater system guidance (page 6 of report).

Management of the system office and the colleges and universities will work together to address these findings, to develop collective expectations, and to ensure compliance with all system and institutional policies. In addition, system management will develop further clarity and guidance surrounding system and institutional policy, as well as the use of third party study abroad providers.

Our presidents and the chancellor take very seriously the responsibility for ensuring the safety of our students studying abroad and for having processes and documentation in place to support these programs. The auditor's findings and recommendations are a welcome platform for engaging our colleges and universities in continuous improvement of study abroad policies, procedures, and practices and for elevating the importance of study abroad experiences and the development of the global competencies of our students.

Best regards,

Ron Anderson
Vice Chancellor – Academic and Student Affairs

The Minnesota State Colleges and Universities system is an Equal Opportunity employer and educator.



**FINANCE AND FACILITIES COMMITTEE
MARCH 15, 2016
1:30 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 January 27, 2016 (pp. 1-13)**
 - 2. Approval of Finance and Facilities Committee Charter (pp. 14-17)**
 - 3. Proposed Amendments to Board Policy 5.9 Biennial Budget Planning (Second Reading) (pp.18-23)**
 - 4. FY2018-2024 General Obligation Capital Budget Program Guidelines (Second Reading) (pp.24-41)**
 - 5. Approval of Contracts Exceeding \$1M for State Universities Food Service Vendors (pp.42-62)**
 6. System Financial Health Update, Including Update on Financial Recovery Plans and Monitoring Metrics (63-91)
 7. Integrated Statewide Records System (ISRS) NextGen Business Case Report (pp.92-109)
 8. FY2018-2019 Legislative Operating Budget Request Planning (pp. 110-125)
 9. Campus Service Cooperative Update (pp.126-131)

Committee Members

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

MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD OF TRUSTEES

FINANCE AND FACILITIES COMMITTEE

MEETING MINUTES

January 27, 2016

Finance and Facilities Committee Members Present: Chair Jay Cowles, Tom Renier, Philip Krinkie, and Maleah Otterson

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

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

The Minnesota State Colleges and Universities Finance and Facilities Committee held its meeting on January 27, 2016 at Minneapolis Community and Technical College Room 3000, 1501 Hennepin Avenue, Minneapolis, MN. Chair Cowles called the meeting to order at 9:09 a.m.

Chair Cowles welcomed everyone. Absent a quorum, the committee would start with introductory remarks and would begin with some of the first readings rather than motions. (A quorum was present as the meeting proceeded.)

The agenda today includes a full review of 2015 Financial Statement results and an update on the fiscal year 2016 and 2017 Operating Budgets, discussion of fiscal year 2018 Capital Planning Guidelines, update on work of the Long Term Financial Sustainability Committee and discussion on the operating budget outlook for fiscal years 2018 and 2019. In March the committee will have a discussion on the financial resiliency testing designed to give a heads-up on the financial capacity of the colleges and universities to respond to financial stress. There will also be an extensive report concerning business case development work on Enterprise Resource Planning replacement efforts. In March, the committee will also be asked to approve the 2018 Capital Planning guidelines as a first step in the internal project development and review process for the next bonding bill cycle in 2018. Finally, the staff is working to prepare a joint presentation to the Finance and Academic and Student Affairs Committees in April concerning affordability and the changing profiles of students.

Chair Cowles asked Vice Chancellor King to make opening remarks. Vice Chancellor King mentioned the material to be inserted into the board packet; a letter from Associate Vice Chancellor Yolitz with summary of Governor Dayton's Capital Budget recommendation for 2016. The recommendation was very positive for MnSCU, the strongest ever. On asset preservation, repair and replacement funds campus leaders did an outstanding job as ambassadors for the board's Capital Budget proposal; hosting over 50 legislative and executive

tours during the summer and fall. Presidents and staff are working with local supporters to continue educating members on their capital investment and asset preservation needs. Although the governor's interest is in illustrating the statewide impact of the HEAPR funds, the staff will convey the board's position that the funds should be awarded as a block grant allowing it to be directed to the most critical repairs across the state.

Also in the material is a memo from Chair Cowles regarding 2016-2017 supplemental requests and the process review that was undertaken to provide background on how the recommendation was reached and to address the board's historical practice regarding off-cycle approaches to legislative requests.

Staff recently received a report from CliftonLarsonAllen on the NCAA audit work and the status of the federal financial aid single audit work. That work is expected to be submitted to the Audit Committee in April. This is part of the annual engagement work with CLA and is responsive to federal requirements as a recipient of federal funds. Once the single audit work is completed it is submitted to the State of Minnesota with the regular financial statements and incorporated into the state's submission to the federal government. No areas of concern have emerged through this work.

The fiscal year 2017 college and university operating budget planning work is underway. Initial guidelines were discussed at the Chief Financial Officer conference in December. Per legislation from the 2015 session, fiscal year 2017 tuition will be frozen at the universities and will be reduced 1% at the colleges. If the \$21 million supplemental budget request is not successful, state appropriation will be flat moving from fiscal year 2016 to fiscal year 2017. The financial recovery plan outreach continues. There are 6 universities and 13 colleges that triggered financial recovery plans under current board procedures and each has been asked to submit a plan which will be reviewed by system office finance staff next month. There will be an in-depth conversation at the March committee meeting.

In a continuing relationship with the MnOSHA, fiscal year 2015 saw a total of 22 OSHA consultation visits at nineteen of the campuses. These visits provide an opportunity to review academic and administrative practices through the eyes of OSHA experts. Feedback on potential shortfalls in programs and practices were identified and explained to campus staff without fear of fines or assessments. Potential fines were avoided which ranged from under \$1 million to over \$3 million; depending on how the findings could be interpreted. Corrective action plans have been put in place to remedy issues and the partnership will continue.

Construction notes: substantial completion at Bemidji State University memorial hall, Metropolitan State University science building, student center, and parking ramp is in service, Central Lakes College completed a right-sizing renovation.

The Finance division hosted the all CFO conference in December. There was strong campus participation and engagement. Outstanding service awards were presented to leading campus CFOs and their teams. There was an opportunity to hear some of the outstanding work going on at the campuses. Trustees received a letter with the announcements of the service recipients and an attachment is included for the board packet.

Chair Cowles thanked Vice Chancellor King and asked if there were any questions. Trustee Krinkie asked if the obstacle in the Metropolitan State construction plan is about to be demolished. Vice Chancellor King referenced the project as the remaining residential property that's on the construction site and reported that demolition is scheduled within the month.

- 1. Minutes of November 17, 2015; Joint Meeting with Diversity and Finance and Facilities Committees**
- 2. Minutes of November 18, 2015**

Chair Cowles entertained a motion to accept the minutes from November 17 and November 18, 2015 as written. Trustee Reiner moved to accept the motion; it was seconded by Trustee Krinkie and approved.

- 3. Approval of Contracts Exceeding \$1M for:**
 - Retirement Program Recordkeeping**
 - E-Procurement Vendor**
 - Oracle Service Agreement**
 - Microsoft Office 365 License**
 - Student Housing Module Vendor**
 - Grant Award to Minnesota West Community and Technical College**
 - MSU, Mankato Bookstore Vendor**
 - MSU Moorhead Renovation of South Snarr**
 - Bemidji State University Phone Service Vendor**

Vice Chancellor King presented nine contracts before the committee for approval in accordance with board policy. The first six contracts are concerning systemwide ventures and the final three concerning campus specific transactions. There is a committee motion and a motion to the full board. Members were referred to the board packet for full details. Vice Chancellor King welcomed questions. Trustee Sundin asked if the item concerning the Retirement Program Recordkeeping is a new RFP, and who has been doing it up until now. Vice Chancellor King responded that this was a nationwide RFP process with three vendor replies. The prevailing decision is to execute a contract with the current vendor TIAA-CREF. This is for record keeping only and not investment services.

Chair Cowles moved for a motion to approve the contracts as recommended on pages 16 and 17 of the board packet. Trustee Renier made the motion, Trustee Otterson seconded. The motion was adopted.

- 4. Proposed Amendments to Board Policy 5.9 Biennial Budget Planning (First Reading)**

Vice Chancellor King explained that amendments to Policy 5.9 which involves biennial budget planning and approval, are before the board as part of the system's periodic board policy review. The changes are technical style guide changes. Gary Hunter provided an extended conversation of the style guide at the January 26, 2016 meeting; specifically the use of "shall" and "must." There were no questions or comments.

5. FY2015 Financial Statement Review and FY2016-FY2017 Operating Budget Update

Vice Chancellor King gave remarks on the fiscal year 2015 Financial Statement Review and fiscal year 2016 and fiscal year FY2017 Operating Budget Update. The fiscal year 2015 results were introduced at the Audit Committee in November and included the financial statements for the system as a whole, the four stand alone universities (Bemidji, St. Cloud, Winona and Metro) that received audits, and the revenue fund audit. There were unqualified opinions issued at all levels of the audit work. There were no matters of note called forth by the auditors.

The result for fiscal year 2015 finds a couple of indicators that illustrate the pressure that the colleges and universities are facing. Enrollment has continued to decline in fiscal year 2015. The financial results showed positive financial revenues, a modest change in net position and overall growth in net position compared to fiscal year 2014. The results are presented without the impact of the pension adjustment in order to show real performance over the years. At the reserve level, colleges and universities maintain reserves unchanged from fiscal year 2014 to fiscal year 2015 and all are within board policy guidelines. The composite financial index illustrates the overall financial condition of the colleges and universities. The presentation shows the institutions' results without the GASB adjustment. Of the colleges and universities that were triggered in the financial recovery program, 19 were triggered based on fiscal year 2015 results, 18 reported negative accrual operating losses and 19 reported negative operating results and low CFI or low primary reserve. There are some dimensions being worked and a full report will be given in March. The board procedure concerning financial health indicators needs to be revised due to the GASB result and the procedure is not giving indications fast enough. Staff is moving towards more cash measures as earlier alerts. This is in draft circulation with the CFOs. Once that process is done it will go to the whole community.

Trustee Cirillo asked for examples of leading indicators. Vice Chancellor King responded that two measures not now in procedure are the rate and slope of enrollment change for year-to-year and longer term, and absolute fund balance position.

Concerning fiscal year 2016, Vice Chancellor King reported that colleges and universities are working aggressively to manage the revenue and expense outlook. The fiscal year 2016 enrollment outlook suggests focused targeting enrollment growth strategies and expanding retention and student success efforts. There are thin but stable reserves across the system which is important to protect enterprise risks. Mid-year financial reviews and financial plan efforts have been started with the colleges and universities. Overall the fiscal year 2016 adjusted budget is based on new enrollment and stabilizing outlook around compensation estimates. Concerning fiscal year 2017, there has been communication with colleges and universities for fiscal year 2017 budget planning. College tuition will be reduced by 1 percent, and university tuitions will be frozen at the fiscal year 2016 rates. Tuition increases may not be offset by

mandatory fees, charges and assessments. Given the way the appropriation was authorized in law, there is a structural gap in fiscal year 2017 continuing to fiscal year 2019 along with a shortfall in revenues needed to maintain operations based on the model put forth by the board last year. There have been communications with Leadership Council and CFOs concerning the \$21 million supplemental budget request. The request is for ongoing support, not base funding and the funds would be distributed to the colleges and universities to use as part of their overall budget plan. The general message for fiscal 2016-fiscal year 2017 is that the colleges and universities are under stress, the pressures of frozen or reducing tuition, falling enrollment and compensation obligations continue. Work is still being done to respond to the direction around student success and improving outcomes. The work has to be financed which drives reallocation and program reviews.

Questions were welcomed regarding fiscal year 2017 guidance. Chair Cowles asked if there is any data that provides a projection of enrollment for fiscal year 2017-fiscal year 2019 as part of evaluating budget choices going forward. Vice Chancellor King responded that the campuses have been asked to submit enrollment projections. The information provided to the board is from the Long Term Financial Sustainability Workgroup on what is the supply side of students across the state by region and from a high school and 18-34 year old population. This information has been provided to the campuses as part of their institutional research and modeling. There is no information that takes it to the regional level. They were given longer term modeling trends. Vice Chancellor King offered to make the full presentation from the demographer available. Chair Cowles suggested that the enrollment dimension be a part of the financial resiliency report brought to the board in March.

Trustee Cirillo asked if enrollment is based on the number of credits hours, based on the number sold or head count. Vice Chancellor King clarified that it is based on both. The campuses have a high awareness of the trend lines. The enrollment forecasting is done at a program level.

Trustee Otterson asked if demographically are students staying in Minnesota or going to the Dakotas. Vice Chancellor King responded that Minnesota remains slightly net positive in population growth from year to year and that Minnesota is a net exporter of college age students.

Chancellor Rosenstone commented that looking at the high school graduation class size will indicate long-term demographic trends in particular regions, and how communities in the state are gauged as well as the market position. How a college or university reacts to changing market positions are concerns. The modeling creates a sense of urgency around interventions that need to be taken to bend the curve of what changes projections without change in market share and what competitors are doing. It's hard to model for more than a year or two.

Trustee Otterson asked if there is a look toward an increase in immigration population in Minnesota. Chancellor Rosenstone responded that the demographer's projections shows the lion's share of population growth in Minnesota over the next couple of decades stem from people moving into Minnesota; particularly immigrants from outside of the United States. Service to this population will be crucial to the State of Minnesota and students and also crucial to having the students needed to keep colleges and universities, graduates and communities thriving.

Trustee Hoffman asked for clarification on whether revenue is allocated on FYE or headcount for the plan going forward. Vice Chancellor King responded as it relates to fiscal year 2016 and fiscal year 2017 state appropriation allocation processes, some of it is on FTE and some on head count depending on which part of the allocation model is concerned. Fiscal year 2018-fiscal year 2019 long-term work is underway right now. Trustee Hoffman asked why not on the paid credit, head count or FYE. Vice Chancellor King responded in the case of the allocation framework there are several models and several dimensions of the model that are designed on purpose to represent the human load of the work. Parts of the models are directed at the service load and others at the credit load; it relates to the cost structure. Trustee Hoffman asked whether going forward specifically with fiscal year 2017 whether the supplemental request has been gauged at a great chance, or if the plan is to go forward without the supplemental request. Vice Chancellor King responded the colleges and universities have two-track planning underway based on whether the supplemental request happens or not.

Chancellor Rosenstone commented that the presidents are communicating internally and externally about the service impacts that will occur at the campuses across the state if the supplemental request is not received. Trustee Krinkie commented that in regards to the submission of the \$21 million supplemental budget request, it has been his experience at the legislature that when a budget was passed, that was the appropriation for two years. Vice Chancellor King responded that the request that was submitted was the remainder of the board's approved request from last year. The legislature responded to the request but fell short of the revenue necessary to match the response.

Chair Cowles commented that the supplemental budget request and process was discussed at the Executive Committee meeting of the board and this is a consistent practice with the way supplemental budget requests have been dealt with historically. The committee chair proposed to the committee that there be a discussion for the fiscal year 2018-fiscal year 2019 budget process on whether to change the way supplemental requests are dealt with going forward.

Trustee Krinkie asked what the response would be if the legislature or a committee in higher education asked what the discussion was at the trustee meeting regarding the supplemental budget and whether tuition freeze going forward is a good idea. Chair Cowles responded that the reference would be the budget discussion of a year and half ago and the position that was

given to Chancellor Rosenstone and Governmental Affairs staff based on the practice that was developed in the past and has been the basis for this kind of response going forward.

Trustee Renier commented that it is assumed that the board policy is being followed. When the budget was adopted, the supplemental request suggests that the board and the committee would be doing everything possible to keep tuition as affordable as possible. It is a consistent message to the legislature. The message embedded is since the legislature has been cutting its support for a decade, another compatible solution to raising tuition is to start returning to the balance of tuition versus state appropriation. The board is being consistent in the policy about state appropriation versus tuition and the request for the biennial budget.

Chancellor Rosenstone commented in follow up to Trustee Reiner's point that when instructions were received from the board about the priorities of the biennium, there were several things that were clear: the board stated that \$142 million in new revenue was needed and tuition increases should be avoided if at all possible to protect affordability. That was the board's resolution. There was work done collaboratively with the presidents, student associations, bargaining units, faculty and staff to achieve the goal. The board can change its position and not go to the legislature, but the instructions to management has been with respect to the biennium. The historical practice of Minnesota State Colleges and Universities is that a request is biennial and any shortfall would be requested as a supplemental in the second year. For example the request two years ago had a shortfall of \$17 million which was then requested as a supplemental in the second year. When there is a capital budget in a capital year approved by the board that is partially funded with an opportunity to complete that budget, the board's recommendation is followed. The committee continues to advance the board's priority until things change.

Trustee Krinkie commented that the legislature last May said that it didn't matter what was requested; this is how much is given with regard to a two year budget. The legislature set the appropriation, therefore, it is the committee's responsibility to manage the operation with what the legislature directed.

Chair Cowles responded that the comments be taken under advisement and rather than respond with a special meeting, to confer with the chancellor and chair and respond after the meeting. The comments are about board policy more than management process. The suggestions seem more of a review of the board's position on an annual basis as opposed to biennial. There is a rather significant conversation concerning the board's process and he would like to respond in a way that is acceptable.

Trustee Anderson-Kelliher commented that she attended the Executive Committee meeting and gave the advice that the priorities of the session are thought about in the mind of the legislature and the governor. The priorities are on the equity issue. One time money surplus

gives the possibility of making a one-time pitch. An idea is to do an experimental pilot and work to reach out to people who have credentials already acquired at the colleges and are able to complete an AA degree in a short period of time and share in the economy.

Trustee Sundin expressed support for Trustee Anderson-Kelliher's analysis.

Chancellor Rosenstone commented that there has been a lot of thought about this and the foundational facts need to be recognized. Last year there were 62,800 students of color served; more students of color than all the higher education providers in the state of Minnesota combined. If we do not receive the \$21 million needed, there will be cuts in faculty, cuts in programs, academic advisors, tutors and developmental education professionals to serve those students. Without that foundation in place, we will suffer significant damage to our ability to serve the constituencies that need to be brought forward more powerfully than ever before. There has been a lot of thought and a lot conveyed in conversations with MMB and the governor about how crucial these funds are particularly to the students who need to be served and have not been traditionally well served in higher education in Minnesota. The issues that have been raised are taken very seriously and this is part of the reason for persisting with the board's position to protect our colleges, universities, and faculty and staff in order to continue serving students around the state, particularly students that are not being served by higher education elsewhere in the state.

Chair Cowles thanked everyone for their comments and indicated that a process will be developed for the topic.

He noted that due to time constraints, the committee would not be able to get to the agenda item regarding the fiscal year 2018-fiscal year 2019 State Operating Budget Outlook (Agenda item #8). Members were encouraged to review the material as it will be a subject of discussion at the March meeting.

6. Discussion of FY2018 Capital Planning Guidelines (First Reading)

Vice Chancellor King opened the discussion referencing page 54 of the material and stated that we are now lobbying the fiscal year 2016 program at the Legislature and asked the committee to look forward to fiscal year 2018 to get the internal work launched in order to bring a capital program recommendation to the board. Good committee discussion was welcomed. Associate Vice Chancellor Brian Yolitz opened his remarks with reference to Board Policy 6.5 as the driver for the establishing criteria for capital programs and the basis for rating and scoring both general obligation funded capital projects and revenue bond sales in the revenue fund program.

Associate Vice Chancellor Yolitz provided an overview of the system's facilities assets including 28 million sq. ft. total space and 7,000 acres of property around the state. Eighty percent of facility space is academic in nature, 20 percent in the revenue fund, an auxiliary

account funded through operations of programs in the residence programs, dining facilities, parking ramps, student unions and wellness centers.

The estimated replacement value of the total physical plant is \$8.8 billion. The estimated back log of deferred maintenance for the entire system is roughly \$860 million. The FCI for the entire system which is a measurement of back log to replacement value is estimated 10% which is considered good to fair on the threshold. It is on par with higher education institutions that we consult with. Since 2006, the state has invested over \$1 billion in our academic spaces which includes state general obligation proceeds as well as the system's contribution for debt and debt services. On the revenue fund side, investments have been \$350 million in the programs mentioned earlier.

The fiscal year 2018 capital program guidelines are the first step in the process that leads to a request for capital bonding appropriation for the 2018 legislative session. The guidelines largely mirror what was seen in 2006, the differences are that while the first item mirrors the 2016 guidelines focusing on academic needs, priority #2 and #3 focus on the student service/support side of business particularly in the areas of transfers and baccalaureate pathways, and student service and advising. These came from conversation with leadership council, presidents, a WebEx that was hosted by Vice Chancellor Ron Anderson, and the deans at the campuses who know where the academic facilities needs are. Priority area #4 reflects what was seen in 2016 focused on prudent stewardship of the academic space; however focused on renovating the space in need. Item #6 focuses on the size of the capital budget request. The program size is \$250 million. The \$125 million request is a change from what has been done in the past and is a number one priority and focuses on the asset preservation needs and the deferred maintenance backlog that's being worked through.

In 2000, there was a \$100 million request for HEAPR. The board adopted a catch-up/keep-up strategy which moved the request to \$110 million in 2006 which has been the tradition until 2016. The project side is what campuses are responding to as a bit of caution of debt service and making sure that we're staying within the debt service guideline that was established by the board at 3 percent of revenues. These are the principles that the committee is asked to look at for 2018 Capital project guidelines and revenue fund program going forward.

Associate Vice Chancellor Yolitz asked that the board focus on the following questions: whether the guidelines frame the direction and intent for future capital investments, if anything is in need of more focus, whether the size or program mix is right in terms of asset preservation and capital projects as standalone items.

Chair Cowles stated to the committee that the attachments gave good context and background to the presentation and asked Associate Vice Chancellor Yolitz for specifics on the changes that were pointed out in the guidelines described on page 56. Associate Vice Chancellor Yolitz

pointed out item #2 – from prior guidelines draws attention to giving priority to support services, academic advising and projects that would enhance tutoring and transfer services for #3 baccalaureate programs. Item #4 references building new footage, enhancement in space, utilization modeling. Item #5 is on track for building on available space. Chair Cowles thanked Associate Vice Chancellor Yolitz and stated that this is a first reading and he welcomed the board to comment and provide advice on any observations about the guidelines.

Trustee Otterson asked for clarification on whether the debt holdings on page 65 show cases where the bigger projects have been. Associate Vice Chancellor Yolitz responded that the referenced debt is associated with projects that have been done. Vice Chancellor King commented that this reference illustrated just the revenue fund, supported by student fees and associated with student facilities. Chair Cowles suggested that a note be made on page 56 that made clear that the recommended guidelines concern both the general obligation capital projects and revenue fund.

Trustee Renier asked how many of the two-year campuses would be interested in building dorms or large parking ramps. Associate Vice Chancellor Yolitz responded that there are three parking ramps, MCTC, St. Paul College and Normandale and there is a mix of residence life programs on some of the campuses.

There were no further questions. Chair Cowles suggested that more data be provided about the complete debt condition including general obligation and revenue fund related, and relevant amount of debt metrics for the next reading. Associate Vice Chancellor Yolitz invited members to reach out with any other questions on this item.

7. Update on the Work of the Long Term Financial Sustainability Workgroup

Chair Cowles welcomed Associate Vice Chancellor Phil Davis to report. Mr. Davis stated that Vice Chancellor King is co-chair of the committee and Chair Cowles serves on the committee. There are 24 members and the group was formed because the chancellor wants everyone to think about the long term financial sustainability of the system, our colleges and universities. There is a tradition every biennium of finding out what allocation appropriation is from the legislature, looking at operating budgets and try to get them in balance. When the chancellor gave the group his charge in October, it was stated that this isn't a sustainable or best way to operate a \$2 billion year organization. The way that the model of funding the MnSCU system was created is a legacy model that dates back decades. The committee is asked to think creatively about how to change the model and what changes in the practice of higher education need to be considered today. Questions in the charge include what are new revenue and expenditure strategies that can be used, what are the planning tools that can be put in place?

From October to January the committee has been meeting and hearing from experts on various topics. Former State Demographer Tom Gillaspay spoke on the demographic trends in Minnesota, Deb Bednarz spoke on actual financial challenges, and a gap in revenue and

expenditures which can grow from \$66 million to \$475 million in 10 years if the adjustments are not made now. Vice Chancellor Ron Anderson spoke on what's emerging and what might be done to deliver higher education. Associate Vice Chancellor Brian Yolitz spoke on where facilities are utilized well, where surplus facilities are, how to utilize both better, and how it will affect the delivery model. Vice Chancellor Mark Carlson will present in February.

There has been a change in the structure of how education is measured and taking a look at using other models like on-line education and how the labor force is utilized. These are things that need to be discussed. Between January and April observations and recommendations will be developed which is part of the reason it is brought to the board today. In May and June, a draft report will be circulated for review. Chancellor Rosenstone has asked for a report by early June.

In the workgroup's January meeting, there were four main observations. The most important is that the whole effort should be focused on improving the student experience. The colleges and universities share many of the same functions and standardization of those functions would help students and would be a good thing for the system. Curriculum alignment between the colleges and universities is and would be a benefit. Regionalization as a model should be considered. Slide #13 of the board packet was referenced stating the questions the chancellor posed to the group and the board and is being asked for consideration. Vice Chancellor King referenced page 86, noting the charge statement to the committee and it has launched good conversations and challenges that will strengthen long term financial sustainability. The pressure to the colleges and universities is structural and will continue as long as business is done the same way; the second challenge is alternative models and what is missing from an analytical or tool standpoint. There has been a lot of time spent informing everyone from a knowledge standpoint and the workgroup is now ready for conversations that will bring recommendations to the chancellor, leadership council, and to the board. Communication channels have been set up in every community of interest.

Chair Cowles commented based on his participation that this is a workgroup where a lot of great dialogue is occurring. Vice Chancellor King and Associate Vice Chancellor Davis have maintained communication to committee members and trustees. He welcomed anyone to speak to any of the individual members to make sure points of view are presented and can be facilitated.

Trustee Krinkie commented that there are an increasing number of high school students that are enrolled and no dollars are received for students that are concurrently enrolled at the high school. The second issue to be aware of is having students with more credits coming out of high school, there are fewer students who will be taking undergraduate classes at the universities. There may be a headcount of the students at the institution but they are coming

with credits which means they will be graduating in a shorter period of time. The headcount will be there but the credit hours won't.

Trustee Benson commented that it seems that there hasn't been enough time spent on the current system and asked what the incentive is for the student when money is put in. He asked whether enough analysis has been done defining what we currently have.

Associate Vice Chancellor Davis responded that the committee is constantly doing that. It is also a large part of Vice Chancellor King's Allocation Framework Technical Advisory Committee's work that is now looking at the allocation framework. There are many things in the system worth preserving and they are being reviewed. Vice Chancellor King commented that it is a good concept to come back on the question of what are the incentives.

Trustee Erlandson asked about the developmental efforts and whether they are being compensated equally. Vice Chancellor King responded that the issue starts with the state appropriation formula which is not tied to enrollment but rather a block grant provided every year. The allocation process distributes it. Chancellor Rosenstone commented that the system's strategy concerning developmental education potentially runs the risk of putting core values or principles against financial expediency. There could be a strategy to raise tuition to whatever the market could bear, which would stand at odds with the core values of the system and the board. If the system were to push hard to get people from outside of Minnesota to come and raise out-of-state tuition to solve the financial puzzle, it might be at odds with the commitment that the colleges, universities, and board has made.

Concurrent enrollment could be closed in order to squeeze more credits but it would be at odds with values of bringing more people forward in higher education, and doing so in a way that's more affordable and protecting the process. Progress in developmental education could be slowed but would be at odds with the values of timely completion and affordability. In each of these steps, there may be a way to get the books to balance but may be an unacceptable strategy. In looking at strategies, the values will have to be kept at the heart of what is cherished. The questions posed are about the potential conflict. The board has stood fast long before the tuition freezes in holding tuition increases to no more than inflationary increases for six or seven years prior. The core values have to be kept in perspective while looking for solutions that are consistent with system.

Chair Cowles asked the Chancellor to provide closing comments.

Chancellor Rosenstone remarked that the conversation and questions have been interesting. He suggested that the committee should be thinking about federal funding models at the state level. All of the suggestions are powerful. As Associate Vice Chancellor Davis pointed out, this is about thinking differently about the future and coming up with strategies that are important to

students and communities around the state of Minnesota. There will continue to be cuts if we don't think of strategies to get revenues and costs to align for the long run. There's going to be a gap so there needs to be something done proactively to address it in a way that protects what is cared about most. We should be thinking about new revenue strategies, different relationships with federal and county governments, and different strategies on cost in order to protect quality and services to communities around the state, and protect access and affordability which are core values. Part of the reason for putting together the team is to prod us to think differently. He looks forward to the updates and the report that will be presented to the board in June. The committee was thanked for their commitment to the project.

8. FY2018-FY2019 Operating Budget Outlook

This item was deferred.

The meeting adjourned at 10:00 a.m.

Respectfully submitted,

Maureen Braswell, Recorder

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

Name: Finance and Facilities Committee

Date: March 15, 2016

Title: Approval of Finance and Facilities Committee Charter

Purpose (check one):

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

Brief Description:

The Executive committee of the Board has asked that each committee develop and approve a committee charter.

Scheduled Presenter(s):

Laura M. King Vice Chancellor - CFO

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

BOARD ACTION
APPROVAL OF FINANCE AND FACILITIES COMMITTEE CHARTER

PURPOSE

Board governance best practices as offered by organizations including the Association of Governing Boards, encourages the development and adoption of committee charters to guide the work of board committees.

AGB observes that:

“A college or university’s bylaws often define the board’s committee structure, with many institutions including committee charges and other committee details in bylaw clauses. However, mention in the bylaws does not formally establish a board committee; that is accomplished through a separate board-approved committee charter that outlines the committee’s mission, composition, responsibilities, and procedures for conducting its business”.

Last fall, the board chair asked each committee chair to work with the associated cabinet officer to research and draft a committee charter for consideration and adoption by the committee.

The draft Finance and Facilities Committee charter has been reviewed by the Board Executive Committee. It relies upon the enabling language in Board Policy 1A.2 *Board of Trustees, Part 5 Standing Committees, Committees and Working Groups of the Board, subpart B: Finance and Facilities Committee*. The board will be asked to approve amendments to Policy 1A.2 at its March meeting. Please refer to board meeting materials for additional information.

The charter is intended for the use of the committee and is subject to annual review.

RECOMMENDED COMMITTEE ACTION:

The Finance and Facilities Committee recommends the Board of Trustees adopt the Finance and Facilities Committee charter.

RECOMMENDED BOARD ACTION:

The Board of Trustees approves the Finance and Facilities Committee charter.

Charter of the Board of Trustees Finance and Facilities Committee

Revised February 2016

Purpose:

The Board of Trustees is responsible for overall systemwide financial management assurance and is committed to long-term stewardship of the state's financial and physical resources. It is the policy of the Board of Trustees to provide sound financial administration to safeguard the resources of the State of Minnesota, the system, the colleges and universities and the constituencies they serve and to preserve the long term viability of the colleges, universities and system as a whole.

The Finance and Facilities Committee is charged with oversight of all systemwide fiscal, facilities and technology matters of the organization.

The Finance and Facilities Committee shall not have the authority to act on behalf of the board unless specifically delegated by the board. The Finance and Facilities Committee shall meet at the call of the committee chair.

Committee Structure:

The committee will consist of no fewer than five and no more than seven members appointed by the chair of the board annually. The chair and vice chair of the Finance and Facilities Committee shall be appointed by the chair of the board.

Authority:

The principal elements of the Charter of the Finance and Facilities Committee shall be:

1. Provides advice and counsel to the chancellor. (This duty is shared with all other board members);
2. Assurance of leadership, research and pursuit of best practices in the finance and facilities arena on behalf of the success of all students;
3. Adoption of an annual committee workplan; and
4. Recommend proposed board policies within the purview of the committee.
5. The committee's oversight includes but is not limited to:
 - the system's biennial budget development
 - annual operating budget establishment and performance
 - the system's tuition and fee structure
 - design and administration of the system's allocation framework
 - administration of financial management polices including financial reporting, scholarships, and grant administration
 - procurement practices including support of the board's commitment to diverse supplier and vendor participation

- establishment and administration of the system's pension program and related plans (in cooperation with the Human Resources Committee of the board)
- college and university foundation relations and development
- approval of capital budget requests
- administration of the system's capital asset program including the design, construction and maintenance program for the built and natural environment with environmental stewardship as a core value
- policies related to system technology practices and programs (in cooperation with the Academic and Student Affairs Committee of the board)
- oversight of college and university administrative programs including the areas of campus housing, dining and parking services
- safety and security, occupational health, environment compliance and emergency management

6. This charter is subject to review annually.

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

Agenda Item Summary Sheet

Name: Finance and Facilities Committee

Date: March 15, 2016

Title: Proposed Amendments to Board Policy 5.9 Biennial Budget Planning (Second Reading)

Purpose (check one):

Proposed
New Policy or
Amendment to
Existing Policy

Approvals
Required by
Policy

Other
Approvals

Monitoring /
Compliance

Information

Brief Description:

The proposed changes are technical in nature and have been reviewed through the consultation process.

Scheduled Presenter(s):

Laura M. King Vice Chancellor - CFO

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

BOARD ACTION

**PROPOSED AMENDMENTS TO BOARD POLICY 5.9 BIENNIAL BUDGET
PLANNING AND APPROVAL (SECOND READING)**

BACKGROUND

Board Policy 1A.1, Part 6, *Minnesota State Colleges and Universities Organization and Administration*, requires periodic review of all board policies and procedures to “determine whether it is needed, that it is current and complete, not duplicative of other policies, does not contain unnecessary reporting requirements or approval processes, and is consistent with style and format requirements”.

Board Policy 5.9 *Biennial and Annual Operating Budget Planning and Approval*, was adopted by the Board of Trustees and became effective June 21, 2000. The policy was last before the board in March of 2011 at which time language clarifying roles and responsibilities was added, as well as student consultation language. Staff reviewed policy 5.9 in the fall of 2015.

PROPOSED AMENDMENTS

The proposed amendments to Policy 5.9 are, by strikethrough and underlining, reflected in the tracked-change copy of the policy on the following page (Attachment A), and are technical in nature - formatting, heading, and style changes. The revised policy with the recommended changes incorporated is found on attachment B.

REVIEW PROCESS

The proposed board policy revision was circulated to campus leadership groups, employee representative groups, and student associations. All comments received during the review process have been considered.

RECOMMENDED COMMITTEE ACTION:

The Finance and Facilities Committee recommends the Board of Trustees adopt the following motion:

The Board of Trustees approves the changes to Board Policy 5.9 Biennial and Annual Operating Budget Planning and Approval.

RECOMMENDED BOARD MOTION:

The Board of Trustees approves the changes to Board Policy 5.9 Biennial and Annual Operating Budget Planning and Approval.

Date Presented to the Board of Trustees: March 15, 2016

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

BOARD POLICY
Chapter 5 Administration
Section 5.9 Biennial and Annual Operating Budget Planning and Approval

Part 1. ~~Policy Statement~~Purpose.

The ~~Board board~~ is committed to ~~long long~~-term stewardship of state fiscal resources. It is the policy of the ~~Board board~~ to approve ~~systemwide~~-biennial budget requests and ~~system wide~~-annual all funds operating budget plans for colleges, ~~and~~-universities, and the ~~Office of the Chancellors~~system office.

Part 2. ~~Authority.~~

~~(see related documents below).~~ Minnesota Statutes ~~§ Ch.~~ 16A.10, ~~Budget Preparation,~~ states that in each even-numbered year, an agency must file its upcoming biennial budget request. Under ~~Minnesota Statutes § Ch.~~ 136F.06, ~~Powers and Duties,~~ the ~~Board board~~ has plenary authority to govern the colleges and universities and to adopt suitable policies for the institutions.;

Part 3. ~~Policy~~Responsibilities.

Subpart A. ~~Biennial Development of a biennial Budget budget Request~~request

The chancellor shall develop a ~~system wide~~-biennial operating budget request for the system after consultation with constituency groups.

The ~~Board board~~ shall approve the biennial budget request.

Subpart B. ~~All Development of all Funds funds Operating operating Budgets~~budgets

The chancellor shall provide a financial outlook and issue guidelines for preparation of an operating budget -to be developed by each college or university.

The colleges, universities, and the ~~Office of the Chancellors~~system office shall prepare balanced budgets consistent with ~~Board board~~ policies and system procedures.

The Board shall approve the system-~~w~~-wide annual all funds operating budget.

32 **Part 4. Accountability/Reporting.**

33 The chancellor is responsible for monitoring the system, ~~Office of the Chancellors~~system
34 office, and college and university budgets. The chancellor shall provide ~~system-wide~~
35 budget updates for all funding sources on an exception reporting basis.

36
37 The president is responsible for monitoring the college or university budget to ensure
38 accuracy and a balanced budget.

39
40 **Part 5. Student Consultation.**

41 College and university budget development is subject to student consultation
42 requirements as defined by ~~Board Policy 2.3~~board policy, ~~Student Involvement in~~
43 Decision Making.

44
45
46 ***Related Documents:***

47 *Current Year Budget Plan*

48 *Minnesota Statute §~~Ch.~~ 16A.10*

49 *Minnesota Statute §~~Ch.~~ 136F.06*

50 *Minnesota Statute §~~Ch.~~ 136F.70*

51
52 *Date of Implementation: 06/21/00,*

53 *Date of Adoption: 06/21/00,*

54 *Date of Periodic Review: August 15, 2015*

55
56 *Date and Subject of ~~Revision~~Amendment:*

57 *xx/xx/16 – Periodic review resulting in technical changes only.*

58 *03/15/11 – Clarifies roles and responsibilities and adds student consultation language.*

59 *06/21/06 – Technical and syntax amendments made to policy.*

60 *06/18/03 - adds a new Part 1, authority, changes “system office” to “office of the*
61 *chancellor”, and provides for reporting on an exception basis in renumbered Part 4.*

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

BOARD POLICY
Chapter 5 Administration
Section 5.9 Biennial and Annual Operating Budget Planning and Approval

1 **Part 1. Purpose**

2 The board is committed to long-term stewardship of state fiscal resources. It is the policy
3 of the board to approve biennial budget requests and annual all funds operating budget
4 plans for colleges, universities, and the system office.

5

6 **Part 2. Authority**

7 Minnesota Statutes Ch. 16A, Section 16A.10 states that in each even-numbered year, an
8 agency must file its upcoming biennial budget request. Under Minnesota Statutes Ch.
9 136F, Section 136F.06, the board has plenary authority to govern the colleges and
10 universities and to adopt suitable policies for the institutions.

11

12 **Part 3. Policy**

13 **Subpart A. Development of a biennial budget request**

14 The chancellor shall develop a biennial operating budget request for the system after
15 consultation with constituency groups.

16

17 The board shall approve the biennial budget request.

18

19 **Subpart B. Development of all funds operating budgets**

20 The chancellor shall provide a financial outlook and issue guidelines for preparation
21 of an operating budget to be developed by each college or university.

22

23 The colleges, universities, and the system office shall prepare balanced budgets
24 consistent with board policies and system procedures.

25

26 The board shall approve the systemwide annual all funds operating budget.

27

28 **Part 4. Accountability/Reporting**

29 The chancellor is responsible for monitoring the system, system office, and college and
30 university budgets. The chancellor shall provide budget updates for all funding sources
31 on an exception reporting basis.

32

33 The president is responsible for monitoring the college or university budget to ensure
34 accuracy and a balanced budget.

35

36 **Part 5. Student Consultation.**

37 College and university budget development is subject to student consultation
38 requirements as defined by [board policy](#).

39

40

41 ***Related Documents:***

42 [Current Year Budget](#)

43 *Minnesota Statute Ch. 16A.10*

44 *Minnesota Statute Ch. 136F.06*

45 *Minnesota Statute Ch. 136F.70*

46

47 *Date of Implementation: 06/21/00*

48 *Date of Adoption: 06/21/00*

49 *Date of Periodic Review: August 15, 2015*

50

51 *Date and Subject of Amendment:*

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53 *03/15/11 – Clarifies roles and responsibilities and adds student consultation language.*

54 *06/21/06 – Technical and syntax amendments made to policy.*

55 *06/18/03 - adds a new Part 1, authority, changes “system office” to “office of the*

56 *chancellor”, and provides for reporting on an exception basis in renumbered Part 4.*

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

Name: Finance and Facilities Committee

Date: March 15, 2016

Title: FY2018-FY2024 General Obligation Capital Budget Program Guidelines (Second Reading)

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 requires Board approval of the capital planning guidelines prior to the launch of the campus solicitation. The 2018 campus development process will begin in spring 2016. The guidelines were reviewed at the committee's January meeting and are before the committee in March for adoption. The materials have been amended to add information concerning general obligation bond indebtedness for each college and university.

Scheduled Presenter(s):

Brian Yolitz, Associate Vice Chancellor for Facilities

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

ACTION ITEM
FY2018 CAPITAL PLANNING GUIDELINES (SECOND READING)

PURPOSE

Board Policy 6.5, *Capital Program Planning*, provides: “The Board of Trustees shall establish criteria for and approve capital program guidelines and a multi-year capital budget, including a prioritized capital project list.” This second reading seeks Board of Trustees review of Capital Program Guidelines for preparation of the FY2018-2024 Capital Budget and future Revenue Fund bond sales from FY2017-FY2023.

CAPITAL PROGRAMMING – GENERAL

Capital Program Guidelines establish the goals the system seeks to achieve when obtaining funding for capital projects. The guidelines serve a two-fold purpose:

1. A foundation for creating a prioritized capital bonding list that is submitted to the state’s capital bonding process and
2. Providing guidance on our investment priorities in our revenue bond program.

RECOMMENDED CAPITAL PROGRAM GUIDELINES

The Capital Program Guidelines will most immediately be used to establish the major criteria for prioritizing the 2018 Capital Budget request. Capital Program guidelines are grounded in the Strategic Framework principles of ensuring access to an extraordinary education, being the partner of choice to meet Minnesota’s workforce and community needs, and delivery to students, communities, and taxpayers the highest value, most affordable option.

In preparing the latest proposed Capital Program Guidelines for Board consideration, staff reviewed system facility age, condition, current learning space trends and space utilization data, as well as enrollment and demographic trends, and the financial implications of facility space and capital investments. Background facility and financial data are provided in the attachments along with campus planning and project development and delivery information. Guidelines were developed based on this information and shared with campus leaders within the academic, student affairs, finance and technology communities as well as Leadership Council. Their feedback was incorporated in the proposed Capital Program Guidelines shown

below. The Board is asked to consider the following Capital Program Guidelines for FY2018-FY2022:

- 1. Maintain, improve, and modernize existing campus spaces to support current and emerging academic needs of a region and the state of Minnesota.**
- 2. Improve opportunities for student success by updating support services, academic advising, and tutoring spaces.**
- 3. Prioritize space that improves transferability between institutions (college and universities) and access to baccalaureate programming.**
- 4. Preserve and maintain the space we have by reinvesting in campus infrastructure and prioritizing renovation over adding new square footage; additional square footage should be considered only in unique situations where options for reutilization or replacement of existing space have been exhausted.**
- 5. Build for the future with flexible and adaptable space that prioritize energy efficiency.**
- 6. The total capital bonding program request should be on the order of \$250 million with approximately \$125 million prioritized to address asset preservation needs and \$125 million for major projects to meet programmatic updates.**

FY2017-FY2023 REVENUE FUND BOND GUIDELINES

The following FY2017-FY2023 Revenue Fund bond guidelines will be used as guidance as the system prepares for its 2017 Revenue bond sale, which is expected to be brought before the Board in Fall 2016. To that end, the Board is asked to consider the following proposed guidelines for the revenue fund capital program to include:

1. Evidence of strong student involvement and support for a project
2. Reduction of deferred maintenance backlog
3. Addresses long-term demographic forecasts in planned project
4. Balances student affordability with required reinvestment in the buildings
5. Leverages partnership or private industry to generate additional income

COMMITTEE CONVERSATION

- 1. Do the Capital Program and Revenue Fund Bond Guidelines appropriately frame the direction and intent of this Committee and the Board?**
- 2. Are there areas requiring more focus or attention?**

3. Is the recommended overall program size and mix appropriate?

OTHER CAPITAL INVESTMENT CONSIDERATIONS

Should opportunities arise for capital bonding in off-years, the Board has historically supported the completion of unfunded priorities from the bonding session immediately prior to the off-year session. In addition, to better understand and shape future capital investment planning, all colleges and universities are asked to indicate for Board consideration their major capital projects anticipated for the FY2020-FY2024 biennial periods.

Finally, the Chancellor will at least annually seek input from campuses on contemplated facility projects being pursued through funding outside the capital bonding or revenue fund bonding process. Examples of these projects would be college or university operating budgets or reserves, capital campaigns, gifts and grants, foundation sponsored projects, projects substantially funded through partnerships with private or commercial entities or city or county governments or state agencies. Available information will be forwarded to the Board on an annual basis.

RECOMMENDED COMMITTEE ACTION:

The Finance and Facilities Committee recommends the Board of Trustees adopt the following motion:

The Board of Trustees approves FY2018-2023 Capital Program Guidelines and FY2017-2022 Revenue Fund bond sale guidelines as presented.

RECOMMENDED MOTION:

The Board of Trustees approves FY2018-2023 Capital Program Guidelines and FY2017-2022 Revenue Fund bond sale guidelines as presented.

Attachments:

- A. System facility space**
- B. Bonding history**
- C. Keep up, catch up strategy example**
- D. General obligation (GO) debt management**
- E. Revenue fund debt management**
- F. System planning, design and construction, standards and governance**
- G. Alignment with the strategic framework and charting the future**

Attachment A

SYSTEM FACILITY SPACE

General

Minnesota State Colleges and Universities (MnSCU) represents roughly one-third of the state of Minnesota’s building space with just over 28 million square feet of facility space at its 54 campuses on nearly 7,000 acres of land. With this space, the system educates over 400,000 students across the state in an average academic year. The overall space profile is shown below:

Total Square Footage	Academic	Revenue Fund (Non Parking)	Revenue Fund Parking
28,042,641	22,438,982	4,143,736	1,027,985

Figure A1 - System Facility Space Apportionment

Notes:

Revenue Fund (Non-Parking) – includes all university residence halls and student unions, and wellness centers

Revenue Fund Parking – parking ramps at Minneapolis Community and Technical College, St. Cloud State University, Saint Paul College and Normandale Community and Technical College (Metropolitan State University’s ramp will be included next year)

As noted, academic space comprises 80 percent, or 22.4 million square feet, of the system’s total building space. This total includes classrooms and labs, along with student service and support, libraries, offices, theater, auditorium and athletic space. The system obtains the majority of its capital funding for major space improvements from the state of Minnesota’s capital bonding process. The map below shows the locations of each of our campuses. The dots are sized based on their relative gross square footage of building space:

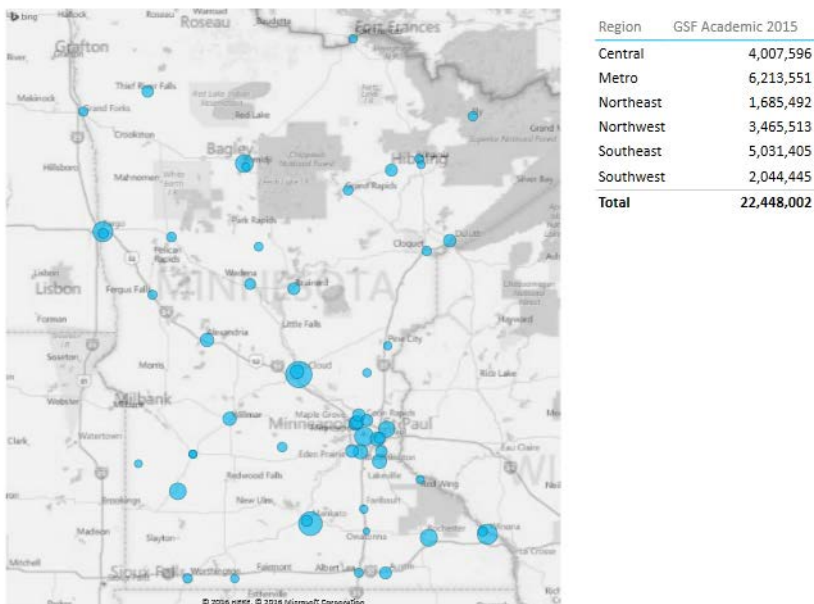
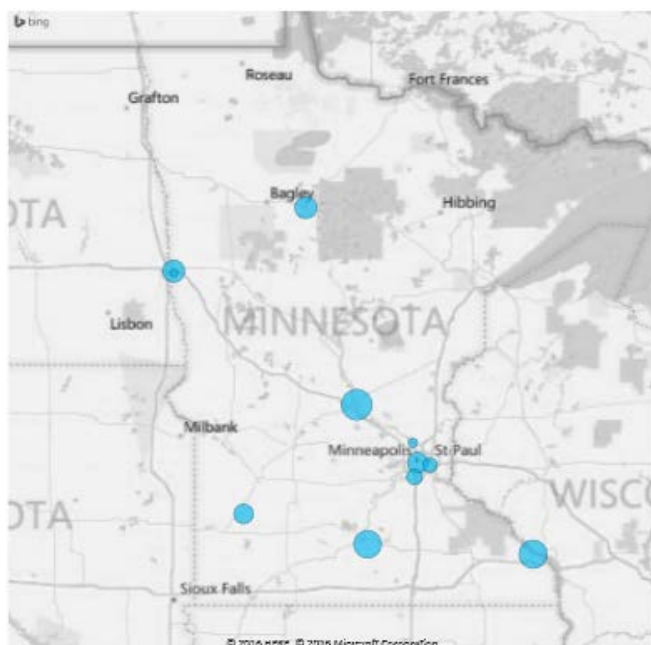


Figure A1 – Academic Facility Space (2015). Campus locations sized by GSF.

Auxiliary or revenue fund space comprises the remaining 20%, or 5.6 million square feet in the system’s building inventory, and include residential halls, student unions, wellness centers, and of that total nearly 1 million square feet is contained within parking ramps that were funded with system revenue bonds. MnSCU system revenue bonds represent major capital investment in this auxiliary space or revenue fund spaces. The map below shows the location of the campuses with revenue fund facilities. Dots represent the relative size by gross square footage of campus buildings:



Region	GSF Revenue Fund
Central	1,154,844
Metro	968,466
Northwest	1,149,512
Southeast	1,898,899
Southwest	431,938
Total	5,603,659

Age of Construction – Academic Space

With over 70% of the system’s academic space built before 1980 and over 40% was built between 1970 and 1980, a majority of system buildings are “middle-aged”. The table below is a representation of MnSCU facilities as compared to a national database of higher education systems and their original construction dates. It is notable that construction during the 1970’s and 1980’s, is characterized as ‘*Quick-Flash Construction*’ where facilities were built quickly, typically with relatively low-quality construction materials and facility components.

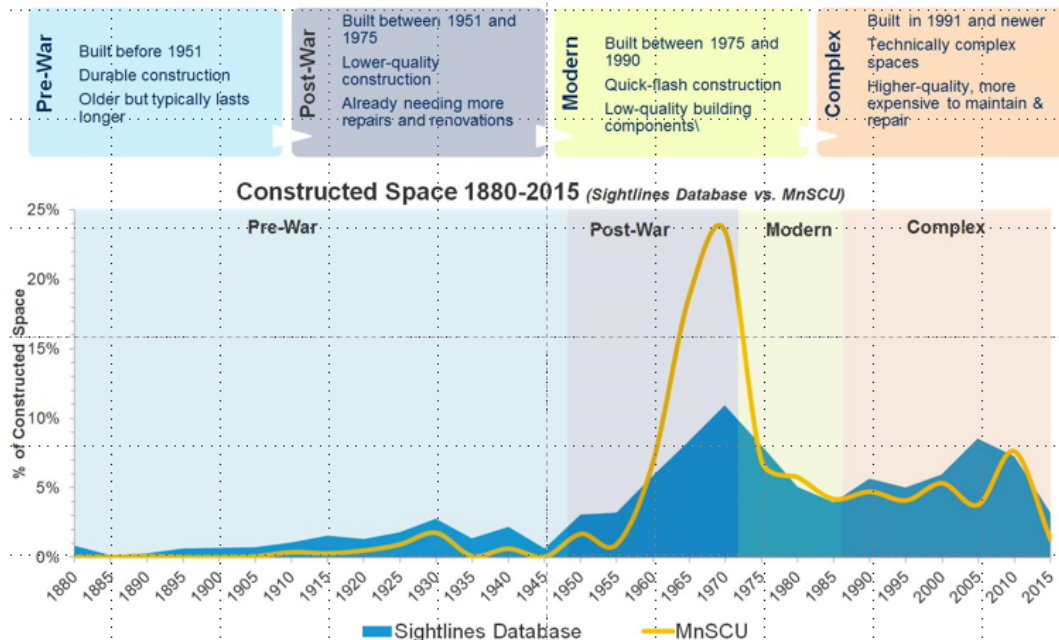


Figure A4 – System Facility Construction Dates Versus National Higher Education Peers

Facility Condition – Academic Space

As of 2015, the system’s academic space has an estimated *current replacement value* (CRV) of \$7.3 billion. There is an estimated *backlog of deferred maintenance* of \$744 million associated with this space. This represents the cost of work needed to repair or replace building systems (roofs, windows, exterior elements, boilers and mechanical systems) that are beyond their useful life.

The *facilities condition index* (FCI) for the academic space is 0.10, meaning 10 percent of the system’s space is in backlog status. The FCI is the ratio of the *backlog of deferred maintenance* to the *current replacement value* (CRV). A lower the FCI indicates ‘better’ facilities. The system’s .10 or 10% is considered ‘good’ on the State of Minnesota’s FCI scale. An FCI of 10% is consistent with other higher education systems and institutions. It would be considered borderline between ‘good’ and ‘fair’ on the generally accepted scale of FCI ratings used by higher education systems and institutions.

As system buildings and their components age, there is an estimated \$893 million in facility renewal or asset preservation investment needs in the coming 10 years. Coupled with the currently backlog of deferred maintenance, college and university academic buildings represent \$1.6 billion in needed facility work over next 10 years. The \$1.6 million figure does not include modernization or upgrades to meet our changing academic needs.

Attachment B

CAPITAL BONDING HISTORY

Overview

Asset preservation and capital development funding for the system's academic space comes through the State of Minnesota's capital budget process. After reviewing and prioritizing capital bonding requests, the Board of Trustees approves and forwards to the governor and legislature their request for funding of asset preservation work through Higher Education Asset Preservation and Replacement (HEAPR) and major capital projects.

Since 2006, the system has received just over \$1 billion in capital investments in academic spaces. Over a biennium the system has received on average, just over \$200 million in total capital program funding. HEAPR funding has on average been \$56 million over a biennium or approximately 50% of the systems request. Capital project funding has averaged \$150 million a biennium or 70% of the requested amount.

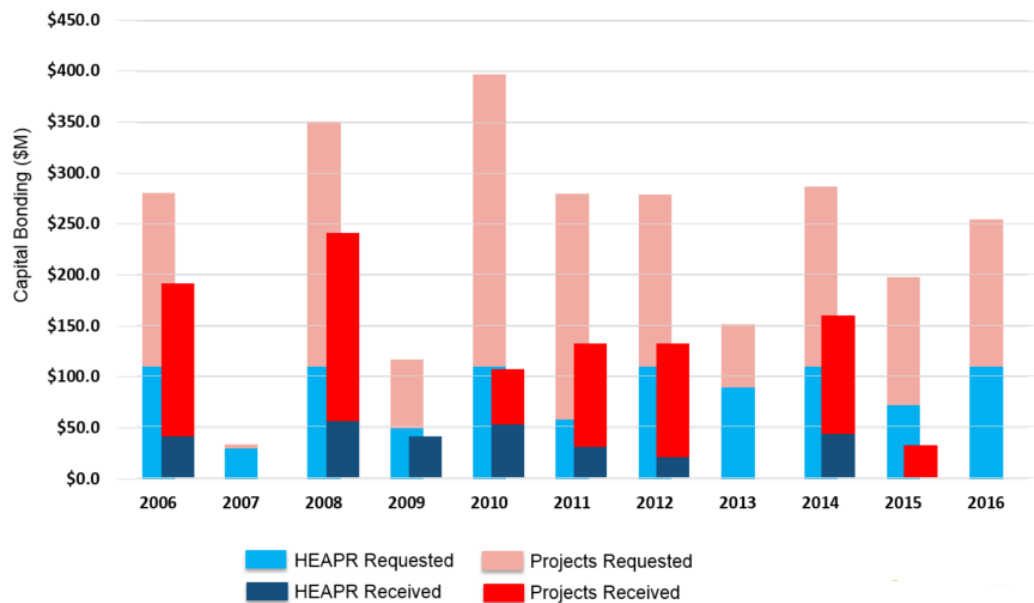


Figure B – Capital Bonding History 2006 - 2016

Future Needs

Based on a review of our colleges' and universities' comprehensive facilities plans, the system forecasts future program needs of between \$1.2 to \$1.5 billion within the next 10 years.

Attachment C

KEEP UP, CATCH UP STRATEGY

Asset Preservation Requirements Planning

The system has adopted an asset preservation strategy for academic space in the next 10 year period to ‘keep up’ with the estimated renewal needs for the period while ‘catching up’ by reducing the backlog of deferred maintenance by 50 percent.

Keep Up: Estimated 10-Year Renewal = \$893 million, rounded to \$900 million
Requires \$90 million annually over 10 year period

Catch Up: Estimated backlog of deferred maintenance = \$744 million, rounded to \$750 million
50% of \$750 = \$375, requires \$37.5 million annually over 10 year period

Total annual Keep Up, Catch Up requirement:
\$90 million + \$37.5 million = \$127.5 million annually or \$255 million per biennium

Asset Preservation Investment Planning

The system’s primary vehicle to obtain asset preservation funding for academic space is through the Higher Education Asset Preservation and Replacement (HEAPR) item in the system’s biennial capital bonding request.

Notwithstanding HEAPR, colleges and universities have a financial performance goal in system procedure 7.3.16 *Financial Health and Compliance Indicators*, of investing \$1 of local operating funds per square of academic space toward repair and replacement. Institutions have exceeded this goal of \$22.4 million annually and actually invested between \$25 and \$30 million of operating funds annually in their facilities.

The makeup of major capital projects has shifted over the last 5 years to now include asset preservation and backlog reduction of the facility components associated with the spaces being renovated and upgraded. With historical funding as a guide, roughly \$75 million in a biennium or \$37.5 million annually of major capital projects is targeted to asset preservation.

Asset preservation through HEAPR is expected to complete the investment strategy.

Keep Up, Catch Up requirement:	\$127.5 million annually
Capital operating funds invested:	\$25.0 million annually
<u>Asset preservation in projects:</u>	<u>\$37.5 million annually</u>
HEAPR funding needed:	\$65.0 million annually, \$130 million per biennium

Notes: The \$125 million recommended in the guidelines is an acknowledgment of rounding in the costs.

Attachment D

GENERAL OBLIGATION (GO) DEBT MANAGEMENT

Capital Bonding Debt Service

System Debt and Debt Service: Since 1998, the system has been responsible for one-third of the debt service for the major projects impacting eligible academic, student support and related space. The debt is shared equally by the gaining institution and the system as a whole. For 2016, the total outstanding debt for these projects is \$239 million which is up 56% since 2006. The debt service payment for 2016 will be \$31.6 million which is nearly double the payment of \$16.0 million in 2006.

Debt Apportionment: The 1998 state policy change to require the one-third debt service on higher education systems was informed by two goals 1) to work as a dampener on demand; the thinking was that if the system and its colleges and universities had to pay a portion of the cost, demand for new capital investment would decline; 2) to represent a “public” and a “private” interest in the improvement, that is the “public” paid 2/3rds the cost and the “private” or the college/university paid 1/3rd. The policy emerged at the same time that the newly formed MnSCU system was organizing itself for a combined capital investment program planning and proposal process. It is not possible to separate these two changes and ascribe any conclusions as to the effectiveness, or not, of the state policy change.

The board took action after the 1998 state policy change directing that the 1/3rd cost be split evenly between the system as a whole and the benefiting college or university. The Board’s thinking was that there was both a system as a whole and an individual community benefit from the improvement. *A separate handout **General Obligation (GO) Bonding Debt and Debt Service – March 2016** is provided to orient members to individual college and university debt and debt service loads.*

The system pays its assigned share of the debt service with state funds allocated to the system every biennium. Colleges and universities pay their assigned share of related capital project debt service from general fund operating budgets including state funds and tuition dollars. In 2014, the college and university assigned debt service represents 1.7 percent of all revenues received and 3.7 percent of the combined tuition revenues collected.

Total debt service FY2014	\$31M
Percent of all general fund revenues	1.7%
Percent of all tuition revenues	3.7%
1/6th share paid at system level	\$15.5M
Percent of State Appropriation	2.6%
1/6th share paid by colleges and universities	\$15.5M
Percent of all general fund revenues	.82%
Percent of all tuition revenues	1.9%

Attachment E

REVENUE FUND DEBT MANAGEMENT

Revenue Bond Authority

The Board of Trustees is authorized by statute (§136F) to issue revenue bonds to acquire, construct, complete, remodel, and equip dormitories, residence halls, student unions, student dining/food service functions, parking or other revenue-producing building or buildings for the good and benefit of the state colleges and universities. The aggregate principal amount at any time may not exceed \$405 million. The bonds are payable only from revenues to be derived from the operation of the buildings or structures acquired, constructed, completed, remodeled, or equipped with the proceeds of the bonds. The legislature shall not appropriate money from the general fund to pay for these bonds.

Revenue Fund Debt and Debt Service

The current outstanding revenue fund debt is approximately \$313 million. Colleges and universities pay the debt associated with their individual projects. The estimated average annual debt service is \$26.6 million.

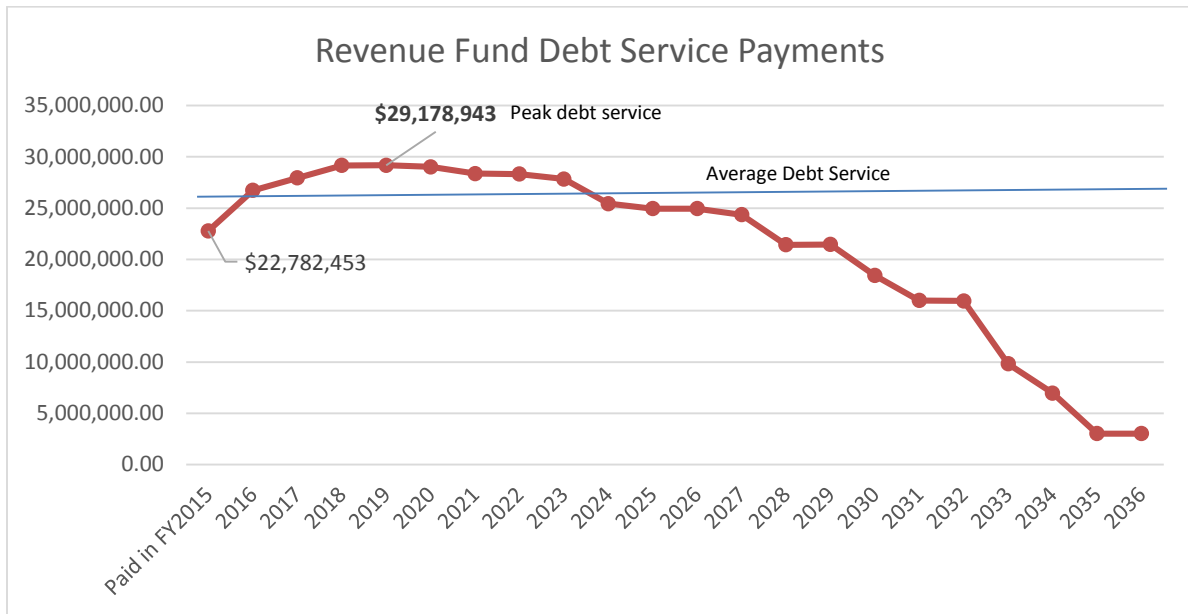


Figure E1 - System Average Annual Revenue Fund Debt Service Payments

Debt Holdings

Colleges and universities are responsible for the debt associated with their individual projects. The major holders of the Revenue Fund total debt are:

Institution	Outstanding Debt (\$000)	% of Total System Debt
MSU, Mankato	\$98,379	31.4%
St Cloud State University	\$38,356	12.3%
Winona State University	\$33,146	10.6%
Metropolitan State University	\$31,535	10.1%
MSU Moorhead University	\$24,077	7.7%
Normandale Community College	\$23,095	7.4%
Bemidji State	\$13,277	4.2%
Southwest Minnesota State	\$12,239	3.9%
Minneapolis Community and Technical	\$11,456	3.7%
Saint Paul College	\$9,965	3.2%
5 other colleges and system office	\$17,467	5.4%
Total System Revenue Fund Debt	\$312,995	100%

Figure E2 – Revenue Fund Debt Apportionment

Attachment F

SYSTEM PLANNING, DESIGN AND CONSTRUCTION, STANDARDS AND GOVERNANCE

Comprehensive Facilities Plans

Board Policy 6.4, *Facilities Planning*, requires colleges and universities establish and update on a recurring basis (every five (5) years) comprehensive facilities plans (CFP) (formerly facility master plans) *to assure short and long-range planning of college and universities facilities*. Through system guidelines, all college and university facilities plans outline the current condition and status of their campus holdings and forecast the college or university capital (including asset preservation) needs in the short term (0-5 years), midterm (5-10 years) and long term (greater than 10 years) time frame. Capital budget or revenue fund project requests are expected to originate from a college or university CFPs.

MnSCU recently updated their comprehensive facilities planning guidelines to make the process clearer and to reemphasize enrollment management and strategic program growth. Once approved and funded capital projects enter the design and construction phases following system *design and construction standards and contracting procedures...to ensure long-lived, substantial and sustainable campus facilities*. Details on CFP guidelines are at: <http://finance.mnscu.edu/facilities/planning-programming/masterplanning/>

Design and Construction

The project design process officially begins with the predesign document. Colleges and universities hire design consultants to utilize system guidelines for developing predesigned documents to document the project purpose, scope, cost, and schedule:

<https://www.mn.gov/admin/images/RECS-CS-3rdpredesign-manual.pdf>.

The predesigned documents conform to state statute and address a host of considerations including applicable energy conservation standards contained in law a study of geothermal and solar thermal applications as possible uses for heating or cooling for impacted buildings. The predesign is reviewed and approved by the Commissioner of the Department of Administration based on compliance with state laws and standards.

Depending on project size, design consultants are selected through the State of Minnesota's State Designer Selection Board process (Projects > \$2 million) or through solicitation governed by Board Policy 5.14 *Contracts and Procurement*, and system procedure 5.14.2 *Consultant, Professional or Technical Service*.

The designers are responsible for adhering to requirements in state statute, state and local building codes, as well as system design standards and procedures through system amended American Institute of Architects (AIA) standard contract documents. The system design standards set the expectations for design decisions and direction to be grounded in solid, long-range planning and execution to reach 30-50 years into the future. These standards call for

designs to meet or exceed guidelines established in the State of Minnesota's B3 – *Buildings, Benchmarks and Beyond* Guidelines for building performance, site and water considerations, energy conservation, indoor environmental quality, building materials and waste: <http://www.msbg.umn.edu>. The B3 standards also outline expectations for post occupancy evaluation and survey of occupants on the indoor environmental quality of the finished building or space. The current edition of the system's design standard is at: http://finance.mnscu.edu/facilities/design-construction/pdf/current_designstandard.pdf It is under review and update at this time.

The design process has three stages of design, schematic design (SD), design development (DD) and construction documents (DD). After a technical design review, projects at the SD stage are reviewed and approved by the vice chancellor for finance. Bidding and award of construction contracts is predominately delivered through the traditional design/bid/build methodology. In recent years, the system has utilized the construction manager at risk (CM@R) delivery method with brings the general contractor on earlier in the process to help influence the design work. This has helped build a greater sense of teamwork on the project and reduce change orders during construction.

To meet design and construction standards, designers and general contractors follow processes and workflows outlined in the system's facility project management e-manual at http://finance.mnscu.edu/facilities/design-construction/pm_emanual/index.html and by utilizing e-Builder as the system's enterprise facility project management system.

Construction updates are provided by exception, with the system office facilities unit producing a semi-annual Capital Investment Program (CIP) status report shared with trustees and stakeholders. At any time, the status of ongoing design and construction work is available at: <http://finance.mnscu.edu/facilities/design-construction/cip/>

Attachment G

ALIGNMENT WITH THE STRATEGIC FRAMEWORK AND CHARTING THE FUTURE

Strategic Framework Guidance

The Capital Program Guidelines are designed to align with the state of Minnesota priorities, the principles established under the core commitments in the Strategic Framework as well as the recommendations adopted by the Board in November, 2013 in *Charting the Future for a Prosperous Minnesota*.

The Strategic Framework provides that Minnesota State Colleges and Universities will:

1. Ensure access to an extraordinary education for all Minnesotans
2. Be the partner of choice to meet Minnesota's workforce and community needs
3. Deliver to students, employers, communities and taxpayers the highest value/most affordable higher education option

The six recommendations articulated in *Charting the Future*, include:

1. Dramatically increase the success of all learners, especially those in diverse populations traditionally underserved by higher education.
2. Develop a collaborative and coordinated academic planning process that advances affordability, transferability, and access to our programs and services across the state.
3. Certify student competencies and capabilities, expand pathways to accelerate degree completion through credit for prior learning, and foster the award of competency-based credit and degrees.
4. Expand the innovative use of technology to deliver high quality online courses, strengthen classroom instruction and student services, and provide more individualized learning and advising.
5. Work together under new models to be the preferred provider of comprehensive workplace solutions through programs and services that build employee skills and solve real-world problems for communities and businesses across the state.
6. Redesign our financial and administrative models to reward collaboration, drive efficiencies, and strengthen our ability to provide access to an extraordinary education for all Minnesotans.

Since *Charting the Future* recommendations were established, the system established a *Charting the Future Workplan* in September 2015 that organized the various CTF strategies under the Strategic Framework headings, which included:

1. Ensure access to an extraordinary education for all Minnesotans
 - **Strategy 1.1** - Establish clear pathways that lead to increased retention and completion
 - **Strategy 1.2** - Expand innovative use of technology
 - **Strategy 1.3** – Close the opportunity gap and increase equity across our colleges and universities
2. Be the partner of choice to meet Minnesota's workforce and community needs

- **Strategy 2.1** - Work together under new models to be the preferred provider of comprehensive workplace solutions through programs and services that build skills and solve problems for business across the state
 - **Strategy 2.2** - Broaden students' opportunities to earn credit for prior learning by developing a certification process to award transferable competency-based credit
3. Deliver to students, employers, communities and taxpayers the highest value/most affordable higher education option
- **Strategy 3.1** - Deliver to students the most affordable option to an extraordinary education
 - **Strategy 3.2** - 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

System Capital Investment Strategy

In preparing the proposed FY2018-2023 guidelines, staff evaluated the strategies to determine whether there are facilities components that should be considered and priorities when preparing the guidelines. The results were shared with the academic and student affairs and finance and administration communities as well as Leadership Council. Their feedback was integrated into the guidelines below. As a result, the Board is asked to consider the following capital budget priority items that will support our system's long term goals and Charting the Future strategies:

- 1. Maintain, improve, and modernize existing campus spaces to support current and emerging academic needs of a region and the state of Minnesota.**
 - **Strategy 1.1** - Establish clear pathways that lead to increased retention and completion
 - **Strategy 3.1** - Deliver to students the most affordable option to an extraordinary education
- 2. Improve opportunities for student success by updating support services, academic advising, and tutoring spaces.**
 - **Strategy 1.1** - Establish clear pathways that lead to increased retention and completion and
 - **Strategy 1.3** – Close the opportunity gap and increase equity across our colleges and universities
- 3. Prioritize space that improves transferability between institutions (college and universities) and access to baccalaureate programming.**
 - **Strategy 1.1** - Establish clear pathways that lead to increased retention and completion and
 - **Strategy 1.3** – Close the opportunity gap and increase equity across our colleges and universities

- 4. Preserve and maintain the space we have by reinvesting in campus infrastructure and prioritizing renovation over adding new square footage; additional square footage should be considered only in unique situations where options for reutilization or replacement of existing space have been exhausted.**
 - **Strategy 3.1** - Deliver to students the most affordable option to an extraordinary education
 - **Strategy 3.2** - 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

- 5. Build for the future with flexible and adaptable space that prioritize energy efficiency.**
 - **Strategy 3.1** - Deliver to students the most affordable option to an extraordinary education

- 6. The total capital bonding program request should be on the order of \$250 million with approximately \$125 million prioritized to address asset preservation needs and \$125 million for major projects to meet programmatic updates.**
 - **Strategy 3.1** - Deliver to students the most affordable option to an extraordinary education
 - **Strategy 3.2** - 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

General Obligation (GO) Bonding Debt and Debt Service
March 2016

Institution Name	Total Project Authorization 1994-2015	HEAPR Authorizations 1994-2015	Total GO Capital Authorizations 1994-2015	Outstanding Debt FY2015	Annual Debt Service (DS) FY2015	Total Revenue (Tuition+ Approp) FY2015	Ratio DS to Total Revenue FY2015
Alexandria Technical & Community College	\$22,012,708	\$11,230,443	\$33,243,151	\$4,166,271	\$557,896	\$20,422,039	2.7%
Anoka Ramsey Community College	\$44,645,048	\$8,479,110	\$53,124,158	\$5,720,527	\$871,259	\$44,519,775	2.0%
Anoka Technical College	\$16,257,348	\$5,607,735	\$21,865,083	\$1,816,713	\$312,249	\$15,353,537	2.0%
Central Lakes College	\$33,790,184	\$12,650,464	\$46,440,648	\$2,214,359	\$490,692	\$26,352,248	1.9%
Century College	\$48,846,552	\$13,721,306	\$62,567,858	\$9,842,172	\$1,226,655	\$58,344,594	2.1%
Dakota County Technical College	\$23,512,316	\$16,501,197	\$40,013,513	\$3,545,719	\$404,036	\$23,070,041	1.8%
Fond du Lac Tribal & Community College	\$21,168,034	\$1,836,663	\$23,004,697	\$3,042,305	\$419,792	\$9,709,123	4.3%
Hennepin Technical College	\$15,900,999	\$14,287,602	\$30,188,602	\$7,681,455	\$808,008	\$41,368,640	2.0%
Inver Hills Community College	\$33,035,398	\$12,033,628	\$45,069,026	\$5,900,220	\$809,474	\$31,422,852	2.6%
Lake Superior College	\$40,336,999	\$7,207,125	\$47,544,125	\$6,691,922	\$865,625	\$31,359,077	2.8%
Minneapolis Community & Technical College	\$73,302,488	\$20,158,172	\$93,460,660	\$13,098,930	\$1,652,626	\$53,568,130	3.1%
Minnesota State Community and Technical College	\$33,159,837	\$13,593,405	\$46,753,242	\$6,039,455	\$801,372	\$42,235,543	1.9%
Minnesota West Community & Technical College	\$18,205,336	\$15,678,256	\$33,883,592	\$3,137,018	\$381,405	\$22,580,567	1.7%
Minnesota State College, SE Technical College	\$13,663,246	\$6,913,798	\$20,577,045	\$2,525,082	\$315,300	\$15,936,189	2.0%
Normandale Community College	\$67,456,885	\$9,662,721	\$77,119,606	\$12,551,665	\$1,589,898	\$54,332,949	2.9%
North Hennepin Community College	\$70,894,338	\$12,121,489	\$83,015,827	\$14,217,560	\$1,814,342	\$38,382,175	4.7%
Northeast Higher Education District (NHED)							
Hibbing Community and Technical College	\$23,460,449	\$5,732,827	\$29,193,277	\$1,935,499	\$386,161	\$13,114,348	2.9%
Itasca Community College	\$9,585,066	\$6,306,818	\$15,891,884	\$1,732,209	\$220,594	\$9,272,184	2.4%
Mesabi Range Community & Technical College	\$17,125,090	\$6,128,995	\$23,254,084	\$3,363,526	\$391,370	\$9,262,060	4.2%
Rainy River Community College	\$1,068,494	\$3,519,794	\$4,588,288	\$8,339	\$2,984	\$2,882,548	0.1%
Vermilion Community College	\$4,396,277	\$5,853,276	\$10,249,553	\$391,305	\$47,058	\$5,110,750	0.9%
Northland Community & Technical College	\$31,021,783	\$12,416,753	\$43,438,536	\$4,015,203	\$588,984	\$24,457,728	2.4%
NWT - Bemidji Technical College	\$2,586,381	\$4,369,658	\$6,956,039	\$920,439	\$123,754	\$7,027,622	1.8%
Pine Technical College	\$4,739,071	\$6,250,201	\$10,989,272	\$790,964	\$108,411	\$6,398,563	1.7%
Ridgewater Community & Technical College	\$34,116,863	\$15,318,766	\$49,435,630	\$6,522,098	\$770,827	\$30,112,254	2.6%
Riverland Community & Technical College	\$10,913,864	\$17,373,641	\$28,287,505	\$2,170,668	\$279,182	\$22,604,730	1.2%
Rochester Community & Technical College	\$41,505,027	\$14,212,424	\$55,717,451	\$5,730,578	\$738,847	\$38,370,400	1.9%
Saint Paul College	\$60,042,000	\$12,003,033	\$72,045,033	\$7,807,124	\$1,019,030	\$39,192,187	2.6%
South Central College	\$20,089,500	\$10,030,965	\$30,120,465	\$5,071,011	\$543,677	\$26,943,925	2.0%
St. Cloud Technical and Community College	\$38,253,717	\$9,819,925	\$48,073,642	\$7,519,240	\$969,459	\$31,415,120	3.1%
Bemidji State University	\$55,511,312	\$19,264,631	\$74,775,943	\$8,104,623	\$1,007,332	\$52,188,487	1.9%
Metropolitan State University	\$91,726,449	\$4,574,056	\$96,300,505	\$11,408,382	\$1,297,007	\$68,057,137	1.9%
Minnesota State University Moorhead	\$78,490,999	\$36,027,145	\$114,518,144	\$15,108,139	\$1,886,857	\$71,734,489	2.6%
Minnesota State University, Mankato	\$116,520,000	\$30,791,675	\$147,311,675	\$17,400,503	\$2,351,244	\$154,783,638	1.5%
Southwest Minnesota State University	\$31,935,352	\$19,125,500	\$51,060,852	\$4,234,798	\$558,606	\$36,848,427	1.5%
St. Cloud State University	\$139,128,158	\$33,174,250	\$172,302,408	\$26,372,363	\$3,306,769	\$143,998,300	2.3%
Winona State University	\$94,773,477	\$22,633,680	\$117,407,157	\$10,445,412	\$1,787,207	\$93,455,416	1.9%
Totals	\$1,483,728,462	\$478,475,802	\$1,962,204,263	\$241,750,817	\$31,705,987	\$1,416,187,792	2.2%

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

Name: Finance and Facilities Committee

Date: March 15, 2016

Title: Approval of Contract Exceeding \$1M for State Universities Food Service Vendors

Purpose (check one):

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

Brief Description:

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

Scheduled Presenter(s):

Laura M. King Vice Chancellor - CFO
Greg Ewing, Sr Director of Real Estate

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

ACTION ITEM
State Universities Food Service Contracts

BACKGROUND

Board Policy 5.14, Procurement and Contracts, requires that all contracts with values greater than \$1 million be approved by the Board of Trustees. The six state residential universities seek approval to enter into individual food service contracts each in excess of \$1 million for five year terms with an option to extend for an additional five years.

Current Request for Proposals for Food Service at Residential Universities

The current food service contracts at the six residential universities – Bemidji, Moorhead, Mankato, Marshall, St. Cloud, and Winona - expire June 30, 2016, and initial planning work began in late 2013 to prepare for the public solicitation of food service vendors for a new contract term to begin July 1, 2016. An overview of the current spending and vendor relationships is contained in **Attachment A** for reference.

The system and universities are using a similar process to the one used during the last food service vendor selection process 10 years ago. At that time, the system engaged an independent food service consultant to facilitate the process for the system and the six universities. The structure used a common request for proposal (RFP) and base contract terms, but allowed each university to select their own food service provider. The universities were generally pleased with the results of the 2006 effort, and requested a similar approach when selecting food service vendors for the 2016 RFP process.

Food Service Consultant

To that end, the system office advertised nationally for food service consultants in February 2014. After a substantial vetting process including in-person presentations and interviews with the finalist firms, the system entered into a three (3) year professional-technical contract with Envision Strategies, a small, woman-owned consultant group that specializes in helping higher education and corporate users select food service vendors. Their scope of services included:

1. Program review of current food service on each university's campus
2. Benchmarking and comparing universities with peer institutions and offerings
3. Financial analysis of their current food service performance
4. Coordinated site visits for vendors on each of the campuses and interviews

5. Assist in the creation of a standard food service RFP and contract template
6. Evaluation of vendors and selection, including contract negotiations
7. Post-contract award evaluations

The universities began preparations in May 2014 with a kick off at the spring Revenue Fund Director's meeting, where key members of residential life administration had gathered. During that meeting, Envision outlined the schedule and process.

The universities next coordinated with Envision a program review and financial analysis of each university's current food service program and used that to outline the goals for the new request for proposal. System and campus staff worked with the food service consultants, legal and bond counsel to create a draft template RFP, template contract, statement of work and related site and financial attachments needed to solicit food service vendors. The core principles for the RFP proposals and process are identified in **Attachment B**.

Services to be Provided

The six residential universities provide a broad array of dining options for their students, faculty and staff typical of most offerings in higher education. Each proposal was structured to address the delivery of the following services:

1. Contract Dining. The largest component is the traditional "contract dining", "board plan" or "meal plan" arrangement, which is what most think of regarding food service for on-campus, residential living. This is typically the contractual purchase of a set or unlimited number of meals for use by a student in the dining facility or other establishments authorized to accept meal cards on campus. Contract dining is open to all students, including those residing off campus, and all faculty and staff. At most universities, "board" plans are mandatory for any student living in a residence hall. All universities also offer "commuter" plan options for students that live off campus. The universities charge the student for a meal plan and pay the vendor a set rate based on the number of meals sold.
2. Retail. The second major category is "retail," which is the casual (not contracted) purchase of food from a venue outside the contract dining facilities, such as coffee and bagel shops and convenience store-type offerings. The vendor establishes and runs the retail concepts on a campus, which may include national franchises or vendor sponsored concepts. The university receives a percentage royalty payment from the vendor from such sales.
3. Catering. Another category is "catering" where the vendor provides food and services for on-campus hosted and occasional off-campus events. Examples included conferences or sports camps. Similar to retail, a university department or event sponsor pays the cost of such catering. The university receives a royalty payment from the vendor for such catering sales.

4. Concessions. The last major category is concessions, which may be included in university food service contracts. Often, there are exceptions for concession sales run by student groups or athletics to use for fundraising. Concessions or the vending component may be excluded from some universities' dining service contracts because state Services for the Blind have statutory authority over vending in all state buildings. The university receives a royalty payment from the vendor for concession sales.

Solicitation of Food Service Vendor Process

The system office published its request for proposal in early April 2015 seeking food service vendors to bid on one, many or all campuses to provide food service. Prior to the proposal deadline, each campus hosted a mandatory pre-bid conference where vendors visited the campuses on which they were interesting in bidding, toured dining and related facilities, and had the opportunity to ask campus staff questions about the current operations.

The proposal deadline was July 8, 2015. The initial proposal pool included solicitations from six different food service vendors. From that pool, each campus evaluated their individual proposals based on the submitted technical proposals, which included proposed food service concepts, management and staffing, total financial package, including donations and capital investments, and an exceptions of the contract terms. Proposal reviews and analysis occurred, resulting in each university developing a vendor short list in Fall 2015. From that short list, each campus selected their recommended finalist in December 2015 and began negotiating a contract.

Student Involvement

Student involvement has been robust and sustained throughout the process. For each university, students served on the selection committee and discussions engaged Student Senate and the Residence Hall advisory and related student boards.

Beginning with the initial assessment phase, the food service consultant and universities engaged in an extensive survey of students, faculty and staff to better understand the food service needs and preferences of individual campuses and solicited suggestions from students and staff about changes in menu, types of food, quality of service and hours. During this effort, 4,217 individuals responded to the surveys at the universities.

Financial Scope of the Proposals

Costs to the University

Contributions to the University

During the course of a contract term, the universities expect to receive guaranteed royalties from retail, catering and concession sales, cash donations to support student programs (such as food served during admission of new students, orientation week, and similar styled activities), and capital investment to introduce new food concepts or update existing dining facilities. The financial scope of the proposals are outlined in **Attachment C**.

Recommended food service vendors

Based on the above process, the universities recommend entering into food service contracts starting July 1, 2016 as follows:

	<u>Recommended</u>	<u>Current</u>
Bemidji State University	Aramark	Aramark
MSU Moorhead	Sodexo	Sodexo
MSU, Mankato	Sodexo	Sodexo
Southwest Minnesota State University	Chartwells	Aramark
St. Cloud State University	Chartwells	Sodexo
Winona State University	Chartwells	Chartwells

RECOMMENDED COMMITTEE ACTION:

The Facilities/Finance Policy Committee recommends that the Board of Trustees adopt the following motion:

The Board of Trustees authorizes the chancellor or the chancellor’s designee to negotiate and execute the six dining service contracts with the recommended vendors for a five (5) year initial term subject to the university cost, vendor royalty and contribution framework contained in **Attachment C**. The contracts may include an option to extend for five years. The chancellor must obtain Board approval before exercising an extension term. This approval authorizes the chancellor or the chancellor’s designee to grant construction authority to upgrade university facilities, provided vendors provide appropriate design and construction documentation that conforms to system and related universities’ design and construction standards and requirements.

RECOMMENDED MOTION:

The Board of Trustees authorizes the chancellor or the chancellor's designee to negotiate and execute the six dining service contracts with the recommended vendors for a five (5) year initial term subject to the university cost, vendor royalty and contribution framework contained in **Attachment C**. The contracts may include an option to extend for five years. The chancellor must obtain Board approval before exercising an extension term. This approval authorizes the chancellor or the chancellor's designee to grant construction authority to upgrade university facilities, provided vendors provide appropriate design and construction documentation that conforms to system and related universities' design and construction standards and requirements.

ATTACHMENT A – CURRENT FOOD SERVICE VENDORS AND SPENDING

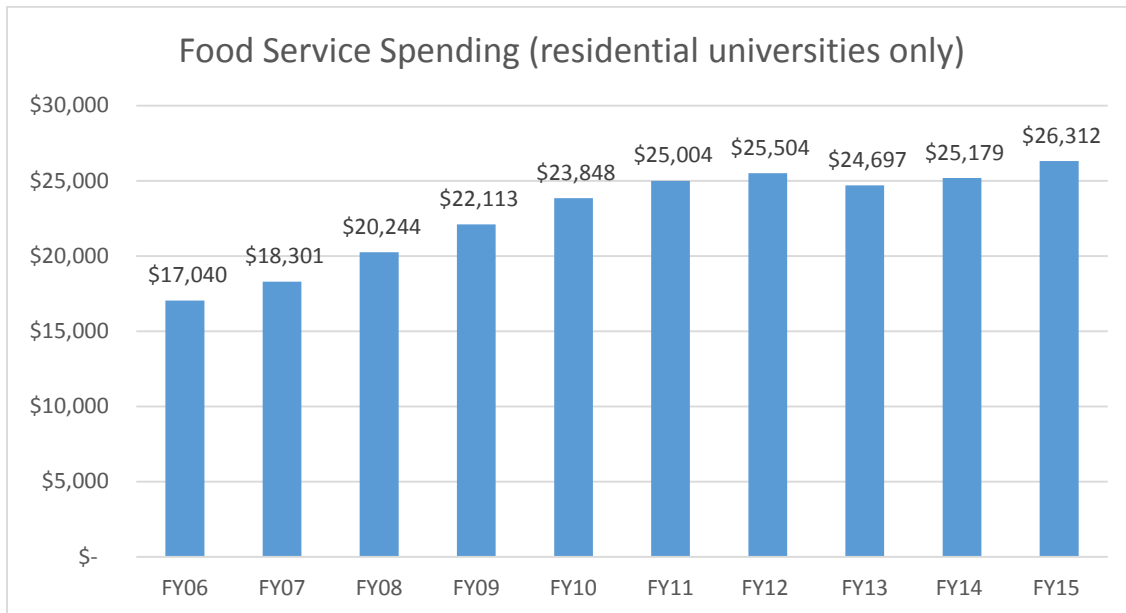
Three major food service vendors currently serve our six residential universities. The current food service vendors serving the campuses are:

<u>University</u>	<u>Current Vendor</u>
Southwest Minnesota State University Bemidji State University	Aramark
St. Cloud State University MSU, Mankato MSU, Moorhead	Sodexo
Winona State University	Chartwells

Metropolitan State University was not included in this effort, as it does not have a residential component and operates under separate contract terms. Colleges, similarly, are not included in this proposal effort, although Northwest Technical College was accounted for in the Bemidji State University scope of the new contract.

Current Food Service Spending

Residential universities spent approximately \$228 million on food service from July 1, 2006 to June 30, 2015. The chart below outlines the spending per fiscal year:



Source: MnSCU Revenue Fund Financial Statements

ATTACHMENT B - CORE PROPOSAL ASSUMPTIONS

The system office advertised and hired food service consultants in early 2014 to assist in coordinating the process. The process began with certain core assumptions, which included:

- Common RFP. The universities would all use a common framework including a common Request for Proposals (RFP) with individual “Statements of Work,” “Current Site Information,” Floor plans,” and market research organized by campus.
- Common Term. All universities would enter into an initial five (5) year contract term with a single five (5) extension option with the same start date, July 1, 2016. The five year term was determined after consultation with bond counsel to ensure compliance with IRS rules regarding private use of tax exempt bond financed facilities.
- Similar scope of work. While the core scope of work included typical residential dining hall service, retail or convenience store, and catering evaluations, the universities could choose to opt in/out of various segments.
- Cancellation. Universities would be able to cancel at any time with a minimum of 365 day notice and reimbursement of vendor’s unamortized costs.
- One-Many-All. Food service vendors could bid for one, many or all the universities food service business
- Scoring at the University. Each university would score and evaluate their own university specific proposal
- Recommended Vendor. Each university would make their final recommendation to the Board of Trustees

ATTACHMENT C – FINANCIAL TERMS

Summary

The food service proposals are all predicated on forecasted enrollment, anticipated rate increases for food service, capital investment packages and service expectations unique to each institution. As a result, the estimated total cost to the universities within the initial five year term is very difficult to estimate precisely and are subject to change throughout the term.

The segments below attempt to give an estimated range of costs, donations, capital investments or – in some cases – expected revenues payable to the universities. These are advisory only. Actual numbers are expected to vary depending on enrollment, changes in service levels, and material changes in costs.

Contract Dining – Payments to Vendors

Shown in the list below are estimates of the range of annual costs for contract dining only at the six state universities. These ranges are presented in a very broad context because the universities are still finishing negotiations of the financial and programmatic aspects of the contracts. The type of dining program and options selected, hours of operation and staffing, how much, if any, contributions vendors make toward facilities improvements are all factors that ultimately determine the annual cost of the contract services.

Campus	Estimated Annual Cost to the University
Bemidji State University	\$855,000 - \$1 million
MSU Moorhead	\$3.4 – \$3.95 million
MSU, Mankato	\$5.6 – \$6.35 million
St. Cloud State University	\$4.8 - \$5.35 million
Southwest Minnesota State University	\$1.5 - \$1.75 million
Winona State University	\$3.6 - \$4.2 million

The universities expect to spend in aggregate \$100 - \$125 million for contract dining over the first five years of the contract terms. There are variable assumptions among each campus, but the vendors were all asked to assume limited cost increases. Based on the new contract assumptions, students can expect to pay approximately \$2,900 per year for an average food service plan when the new plans go into effect. The most recent approved Board rates for FY2016 under current contracts averaged approximately \$2,603.

The proposals from this round of vendors reflect the growing complexity of serving our student populations, which includes special attention regarding allergen sensitivities, such as nut, gluten and shellfish and other specialized dietary restrictions, such as vegan dining. Each of the contracts also include provisions and goals for the vendors to seek out locally-sourced food and reducing reliance on genetically modified food (GMO).

Capital Investment and Financial Contributions

Each new food service contract includes provisions for capital investments to refresh food concepts at each campus. The proposed terms average \$3.1 million in capital investments per campus or approximately \$18 million during the initial term. The capital investments include introducing items such as new restaurant concepts, coffee kiosks and setting up facilities to offer greater variety and healthier eating options.

Retail and Catering

In addition to the contract dining pay-out there will be royalty income received from vendors payable to the universities for retail, catering, and other services. Depending on the campus, retail can be a fairly important component of the food service offerings. In the case of retail, the vendor operates the retail outlets on campus and pays the university a royalty based on sales. Typically, royalty rates will vary between 5%-15% for retail, catering and some concessions.

These royalty levels and pricing for the menus and products are also being negotiated. The value of royalty income and additional contributions including various funds toward scholarships.

APPENDIX – A SHORT HISTORY OF UNIVERSITY FOOD SERVICE

Origins

Food service has evolved significantly since the majority of our state universities began offering meal plans. As state universities constructed new residence halls and dining facilities in the 1950s/1960s, our universities began self-operating their food and dining services. This continued for a period of 15-20 years as the universities grew. As student tastes changed and the cost of self-operating food service became less attractive, universities switched to using private food service vendors starting in the mid-1970s.

Self Operated

From 1975 to 1999, the universities operated under a single umbrella contract with one vendor. Programs and pricing were locally determined and were reviewed and renewed annually. The universities eventually became disenchanted with a one-vendor model, as costs, quality and variety were not keeping with the universities' expectations. During the 1999 contract renewal cycle, the universities collectively determined there was little benefit in continuing to use a single vendor serving all the universities, given the universities' differences in size, food choices and costs and with variable service experiences with the single vendor.

Vendor Operated

Starting in 1999, the universities began contracting with different vendors and determined there was value in allowing each university the choice to select their own vendor. The 1999 approach carried through in a modified approach when the universities last solicited for food service vendors contracts starting in 2006. As part of a unified "one-many-all" request for proposals, each university went to market simultaneously using one RFP and base contract, but were able to select the vendor that best met their individual campus needs and customized contract terms based on their food service programs. The system engaged a food service consultant to help the universities and the system evaluate and coordinate the process.

Current Situation

The 2006 process produced 7-year agreements at each university that started July 1, 2006 with one three (3)-year option to extend at each university's discretion. Each university ultimately elected to extend their food service contracts for the 3 year term, and all the contracts are scheduled to expire June 30, 2016.

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

ACTION ITEM
State Universities Food Service Contracts

BACKGROUND

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6. Evaluation of vendors and selection, including contract negotiations
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The six residential universities provide a broad array of dining options for their students, faculty and staff typical of most offerings in higher education. Each proposal was structured to address the delivery of the following services:

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2. Retail. The second major category is "retail," which is the casual (not contracted) purchase of food from a venue outside the contract dining facilities, such as coffee and bagel shops and convenience store-type offerings. The vendor establishes and runs the retail concepts on a campus, which may include national franchises or vendor sponsored concepts. The university receives a percentage royalty payment from the vendor from such sales.
3. Catering. Another category is "catering" where the vendor provides food and services for on-campus hosted and occasional off-campus events. Examples included conferences or sports camps. Similar to retail, a university department or event sponsor pays the cost of such catering. The university receives a royalty payment from the vendor for such catering sales.

4. Concessions. The last major category is concessions, which may be included in university food service contracts. Often, there are exceptions for concession sales run by student groups or athletics to use for fundraising. Concessions or the vending component may be excluded from some universities' dining service contracts because state Services for the Blind have statutory authority over vending in all state buildings. The university receives a royalty payment from the vendor for concession sales.

Solicitation of Food Service Vendor Process

The system office published its request for proposal in early April 2015 seeking food service vendors to bid on one, many or all campuses to provide food service. Prior to the proposal deadline, each campus hosted a mandatory pre-bid conference where vendors visited the campuses on which they were interesting in bidding, toured dining and related facilities, and had the opportunity to ask campus staff questions about the current operations.

The proposal deadline was July 8, 2015. The initial proposal pool included solicitations from six different food service vendors. From that pool, each campus evaluated their individual proposals based on the submitted technical proposals, which included proposed food service concepts, management and staffing, total financial package, including donations and capital investments, and an exceptions of the contract terms. Proposal reviews and analysis occurred, resulting in each university developing a vendor short list in Fall 2015. From that short list, each campus selected their recommended finalist in December 2015 and began negotiating a contract.

Student Involvement

Student involvement has been robust and sustained throughout the process. For each university, students served on the selection committee and discussions engaged Student Senate and the Residence Hall advisory and related student boards.

Beginning with the initial assessment phase, the food service consultant and universities engaged in an extensive survey of students, faculty and staff to better understand the food service needs and preferences of individual campuses and solicited suggestions from students and staff about changes in menu, types of food, quality of service and hours. During this effort, 4,217 individuals responded to the surveys at the universities.

Financial Scope of the Proposals

Costs to the University

All proposals are structured around the noted four major categories: the cost to the university for delivering contract dining (i.e. meal plans), retail (i.e. convenience stores, sub shops, etc.), catering (catered events of university users and outside entities coming to a campus), and concessions (i.e. athletic events, food trucks).

Contributions to the University

During the course of a contract term, the universities expect to receive guaranteed royalties from retail, catering and concession sales, cash donations to support student programs (such as food served during admission of new students, orientation week, and similar styled activities), and capital investment to introduce new food concepts or update existing dining facilities. The financial scope of the proposals are outlined in **Attachment C**.

Recommended food service vendors

Based on the above process, the universities recommend entering into food service contracts starting July 1, 2016 as follows:

	<u>Recommended</u>	<u>Current</u>
Bemidji State University	Aramark	Aramark
MSU Moorhead	Sodexo	Sodexo
MSU, Mankato	Sodexo	Sodexo
Southwest Minnesota State University	Chartwells	Aramark
St. Cloud State University	Chartwells	Sodexo
Winona State University	Chartwells	Chartwells

RECOMMENDED COMMITTEE ACTION:

The Facilities/Finance Policy Committee recommends that the Board of Trustees adopt the following motion:

The Board of Trustees authorizes the chancellor or the chancellor’s designee to negotiate and execute the six dining service contracts with the recommended vendors for a five (5) year initial term subject to the university cost, vendor royalty and contribution framework contained in **Attachment C**. The contracts may include an option to extend for five years. The chancellor must obtain Board approval before exercising an extension term. This approval authorizes the chancellor or the chancellor’s designee to grant construction authority to upgrade university facilities, provided vendors provide appropriate design and construction documentation that conforms to system and related universities’ design and construction standards and requirements.

RECOMMENDED MOTION:

The Board of Trustees authorizes the chancellor or the chancellor's designee to negotiate and execute the six dining service contracts with the recommended vendors for a five (5) year initial term subject to the university cost, vendor royalty and contribution framework contained in **Attachment C**. The contracts may include an option to extend for five years. The chancellor must obtain Board approval before exercising an extension term. This approval authorizes the chancellor or the chancellor's designee to grant construction authority to upgrade university facilities, provided vendors provide appropriate design and construction documentation that conforms to system and related universities' design and construction standards and requirements.

ATTACHMENT A – CURRENT FOOD SERVICE VENDORS AND SPENDING

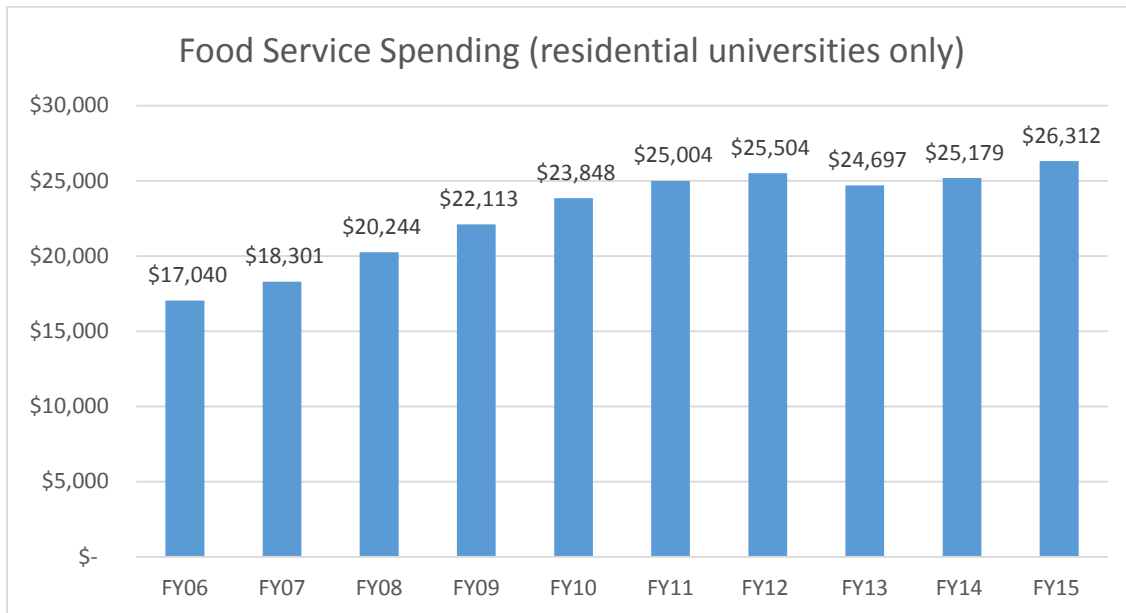
Three major food service vendors currently serve our six residential universities. The current food service vendors serving the campuses are:

<u>University</u>	<u>Current Vendor</u>
Southwest Minnesota State University Bemidji State University	Aramark
St. Cloud State University MSU, Mankato MSU, Moorhead	Sodexo
Winona State University	Chartwells

Metropolitan State University was not included in this effort, as it does not have a residential component and operates under separate contract terms. Colleges, similarly, are not included in this proposal effort, although Northwest Technical College was accounted for in the Bemidji State University scope of the new contract.

Current Food Service Spending

Residential universities spent approximately \$228 million on food service from July 1, 2006 to June 30, 2015. The chart below outlines the spending per fiscal year:



Source: MnSCU Revenue Fund Financial Statements

ATTACHMENT B - CORE PROPOSAL ASSUMPTIONS

The system office advertised and hired food service consultants in early 2014 to assist in coordinating the process. The process began with certain core assumptions, which included:

- Common RFP. The universities would all use a common framework including a common Request for Proposals (RFP) with individual “Statements of Work,” “Current Site Information,” Floor plans,” and market research organized by campus.
- Common Term. All universities would enter into an initial five (5) year contract term with a single five (5) extension option with the same start date, July 1, 2016. The five year term was determined after consultation with bond counsel to ensure compliance with IRS rules regarding private use of tax exempt bond financed facilities.
- Similar scope of work. While the core scope of work included typical residential dining hall service, retail or convenience store, and catering evaluations, the universities could choose to opt in/out of various segments.
- Cancellation. Universities would be able to cancel at any time with a minimum of 365 day notice and reimbursement of vendor’s unamortized costs.
- One-Many-All. Food service vendors could bid for one, many or all the universities food service business
- Scoring at the University. Each university would score and evaluate their own university specific proposal
- Recommended Vendor. Each university would make their final recommendation to the Board of Trustees

ATTACHMENT C – FINANCIAL TERMS

Summary

The food service proposals are all predicated on forecasted enrollment, anticipated rate increases for food service, capital investment packages and service expectations unique to each institution. As a result, the estimated total cost to the universities within the initial five year term is very difficult to estimate precisely and are subject to change throughout the term.

The segments below attempt to give an estimated range of costs, donations, capital investments or – in some cases – expected revenues payable to the universities. These are advisory only. Actual numbers are expected to vary depending on enrollment, changes in service levels, and material changes in costs.

Contract Dining – Payments to Vendors

Shown in the list below are estimates of the range of annual costs for contract dining only at the six state universities. These ranges are presented in a very broad context because the universities are still finishing negotiations of the financial and programmatic aspects of the contracts. The type of dining program and options selected, hours of operation and staffing, how much, if any, contributions vendors make toward facilities improvements are all factors that ultimately determine the annual cost of the contract services.

Campus	Estimated Annual Cost to the University
Bemidji State University	\$855,000 - \$1 million
MSU Moorhead	\$3.4 – \$3.95 million
MSU, Mankato	\$5.6 – \$6.35 million
St. Cloud State University	\$4.8 - \$5.35 million
Southwest Minnesota State University	\$1.5 - \$1.75 million
Winona State University	\$3.6 - \$4.2 million

The universities expect to spend in aggregate \$100 - \$125 million for contract dining over the first five years of the contract terms. There are variable assumptions among each campus, but the vendors were all asked to assume limited cost increases. Based on the new contract assumptions, students can expect to pay approximately \$2,900 per year for an average food service plan when the new plans go into effect. The most recent approved Board rates for FY2016 under current contracts averaged approximately \$2,603.

The proposals from this round of vendors reflect the growing complexity of serving our student populations, which includes special attention regarding allergen sensitivities, such as nut, gluten and shellfish and other specialized dietary restrictions, such as vegan dining. Each of the contracts also include provisions and goals for the vendors to seek out locally-sourced food and reducing reliance on genetically modified food (GMO).

Capital Investment and Financial Contributions

Each new food service contract includes provisions for capital investments to refresh food concepts at each campus. The proposed terms average \$3.1 million in capital investments per campus or approximately \$18 million during the initial term. The capital investments include introducing items such as new restaurant concepts, coffee kiosks and setting up facilities to offer greater variety and healthier eating options.

Retail and Catering

In addition to the contract dining pay-out there will be royalty income received from vendors payable to the universities for retail, catering, and other services. Depending on the campus, retail can be a fairly important component of the food service offerings. In the case of retail, the vendor operates the retail outlets on campus and pays the university a royalty based on sales. Typically, royalty rates will vary between 5%-15% for retail, catering and some concessions.

These royalty levels and pricing for the menus and products are also being negotiated. The value of royalty income and additional contributions including various funds toward scholarships.

APPENDIX – A SHORT HISTORY OF UNIVERSITY FOOD SERVICE

Origins

Food service has evolved significantly since the majority of our state universities began offering meal plans. As state universities constructed new residence halls and dining facilities in the 1950s/1960s, our universities began self-operating their food and dining services. This continued for a period of 15-20 years as the universities grew. As student tastes changed and the cost of self-operating food service became less attractive, universities switched to using private food service vendors starting in the mid-1970s.

Self Operated

From 1975 to 1999, the universities operated under a single umbrella contract with one vendor. Programs and pricing were locally determined and were reviewed and renewed annually. The universities eventually became disenchanted with a one-vendor model, as costs, quality and variety were not keeping with the universities' expectations. During the 1999 contract renewal cycle, the universities collectively determined there was little benefit in continuing to use a single vendor serving all the universities, given the universities' differences in size, food choices and costs and with variable service experiences with the single vendor.

Vendor Operated

Starting in 1999, the universities began contracting with different vendors and determined there was value in allowing each university the choice to select their own vendor. The 1999 approach carried through in a modified approach when the universities last solicited for food service vendors contracts starting in 2006. As part of a unified "one-many-all" request for proposals, each university went to market simultaneously using one RFP and base contract, but were able to select the vendor that best met their individual campus needs and customized contract terms based on their food service programs. The system engaged a food service consultant to help the universities and the system evaluate and coordinate the process.

Current Situation

The 2006 process produced 7-year agreements at each university that started July 1, 2006 with one three (3)-year option to extend at each university's discretion. Each university ultimately elected to extend their food service contracts for the 3 year term, and all the contracts are scheduled to expire June 30, 2016.

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

Name: Finance and Facilities Committee

Date: March 15, 2016

Title: System Financial Health Update, Including Update on Financial Recovery Plans and Monitoring Metrics

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:

This report focuses on the financial health of our colleges and universities, including an update on those operating under a financial recovery plan. The report examines the ways financial health is monitored including current and proposed monitoring metrics and an analysis of financial performance under stressed conditions.

Scheduled Presenter(s):

Laura King, Vice Chancellor of Finance and Facilities, Chief Financial Officer
Deb Bednarz, System Director for Financial Planning and Analysis

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

INFORMATION ITEM
SYSTEM FINANCIAL HEALTH UPDATE INCLUDING UPDATE ON FINANCIAL RECOVERY PLANS AND MONITORING METRICS

BACKGROUND

This report focuses on the financial health of our colleges and universities. Four issues are examined:

- 1) *Financial recovery plans (FRPs)*, including an examination of the reasons 19 colleges and universities are currently operating under FRPs and outreach efforts to these institutions;
- 2) *Enrollment projections*, including an analysis of projected enrollment compared to actual by sector;
- 3) *Modified stress analysis*, including the results of a modified stress test where general fund balances are stressed by a five percent enrollment decline;
- 4) *Proposed financial health indicators and metrics*, including a discussion of the proposed changes to the current indicators.

System Financial Health, Including Updates on Financial Recovery Plans and Monitoring Metrics



Board of Trustees
Finance and Facilities Committee

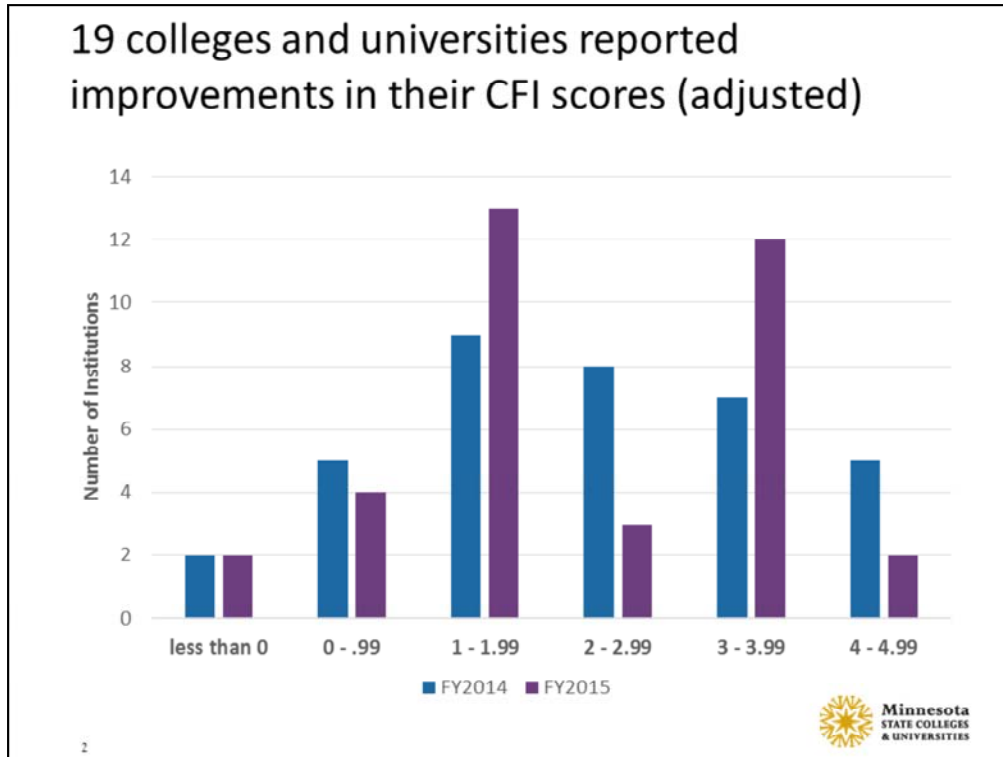
March 15, 2016



Overview of materials

- Overview of system's financial health
- Financial health indicators and triggers
- Enrollment projection analysis
- Stress analysis
- Proposed revised financial health indicators



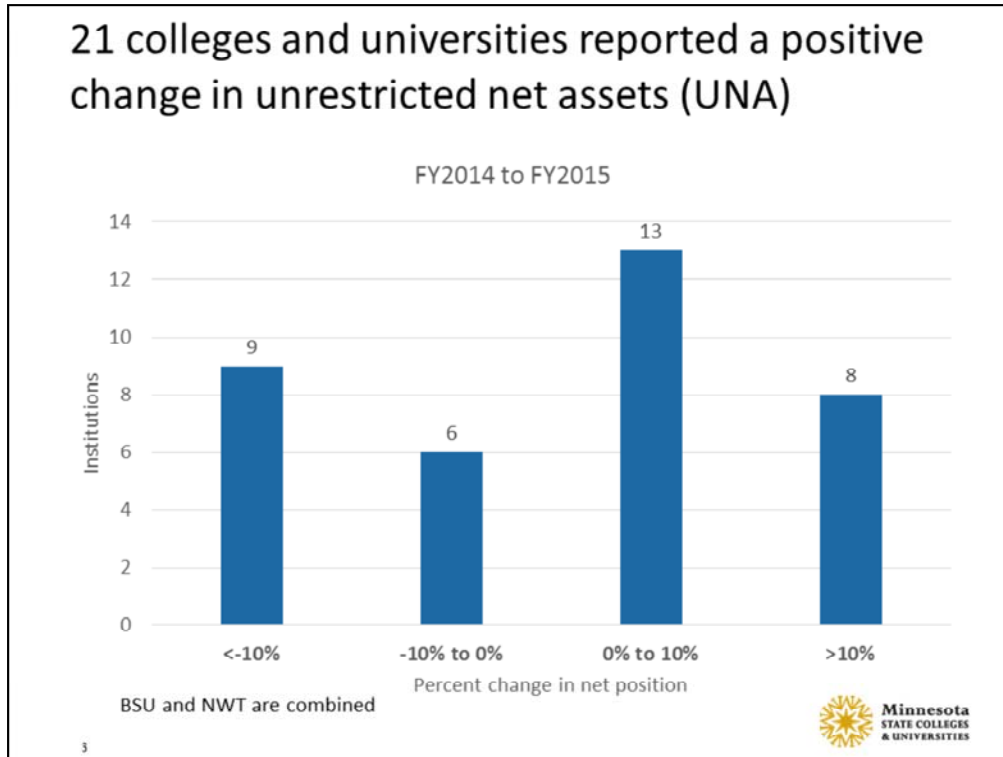


A standard measure of financial health for higher education institutions is the Composite Financial Index (CFI) score. The CFI is a compilation of four financial ratios: primary reserve, return on net assets, viability, and operating margin. It is an accrual-based measure built from annual financial statements. CFI scores can be volatile from year to year due to capital investments.

The Higher Learning Commission (HLC) uses the CFI to assess the financial health of a college or university. If an institution's CFI score is between 0 and 1.0 for two or more consecutive years then a financial review could be triggered. If a CFI score falls below 0 in any year, a financial review may also be triggered.

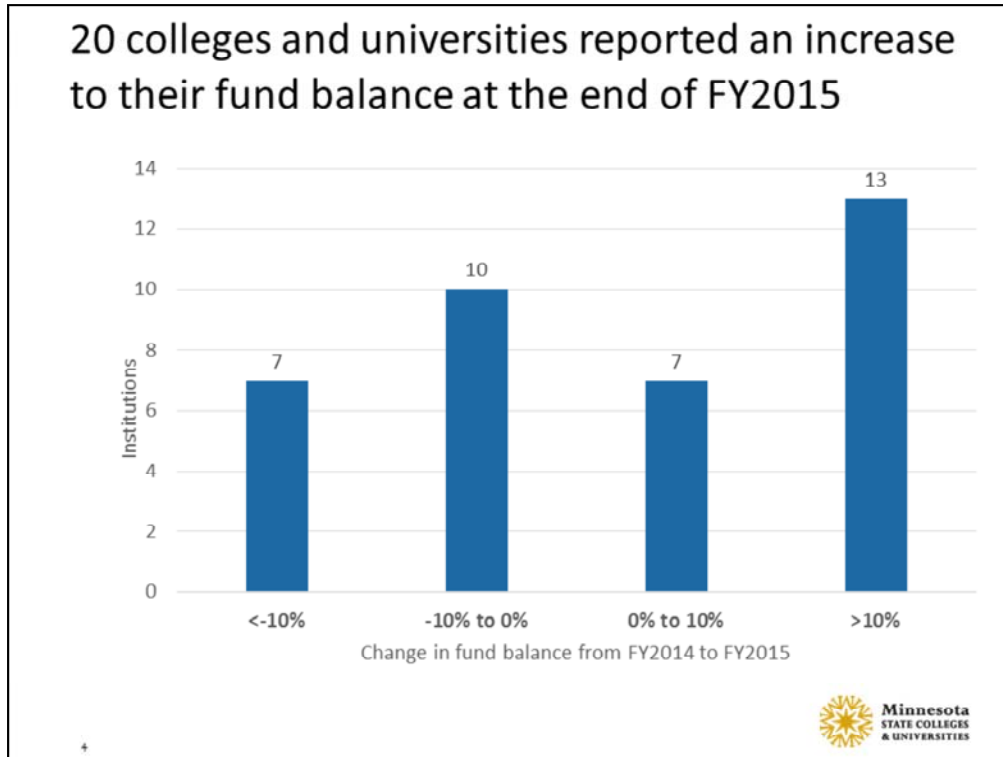
One challenge in assessing financial health this year is understanding the impact of the GASB68 reporting requirement on the CFI effective with FY2015 reporting. This new reporting requirement makes it difficult to compare CFI scores from one year to the next. For this reason, the CFI scores in this chart have been adjusted to remove the GASB entries so that the FY2014 and FY2015 numbers are comparable.

Based on the FY2015 audited financial statements, 19 colleges and universities reported improvements in their CFI scores (adjusted) when compared to their FY2014 CFI score; 17 reported lower scores.



Another measure of financial health is the change in unrestricted net assets from prior year levels. The graph shows the wide variation in UNA across our colleges and universities. This is an accrual-based measure based on the audited annual financial statements. The principle difference between this measure and the fund balance measure is the inclusion of accrued but not yet realized revenues and expenses. In FY2015, eight institutions reported an increase of 10 percent or more, thirteen reported an increase between zero and ten percent, six reported a loss of zero to ten percent, and nine reported a loss greater than 10 percent.

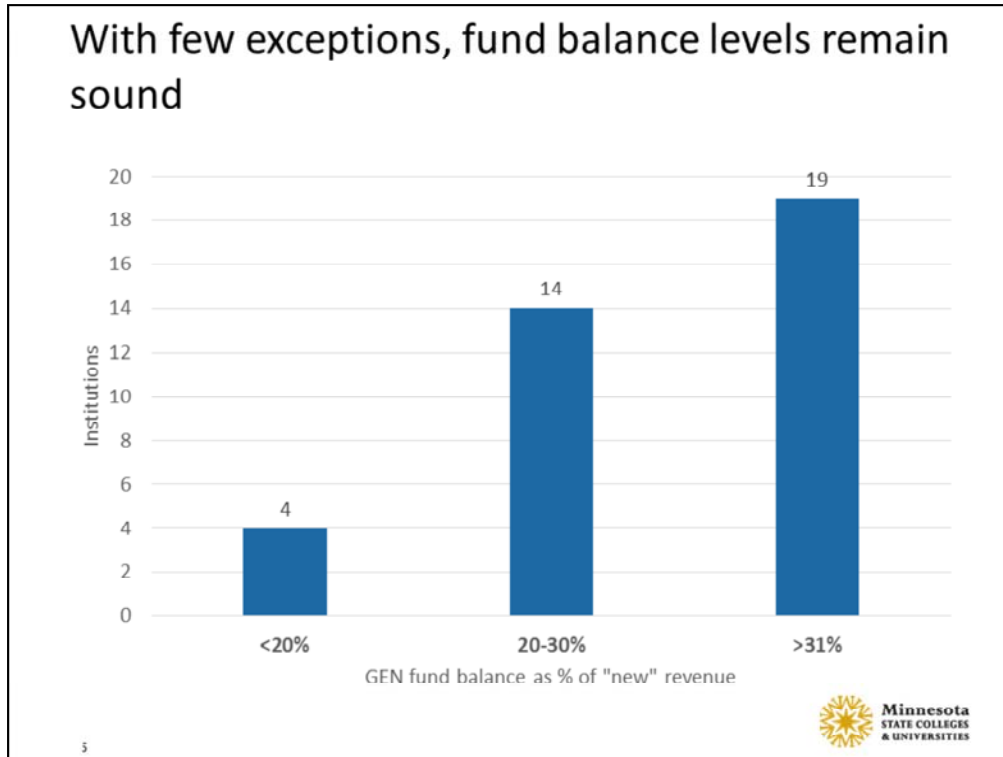
Of the nine colleges and universities that reported a loss greater than ten percent, seven are on financial recovery plans.



Change in general fund balance is another measure of an institution’s financial health. This is a point-in-time cash-based measure that compares cash at the end of the fiscal year to cash at the end of the prior fiscal year. This measure is similar to increasing unrestricted net assets but on a cash basis, rather than an accrual basis. Percent changes greater than zero show fund balance growth; percent changes less than zero, indicate fund balance use.

Use of fund balance often is planned and included as part of an institution’s annual operating budget. Fund balances have also been used to cover unexpected revenue shortfalls (due to enrollment loss, for example) and unanticipated cost increases. Change in fund balance is calculated for every college and university annually. Large negative changes are identified and explained.

Six of the seven colleges and universities that used more than 10 percent of their fund balance are on financial recovery plans.



Adequate fund balances provide colleges and universities the ability to address unexpected budget challenges, meet cash flow needs and invest in their institutions. The percent of fund balance compared to revenues is a measure of the adequacy of an institution's fund balance. Colleges and universities with fund balances equal to or exceeding 30 percent of annual earned revenue are well positioned to meet unexpected challenges and take advantage of investment opportunities. Those whose fund balances are less than 20 percent are at risk of not being able to respond to unexpected budget challenges and growth opportunities. Each of the four colleges and universities with fund balances less than 20 percent of revenues is operating under a financial recovery plan.

Financial health indicators trigger additional oversight

Current financial health measures and consequences:

1. Low CFI
 - *Consequence:* Financial Recovery Plan
2. Negative net operating income
 - *Consequence:* Financial Recovery Plan
3. Low primary reserve
 - *Consequence:* Cash monitoring



6

This section of the board report focuses on the three long-term financial health risk factors identified in board procedure 7.3.16. All three indicators are accrual-based measures based on audited financial statements. The indicators, triggers, and consequence are summarized below.

1. Low Composite Financial Index (CFI) score of less than 1.5 (2-year average) or 0.5 for most recent year

Consequence = Requires a Financial Recovery Plan

2. Negative accrual based net operating revenue for two consecutive years

Consequence = Requires a Financial Recovery Plan

3. Low accrual primary reserve level of less than 1.6 months for two consecutive years

Consequence = Planned monthly reporting adjusted for actuals

19 colleges and universities are now operating under Financial Recovery Plans

- 10 of the 11 colleges and universities operating under plans last year remain on plans this year
- 9 additional colleges and universities triggered the financial recovery plan (FRP) requirement
- Plans submitted, reviewed, discussed with president and CFO
- FRP progress reports will be submitted as part of FY2017 operating budget materials



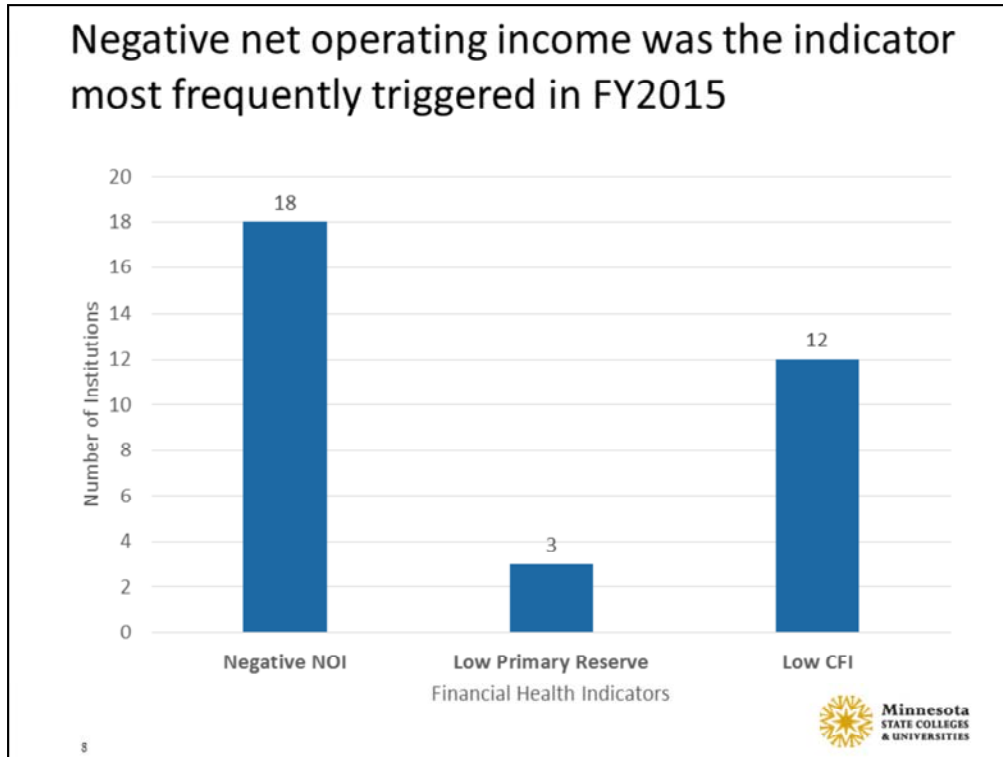
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Colleges and universities that report a low CFI or two years of operating losses must prepare a financial recovery plan and submit it to the system office, in accordance with board procedure. Colleges and universities operating under FRPs are under stricter reporting and monitoring requirements.

Financial recovery plans (FRP) outline steps to restore financial health:

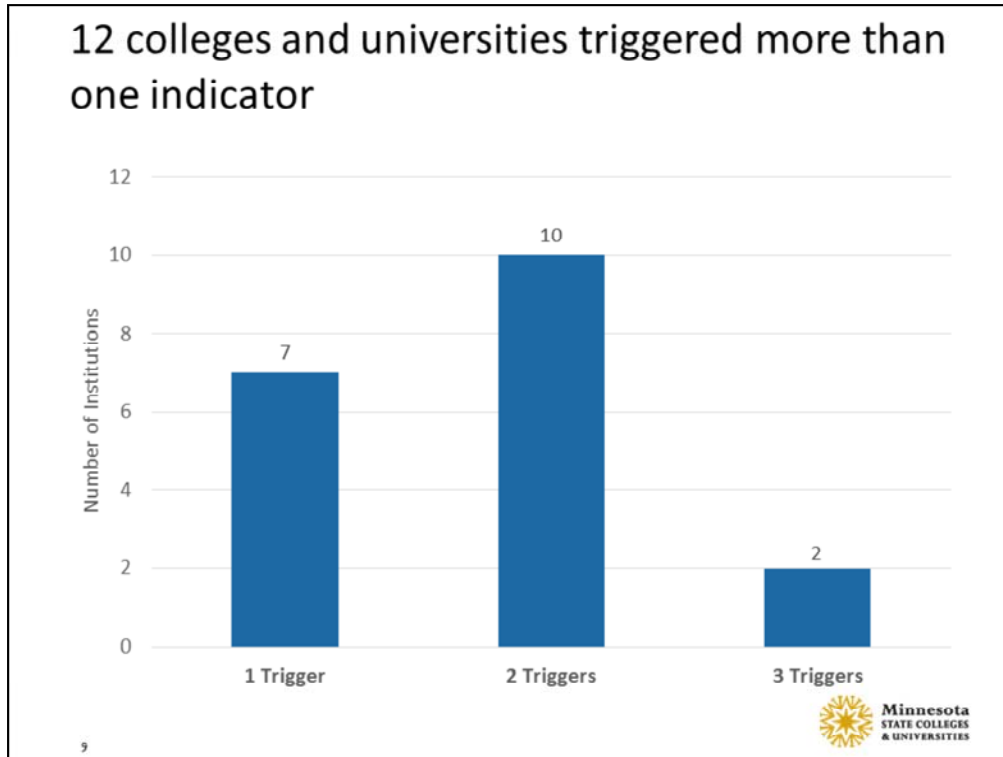
- Specific performance goals identified
- Updated FY2016 budget submitted
- FY2017 preliminary budget outlook prepared
- Enrollment projected for two years
- CFI projected for two years

Vice Chancellor King has held meetings with the president and CFO of 14 of the colleges and universities operating under FRPs to review and discuss plans and key assumptions.



Two consecutive years of reported negative net operating income was the most common financial health indicator triggered in FY2015. Eighteen colleges and universities triggered this measure. Twelve colleges and universities also triggered the low CFI thresholds. Only three institutions fell below the threshold levels for low primary reserves.

The net operating income measure (NOI) differs from the unrestricted net assets measure (UNA) due to the inclusion of depreciation in the operating income calculation. Consequently, colleges and universities with depreciation expenses in excess of current period capital outlays are likely to report negative net operating income.



- All seven colleges and universities that triggered one financial health indicator, triggered the negative net operating indicator.
- Nine of the ten colleges and universities that triggered two financial health indicators triggered the negative net operating indicator and the low CFI indicator.

FRP colleges and universities report progress

- Of the 11 schools operating under plans last year, one is no longer operating under an FRP this year
- Of the 10 schools still operating under plans in FY2016:
 - 7 improved their CFI score (adjusted) in FY2015
 - 8 reported improvement in their net operating income
 - 8 reported a general fund balance at or above 20 percent of general fund revenues
 - 5 added to their general fund balance



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Most colleges and universities operating under an FRP in FY2015 reported improved financial performance in FY2015, a small number did not. Increased reporting and monitoring requirements continue for all ten institutions.

Conclusions and observations

- CFI scores improving for 53 percent of system's colleges and universities
- System cash position stronger than indicated by FRP results due to accrual method in CFI
- Enrollment forecasting integrity **key** area for improvement
- FRP process is generally producing desired results



Early enrollment projections typically reflect flat enrollment growth

COLLEGES	FY2015		
	FY2015 FYE projections	Actual FYE compared to projection	% Difference of actual FYE compared to projection
October 2013	90,777	(5,367)	-5.9%
February 2014	88,828	(3,418)	-3.8%
October 2014	85,554	(144)	-0.2%
February 2015	85,123	287	0.3%
Actual	85,410	-	0.0%
UNIVERSITIES			
October 2013	54,774	(1,210)	-2.2%
February 2014	54,623	(1,059)	-1.9%
October 2014	53,646	(82)	-0.2%
February 2015	53,534	30	0.1%
Actual	53,564	-	0.0%

The system enrollment change from FY2014 to FY2015 was -3.8%, -4.6% for colleges and -2.6 percent for universities.



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Enrollment and accurately projecting enrollment is strongly linked to financial health and financial performance. The next section of this report focuses on enrollment and enrollment projections.

Colleges and universities project enrollment several times throughout the year for both the current fiscal year and future fiscal years. An analysis of enrollment projections at different points in time compared to actual enrollment shows that longer term forecasts are inaccurate and generally reflect the current year experience rather than anticipate future enrollment trends.

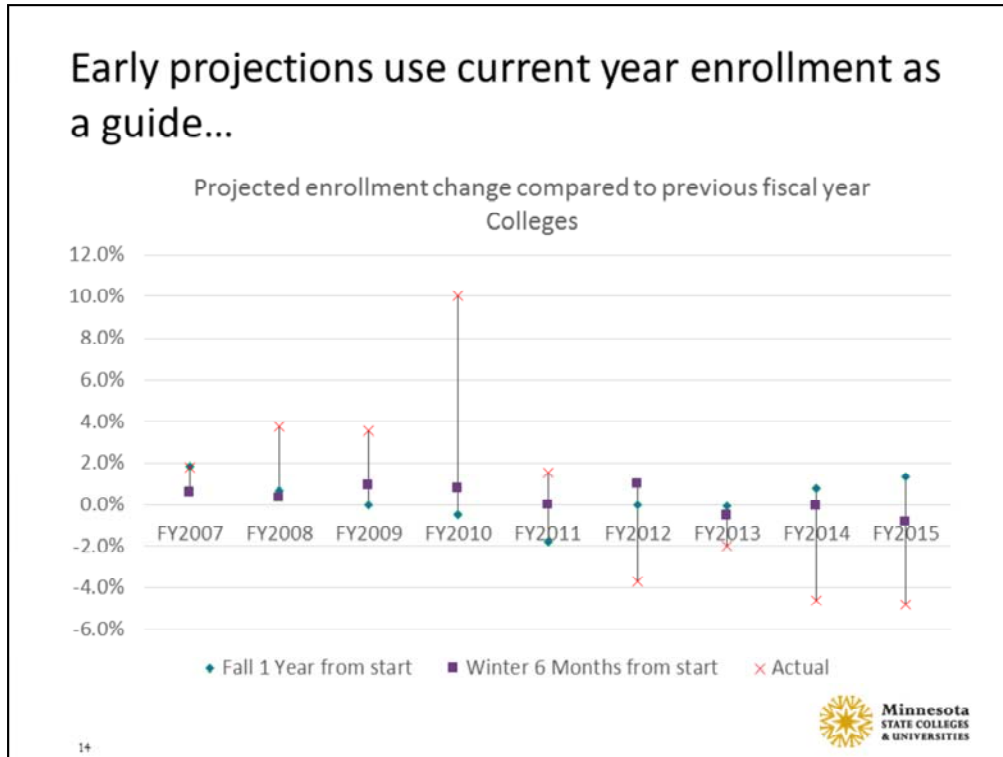
The table above shows the difference between enrollment projections and actual enrollment for FY2015. One year before the start of the fiscal year, FY2015 FYE enrollment was projected at 145,551 FYE. Actual enrollment for that year was 138,973 FYE or 4.5 percent lower than initially projected.

To adjust for enrollment uncertainty many colleges and universities have begun budgeting enrollment contingencies.

Efforts underway to improve enrollment forecasting

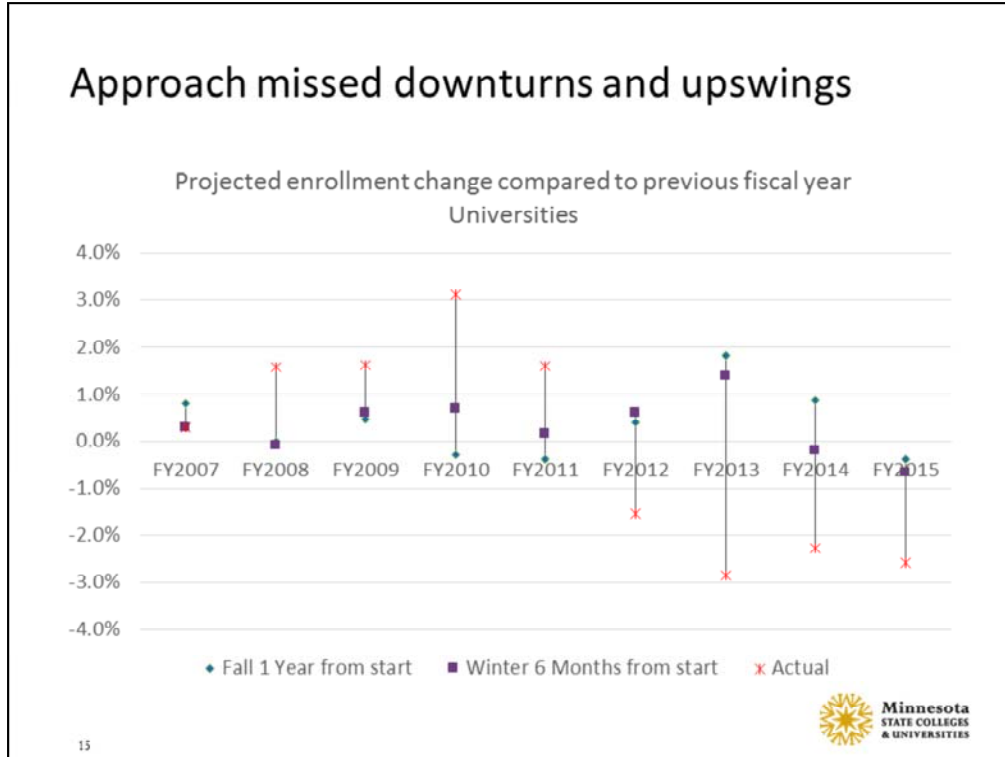
- Heightened focus on enrollment throughout the system as enrollment grew rapidly and fell sharply
- Graduating high school seniors, state demographics and the economy remain key enrollment drivers

Early projections use current year enrollment as a guide...



An analysis of enrollment projections confirmed that early FYE enrollment projections (one year from the start of the fiscal year) mirror the present enrollment outlook. That is, when projecting enrollment for the upcoming year colleges and universities rely heavily on the experience of the current year they are in. Both colleges and universities are reluctant to forecast enrollment growth or decline.

Approach missed downturns and upswings



The experience of projecting university enrollment is similar to the college experience. However, university projections were more optimistic than college projections in recent years. The blue diamonds in the chart above show the earliest projection made for the fiscal year and the red marks indicate the actual enrollment.

Colleges and universities are paying close attention to the factors driving enrollment in order to improve budget, staff and academic planning.

Stress analysis objectives

- Stress analysis measures capacity to absorb shock
- Each college and university measured separately
- Analysis holds expenses steady while reducing revenues
- In reality colleges and university would cut expenses to address revenue shortfall

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Another analytical tool used to indicate financial condition is a stress analysis. The purpose of the analysis is to assess the capacity of each college and university to absorb revenue shortfalls or expenditure increases.

Stress analysis models impact of enrollment declines on operating budgets

- FY2016 operating budgets stressed with five percent enrollment decline
- Budgets adjusted for compensation increases, updated enrollment projections, and planned use of fund balance
- Analysis assumed no change in spending behavior as a result of the enrollment stress
- Impact on fund balance measured, both as a percent of revenue and percent decrease in balance



Stress analysis results highlight both strength and vulnerability

When stressed with a 5 percent enrollment loss:

- 25 colleges and universities would experience a fund balance loss greater than ten percent
- 11 colleges and universities would experience fund balance results of less than 20 percent of revenue
- 16 of those currently operating under a FRP triggered one or two of the current financial health indicators
- 10 colleges and universities not operating under a FRP triggered one or two of the financial health indicators
 - 10 flagged for fund balance loss greater than 10 percent
 - 1 flagged for both



Stress analysis conclusions

- Colleges and universities with adequate fund balance perform better under stress analysis than those with modest fund balances
- Increased reliance on tuition has increased vulnerability
- With few exceptions, colleges and universities are able to absorb enrollment losses in the short term but expense adjustments are required to maintain structurally balanced budgets



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The stress analysis illustrates the importance of reserves and fund balance to withstand unexpected budget shocks. However, even if those reserves and balances are available, they are one-time in nature and cannot be used to sustain continued revenue shortfalls.

Financial health indicators are under review

Redesign goals:

- Include blend of cash and accrual measures
- Develop measures which allow faster/near-term reaction time
- Adjust for GASB impact
- Add enrollment measure(s)

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The financial health indicators outlined in board procedure 7.3.16 are under review. The proposed indicators are a combination of cash, accrual, enrollment and facility measures. CFOs were consulted on the proposed new measures.

The procedure is scheduled for full consultation review later this month.

Proposed financial health indicators:
Accrual based measure

1. Low Composite Financial Index (CFI) score
(UNCHANGED)
 - Trigger: The adjusted CFI score (without GASB entries) is less than 1.5 (based on a two-year moving average) or an adjusted CFI score under 0.5 for the most recent year

Proposed financial health indicators:
Cash-based measures

2. Year-End Fund Balance **(NEW)**
 - Trigger: Fiscal year-end general fund cash balance less than 20 percent of general fund revenue

3. Decrease in Fund Balance **(NEW)**
 - Trigger: Year-end general fund balance reductions totaling ten percent or more over three year period



Proposed financial health indicators:

Enrollment measures

4. Full Year Equivalent (FYE) Enrollment Decline **(NEW)**
 - Trigger: Actual full-year equivalent (FYE) enrollment has declined more than six percent over the two most recent years

5. Fall Full Year Equivalent Enrollment Change **(NEW)**
 - Trigger: Actual fall term full-year equivalent (FYE) enrollment change from the prior year if more than one percent lower than the FYE assumption used in approved operating budget, excluding concurrent enrollment



Proposed financial health indicators:
Facility measures

6. Repair and Replacement Expenditures **(UNCHANGED)**
 - Trigger: Expenditures per square foot of less than \$1.00 per square foot based on a three-year moving average

7. Energy Consumption Reduction **(NEW)**
 - Trigger: Annual energy consumption reduction of less than two percent

Discussion questions

- Are we providing the committee with appropriate and timely information?
- Are we providing the appropriate level of oversight to college and universities operating under financial recovery plans?
- Should additional financial health indicators be considered?



Minnesota
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& UNIVERSITIES

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

Name: Finance and Facilities Committee

Date: March 15, 2016

Title: Integrated Statewide Records System (ISRS) NextGen Business Case Report

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:

Ramon Padilla will present an update on the Integrated Statewide Records System (ISRS) NextGen project. The update will present an executive summary of the business case report which will be complete in April 2016. The business case report will contain data and information on the history and condition of the legacy ISRS ERP, findings of campus listening sessions, review of current best in class functionality and a draft project plan for next steps in the development of the strategy and solution for the system's future ERP.

Scheduled Presenter(s):

Ramon Padilla, Vice Chancellor and Chief Information Officer

ISRS Next Generation Business Case Findings



Board of Trustees
Finance and Facilities Committee
March 15, 2016



Discussion Agenda

- Review ISRS - Importance to our colleges and universities
- Review ISRS Next Generation consultation and planning to date
- Present Business Case findings
- Profile the future state
- Introduce options, timeline, and funding
- Organizational commitment, and rough timeline
- Discussion, feedback and direction regarding next steps



ISRS is critical to student and organizational success

ISRS plays a critical role in the success of our students, from applicant to graduate and nearly every process in between.

ISRS is THE data system for our colleges and universities and their students, faculty, and staff. ISRS touches everyone and has a role in nearly every activity - from application to registration, course schedule, housing, finances and financial aid, transcripts and more.

ISRS is the cornerstone data system for our enterprise.

2



ISRS is critical to student and organizational success (cont'd)

An extraordinary education requires information systems that support and enhance the student experience and help ensure student success, effectiveness, and efficiency.

The core enterprise data system supports the organization as a whole, helping to ensure that students get the best value as well as the best education.

3



ISRS Next Generation consultation and planning to date

- ✓ Intensive and extensive review of materials going back 20 years including two separate Gartner studies, existing documentation, and financial analysis
- ✓ Engaged in two cycles of campus listening sessions:
 - Cycle 1 was part of Charting the Future Gallery walks
 - Cycle 2 consisted of 31 campus all-day listening sessions and survey feedback during September and October 2015
- ✓ Engaged 3rd party expertise to conduct listening sessions, interview “peer” systems, and conduct environmental scan
- ✓ Discussed with Board of Trustees Finance and Facilities Committee in October 2015
- ✓ Executive summary complete - Full report is being written and will be completed by April 2016

4



What we know about ISRS

- MnSCU got it right 20 years ago when they developed a single system of record for the system
- ISRS is reaching its technological “end of life”
- The system office is not staffed to keep ISRS current with the needs of our students and our colleges and universities
- There is strong support from students, faculty, and staff that an examination of our options regarding ISRS is long overdue
- That ISRS needs more than a “facelift”

5



What we know about ISRS (cont'd)

- Our students, colleges, and universities as well as the way students learn have changed and continue to change dramatically since 1995
- ISRS cannot keep up with these changes
- There are unmet student needs in the mobile experience, concurrent enrollment, degree planning, student success analytics, recruiting, admissions, and retention processes, to name a few
- There are unmet needs for business intelligence and analytics and budgeting capabilities within ISRS

6



Profiling the Future State

Student and administrative systems of the future ...

- Are built from the ground up for a mobile experience
- Are intuitive and easy to use
- Are built to handle a changing student and higher education environment such as: credit for prior learning, concurrent enrollment, and enhanced transcripts
- Deliver targeted outreach and engagement throughout the student lifecycle
- Personalize content and interactions across channels and devices

7



Profiling the Future State (cont'd)

Student and administrative systems of the future ...

- Help keep students on track to achieving their goals
- Are cloud-based and thus reduce risk and cost regarding disaster recovery and business continuity
- Easily integrate with best of breed software for enhanced functionality
- Are flexible and provide simple methods for modifying functionality to quickly meet the requirements of both administrative and academic units

8



Profiling the Future State (cont'd)

Student and administrative systems of the future ...

- Are rich with data and analytic capabilities
- Drive sustainable cost reductions by simplifying processes and encouraging the standardization of systems and processes
- Give students the seamless experience they expect

9



Options, Timeline and Funding

After research and review, there are two options that appear viable regarding an ISRS replacement:

Option One – Purchase an entirely new system. Most peers have determined this to be the optimal recommended solution. External cost is estimated between \$100 and \$170 million and would take approximately 6 years to completion. Risks include all the typical risks of an ERP implementation.

Option Two – Hybrid Solution. This option would combine a purchase of best of breed components with in - house rewriting of remaining components using existing or augmented staff. CampusWorks anticipates this solution's cost to be 30% higher than option one. The risks are the same as above, but also include additional risks of: increased time to completion (est. 2 additional years), higher internal costs to attempt to remain current, project fatigue, and integration costs.

10



Organizational Commitment and Estimated Timeline

- Replacement of a system such as ISRS is a once – in – a - generation (20 years) type of activity
- The workload is extensive, touches *everyone* in the system, and will span the tenures of leadership that is involved
- The replacement of ISRS is NOT exclusively an IT project. IT is a facilitator in the project. The project owners are the leadership of the system – chancellor, vice chancellors, and presidents

11



Organizational Commitment and Estimated Timeline (cont'd)

- The project will require the ongoing, resolute support of the Board of Trustees
- Success will be determined by the unwavering commitment of leadership to make and stand behind timely decisions about business/organizational processes

12



Discussion

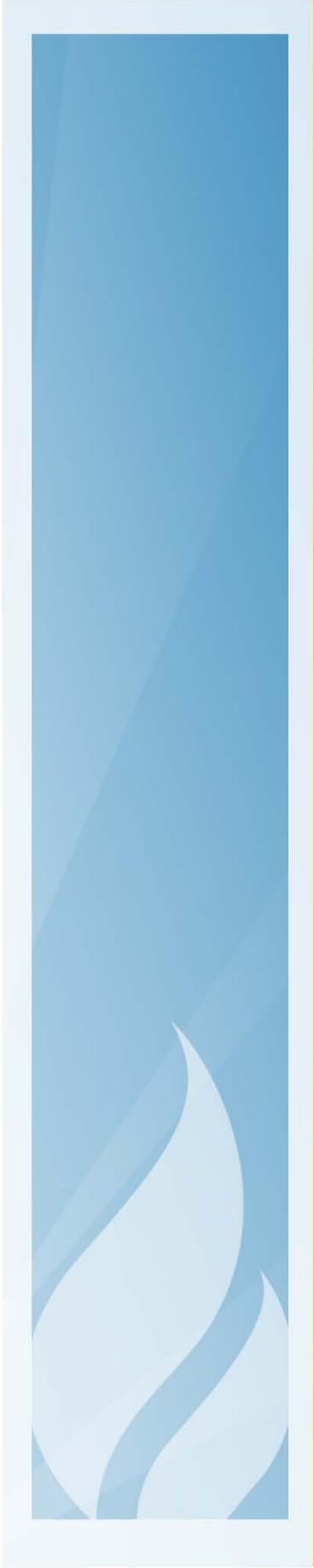
- When the board last discussed ISRS, they provided a clear sense of urgency and encouragement to proceed with planning. Is that still the direction of the board?
- What additional information does the board need as development continues?
- Is there committee (and board) support for the organizational commitment that will be necessary to succeed?

13



Discussion (cont'd)

- What would the committee like to see when a concrete proposal is brought to the board for consideration?
- How does the committee want to be updated over the months ahead?



NextGen Project:
Business Case
Executive Summary

Minnesota State Colleges and
Universities

February 29, 2016

CAMPUSWORKS

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Introduction

Following the state-wide Charting the Future (CTF) Gallery Walk activities and to enable and support the initiatives set forth within Charting the Future, Minnesota State Colleges and Universities System (MnSCU) is exploring all viable options for future administrative and technology systems related to enterprise resource planning (ERP). MnSCU engaged CampusWorks, Inc. to conduct a series of activities focused on gathering information about the current Integrated Statewide Records System (ISRS) and then author a business case to inform options regarding the pursuit of a NextGen administrative system for MnSCU.

Methodology

Given the impact of the administrative system to a wide variety of constituents, the CampusWorks engagement set out to gather an abundance of information to develop a comprehensive understanding of the current landscape of administrative technologies. The methods employed to gather this information are described in more detail below. Upon completing the collection and aggregation of this data, extensive analysis was conducted to distill key findings. These findings, augmented by recommendations derived from industry-leading best practices, are compiled and presented in the Business Case Support documentation.

Listening Sessions

The engagement began with 32 in-person, open invitation listening sessions at the local institutions. CampusWorks professionals solicited specific and candid feedback from those who voluntarily attended these sessions. Individualized sessions were hosted for students, administrative staff (grouped by “like” functions), faculty and deans, and the Information Technology teams. This information is representative of prevailing opinions based on the experiences of the user population, as communicated from their perspectives.

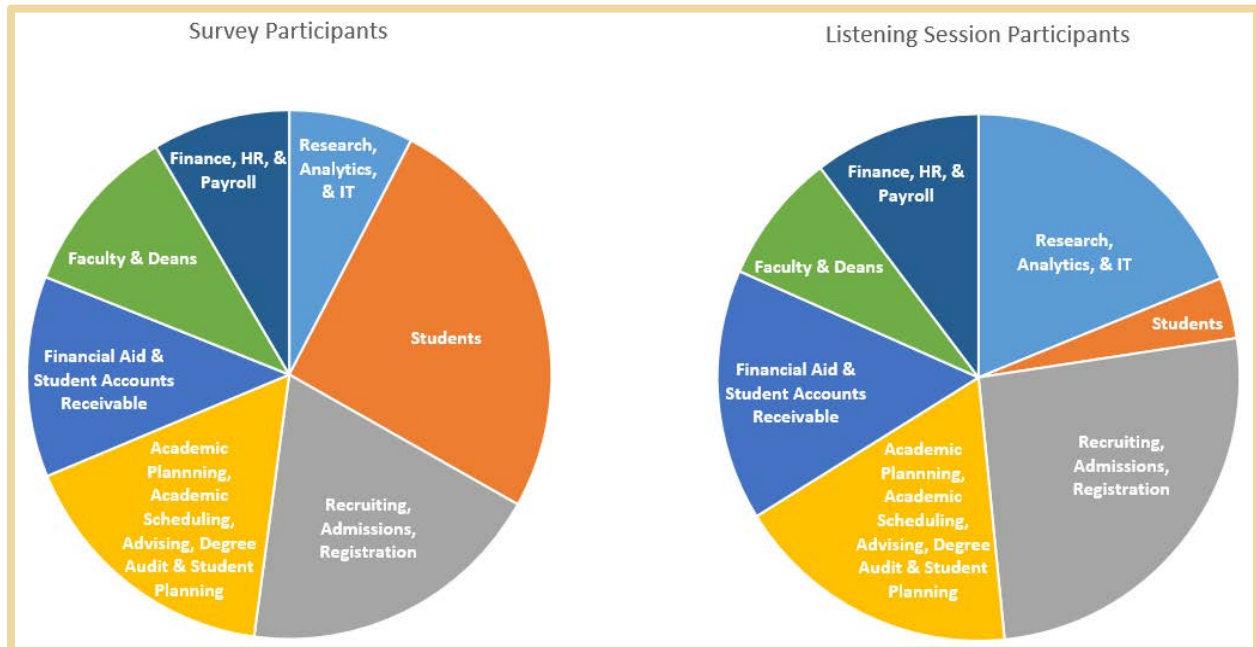
Survey

In addition to the listening sessions, direct feedback was gleaned from users by way of an open-invitation electronic survey. While purposely not designed as a scientific study, the anonymous survey was designed to solicit rankings and open comments on a broad range of ISRS topics based on the user’s experience and first-hand knowledge, including:

- Current system capabilities and capacities
- Ease of use
- Future needs

The data collected represent the users’ opinions about the ISRS system and its functionality. The perceptions provided important additional insight based on the user community’s experience throughout the System.

The following chart illustrates the proportional participation, by group, in both the listening sessions and the electronic survey. Of particular note, the student participation was significantly higher when given the opportunity to share their experiences and opinions in an electronic survey, as opposed to in-person sessions.



Correlation to Gallery Walks

In conjunction with gathering direct feedback from the MnSCU community on the subject of the ISRS system and associated processes, CampusWorks has reviewed the Charting the Future and Gallery Walks documentation and identified numerous areas of alignment. Specifically, in reviewing the components of the Student Success Implementation and Information Technology Team Reports, we found the stakeholder feedback to correlate extremely well to the findings of the CampusWorks listening sessions and survey.

Technical Review

A technical review was conducted to better understand the more specific technological aspects of the current environment of the ISRS system. The ISRS system was developed by MnSCU over the past 20 years. CampusWorks senior technology professionals, who were knowledgeable of the constituent feedback, executed the technical review. This assessment was a critical aspect to understanding the landscape of the system’s underlying capacity and capabilities. Information provided regarding MnSCU’s infrastructure and physical and electronic assets

provided a glimpse ‘under the hood,’ further assisting in the recommendation of what is the most viable and effective way moving forward for a NextGen solution.

Peer Institution Interviews

Augmenting the MnSCU data analysis was a review of three peer State Systems that have undergone large-scale Enterprise Resource Planning (ERP) implementations in recent history. Each of the peer institutions interviewed shared its experience with implementing a comprehensive ERP solution, including costs and timelines. Each also provided an overview of the approach taken and valuable lessons learned. Each institution was motivated to improve the student experience as the primary reason for undertaking a project of this magnitude. Each institution said it was critical to provide students with the needed/expected tools and services to stay competitive. The peer institutions surveyed were:

- The Tennessee Board of Regents - comprised of 19 institutions including, community colleges, universities, and a system office
- The Virginia Community College System - comprised of 23 community colleges and a system office
- The North Carolina Community College System - comprised of 58 community colleges and a system office

Each institution identified factors critical to its success, and uniformly recommended the following to MnSCU:

- Create a forum to encourage strong student involvement
- Conduct a collaborative and comprehensive review of the institutional business processes in advance of the start of the ERP implementation project
- Assure effective and timely communication with the entire institutional community
- Conduct detailed planning with System leadership, product vendors, services contractors, and the institutional implementation project teams
- Secure strong support and resources from the vendors
- Identify adequate resources from internal staff for the duration of the project
- Secure excellent project management using an outside source in order to avoid conflicts of interest

Findings

Holding a competitive market position demands the student experience be engaging, streamlined, and efficient. The following findings were identified during data gathering as areas where the student experience is either diminished, or opportunities to improve exist based on the technological capabilities. The most distinct and compelling findings follow.

Student Experience

- The absence of a robust mobile solution for students reduces the level of quality of the student experience by inherently limiting an effective level of student engagement.
- Students and staff do not currently have effective educational and degree planning tools on a consistent basis throughout the System, without which, students lack ownership of their progress and put retention at risk.
- There are inconsistencies from one MnSCU institution to another, caused by disparity in local college 3rd party solution deployments designed to augment ISRS. This detracts from a superior experience for students, particularly those who are exposed to the inconsistencies by attending courses at more than one institution.
- The system does not consistently support transfer credit and evaluation under an articulation in a consistent and timely manner for students, limiting student information for registration and degree planning.
- Gaps in the current solutions for student outreach and communication constrain student engagement.
- MnSCU System's ability to meet its strategic vision and goals, particularly for enrollment and forecasting, is at risk due to inconsistencies and ambiguities with the multiple tools used for recruiting and admissions.

Staff/Faculty Efficiency

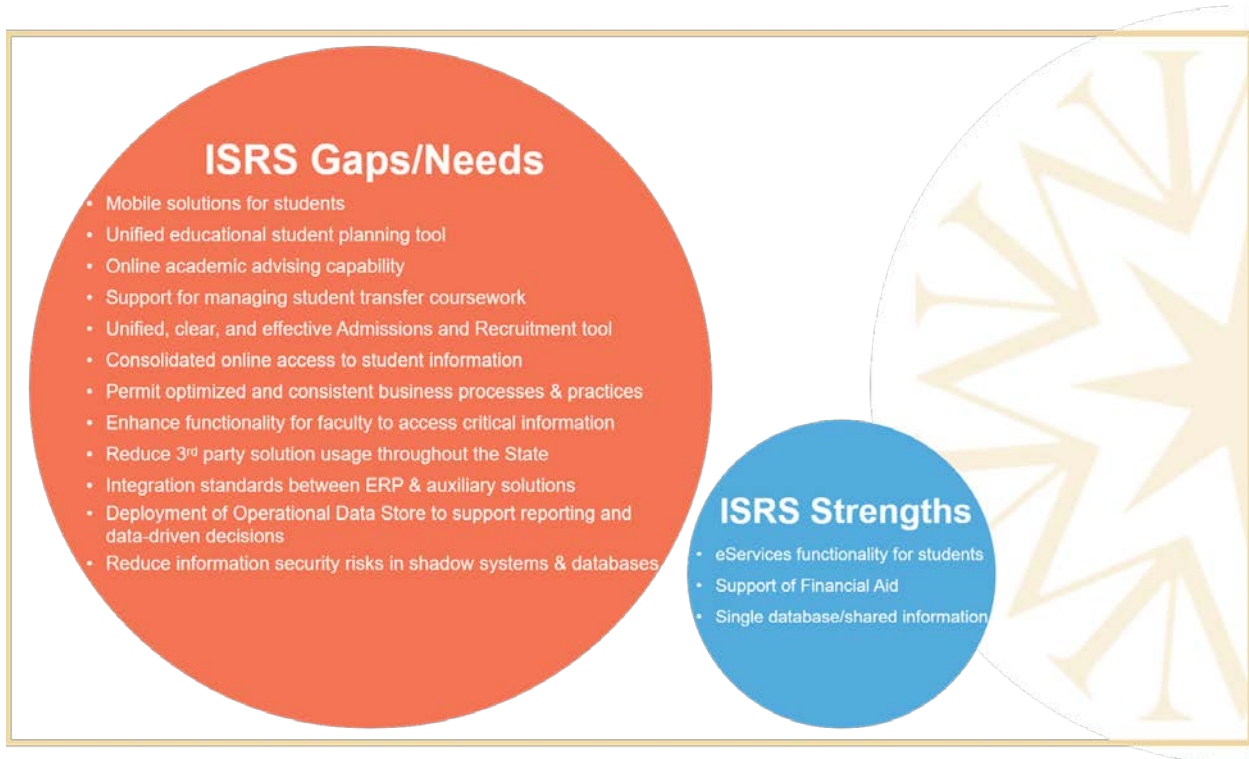
- Inconsistent business processes and practices throughout the MnSCU System diminish the current system and create limitations to the level of service offered to students.
- The lack of integration and communication between the ISRS system and numerous additional 3rd Party technology solutions adversely affect the ability for staff and faculty to serve students at the highest level.
- Advising staff are encumbered in their ability to engage students due to the lack of an online advising component.
- Faculty lack access to critical student information causing effort to be expended on non-value-added tasks, thus distracting them from delivering the highest quality academic experiences for students.

Technology

- Gaps in core functionality of the ISRS system has led to the introduction of numerous 3rd party solutions at the local colleges, which in some cases, are redundant and can create inefficiencies without effective integration with ISRS.
- Data security has become an area of concern due to the independent databases and access points that have been installed at local colleges to supplement institutional reporting.

- Without a standardized and robust reporting and analytics solution, the System will be restricted in its ability to rely on sound data for critical decision-making.

The following chart depicts the summarized findings from the analysis of data gathered, which are described in greater detail throughout the Business Case Support.



Looking Forward

There are two options worthy of consideration by the MnSCU System:

- 1) Purchase a modern, integrated, commercial administrative software solution [Option 1]
- 2) Purchase a series of best-of-breed solutions and create a hybrid system by writing customized interfaces between these systems [Option 2]

Option 1 is superior in its return on investment, sustainability, adaptability, and time to value.

- Development and maintenance of a single, integrated commercial solution will be the vendor's responsibility, not the System's.
- A comprehensive and integrated system can be easily deployed in a cloud or software as a service model.
- MnSCU's technical resources can be deployed toward assisting in the full deployment of the commercial solution and helping with process redesign.

- A common look and feel throughout the administrative system will increase usability, reduce ongoing training requirements, and increase adoption of the purchased solution. A best-of-breed approach will deliver varied user interfaces to institutional constituents.
- The best-of-breed solution can be expected to add at least two years to the implementation timeline.
- Vendor accountability is clearer with a single, integrated solution provided by one vendor.
- Adoption of new features, enhancements and regulatory and compliance releases is faster in a single solution environment.
- Cost modelling indicates project costs ranging from \$100M to \$170M for the integrated solution. The best-of-breed solution costs are anticipated to be 30% higher than the integrated solutions costs [Option 1].

Implementation

The implementation approach for the MnSCU System will be designed to achieve the following goals and outcomes:

- Encourage participation and engagement by critical leadership and stakeholders, especially students
- Preserve the industry best practice and maintain a single software and database instance for the MnSCU System
- Minimize the impact on students, faculty and staff (to the degree possible)
- Organize the implementation effort for optimal cost and staff efficiency
- Assure multi-method project status communication throughout the MnSCU System
- Achieve a smooth transition to a new ERP system

Appendix 1 is a draft high-level timeline for the NextGen ERP implementation project.

Highlights include:

- Comprehensive project planning in advance of the formal project launch
- Establishment of a MnSCU ERP technology and system governance structure
- System-wide business process reviews
- Implementation timelines that leverage the natural business cycle of each area to provide institutional resource focus and maximize cut-over success

Foreseeing a Return on Investment

There are a number of foreseeable returns on investment for the NextGen project.

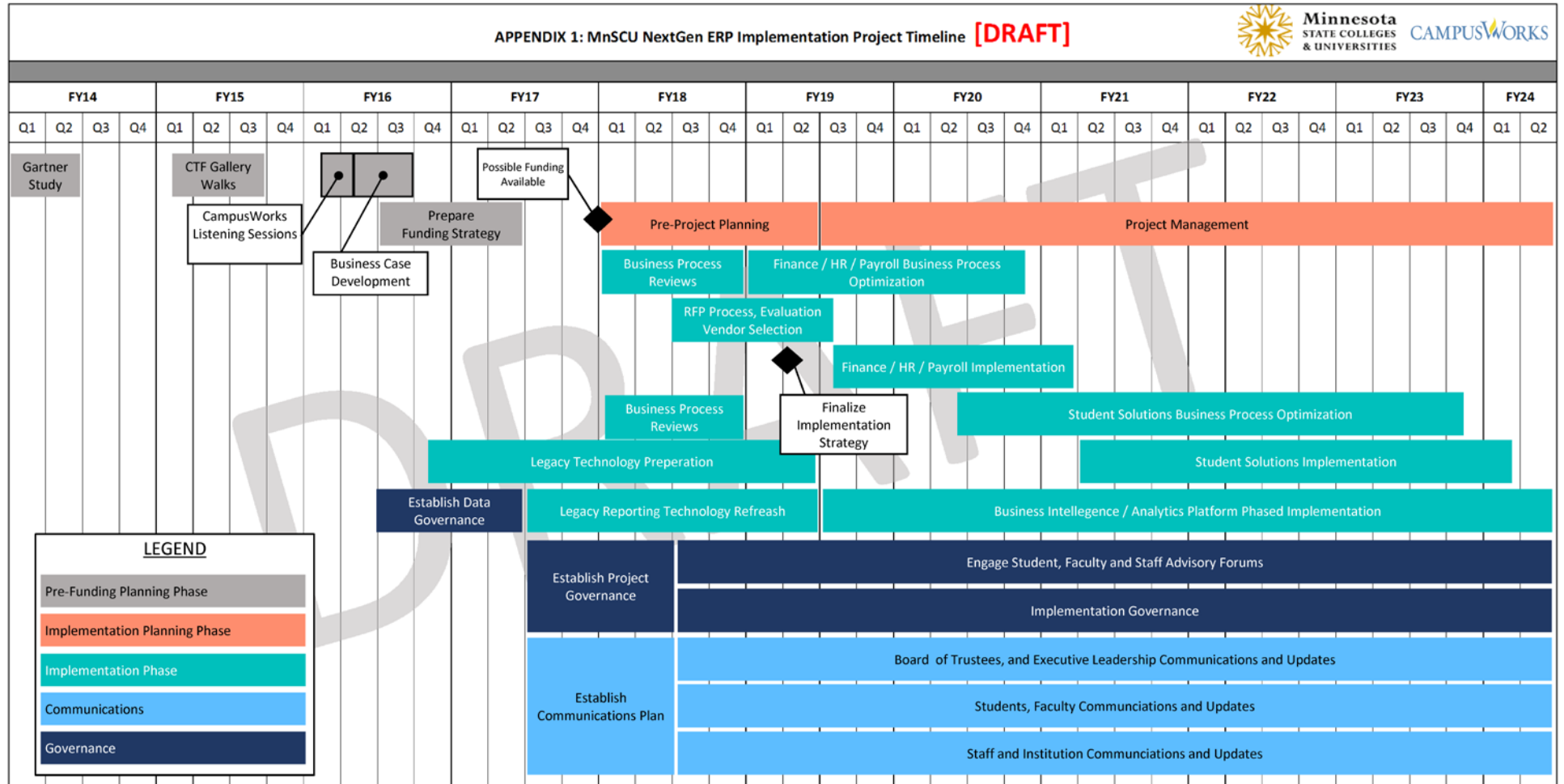
1. By enhancing the overall student experience, student engagement can increase. A number of additional outcomes may include:

- Increased number of students applying to MnSCU institutions
 - Increased enrollment throughout the MnSCU System
 - Enhanced student retention and completion for the System
 - Improved student revenues
2. By increasing operational efficiency and productivity, additional potential returns can include:
- Reallocated and realigned staff at both the System and local institution levels, and limited expenditure of efforts on non-value added tasks
 - Reduced administrative costs
 - Enhanced decision making through ease of access to information
 - Increased gross margin percentage
 - Reduced regulatory compliance costs
 - Reduced materials cost through improved procurement and payment protocols
3. Additional benefits of moving to a cloud-based solution (SaaS) with a single administrative solution may include:
- Reduced data center footprint
 - Reduced costs and efforts related to business continuity and disaster recovery
 - Reduced or eliminated costs related to software upgrades/updates
 - Increased leverage of resources (people and dollars) expended on 3rd party solutions based on critical mass and System-wide deployments and integrations
 - Enhanced utilization of infrastructure and technical support staff

Conclusion

The ISRS system was borne out of necessity and developed to meet the needs of the MnSCU population. ISRS was ahead of its time - it is a 'single system of record,' allowing information to be shared throughout the State. Today, this is an industry best practice, and numerous state institutions are moving this way. Meeting the progressive expectations of a current and prospective student population, whose lives today are saturated with technology, requires dynamic engagement in order to achieve superlative results in student retention and completion. As a forward-looking educational institution chiefly concerned with providing an exemplary student experience, a NextGen project is an essential factor for the System. The purchase of a modern, integrated, commercial administrative system is recommended to meet this need.

Appendix 1



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

Name: Finance and Facilities Committee

Date: March 15, 2016

Title: FY2018-FY2019 Legislative Operating Budget Request

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:

This agenda item will be the first committee discussion of the system's FY2018-FY2019 legislative operating budget request. The legislative request will be submitted to Minnesota Management and Budget in November 2016.

Scheduled Presenter(s):

Laura King, Vice Chancellor of Finance and Facilities, Chief Financial Officer

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

INFORMATION ITEM
FY2018-FY2019 LEGISLATIVE OPERATING BUDGET REQUEST

BACKGROUND

This report provides information to the Finance and Facilities committee on the system's legislative operating budget request for the FY2018-FY2019 biennium. The report:

- includes an overview of the state's most recent budget and economic forecast;
- describes the economic and demographic factors influencing the system's budget outlook for the next biennium;
- identifies items to consider as part of the request;
- presents a timeline for developing the request, including consultation with key constituent groups.

FY2018-FY2019 Legislative Operating Budget
Request



Board of Trustees
Finance and Facilities Committee
March 15, 2016



Overview of Materials

1. Minnesota Management and Budget's February 2016 budget and economic forecast highlights
2. Economic and demographic factors influencing MnSCU's budget outlook
3. FY2018-FY2019 legislative request considerations
4. FY2018-FY2019 legislative request consultation and timeline

The FY2016-FY2017 state budget outlook is still positive but down \$306 million from November

(\$ in millions)	Nov'15 Forecast	Feb'16 Forecast	\$ Change
Beginning Balance	\$2,103	\$2,103	\$ -
Revenues	42,716	42,289	(427)
Spending	41,653	41,524	(129)
Cash & Budget Reserves	1,947	1,947	-
Stadium Reserve	13	21	8
Forecast Balance	\$1,206	\$900	\$(306)

Source: Minnesota Management & Budget



2

Minnesota Management and Budget (MMB) released its February Budget and Economic Forecast last month. MMB is now projecting a \$900 million budget surplus for the FY2016-FY2017 biennium, down \$306 million (25.4 percent) from its previous estimate.

- Minnesota's general fund budget outlook for current biennium decreased from the November forecast, primarily due to slower projected economic growth and lower projected tax revenues.
- Estimated revenues have now forecast to decrease 1.0 percent from prior estimates.
- Estimated expenses are projected to be 0.3 percent lower than prior estimates, offsetting some of the projected revenue loss.
- Total general fund budget reserves are estimated at 3.8 percent of projected general fund revenue. This is lower than the 4.8 percent target recommended by MMB in September 2015.

FY2018-FY2019 state budget outlook has weakened but remains positive

(\$ in millions)	Nov'16 Forecast	Feb'16 Forecast	\$ Change	% Change
Forecast Revenues	\$46,600	\$45,703	\$(898)	(1.9)%
Projected Spending	44,555	44,519	(36)	(0.1)
Structural Balance	\$2,045	\$1,184	\$(861)	
<i>Estimated Inflation Applied to All Spending</i>	<i>\$1,694</i>	<i>\$1,742</i>		

Source: Minnesota Management & Budget

3



The outlook for the FY2018-FY2019 biennium has also weakened, but remains positive:

- Projected revenues are still projected to exceed projected spending, although the gap has narrowed by \$861 million.
- The reduced revenue forecast in the current biennium continues into the next biennium, reducing projected revenues 1.9 percent.
- Without adjusting for inflation, there is a structural balance of \$1.2 billion for the FY2018-FY2019 biennium.
- However, when \$1.7 billion of inflation is applied, expenditures exceed revenues by \$558 million. (MMB assumes inflation rates of 2.5 percent in FY2018 and 2.7 percent in FY2019.)

Stability characterizes Minnesota's long-term budget outlook

February 2016 (\$ in millions)	FY2016-17	FY 2018-19	Annualized	
			\$ Change	% Change
Forecast Revenues	\$42,289	\$45,703	\$3,414	4.0%
Projected Spending	\$41,524	\$44,519	\$2,995	3.5%

Source: Minnesota Management & Budget



Although the FY2018-FY2019 outlook is currently positive, planning estimates will change based on legislative actions in the upcoming session and economic assumptions used in future MMB forecasts.

Specifically:

- Base revenue/expense commitments will impact the FY2018-FY2019 outlook.
- Changes in base levels of revenue directly impact FY2018-FY2019 planning estimates.
- Small changes in assumptions have compounding effect, possibly resulting in significant changes in projected revenue or expenses.

State forecast includes economic and revenue risks

1. Economic Risks:
 - Labor force growth
 - Monetary and fiscal policy
 - International trade
 - Commodity prices

2. Revenue Risks:
 - Capital gains and corporate profits

Source: Minnesota Management & Budget

5



MMB has identified the factors listed above as risks to their revenue forecast, emphasizing that 17 months remain until the end of the current biennium. Forecast assumptions will change over this time horizon, based on new information and actual economic and budget performance.

Enrollment impacted by economic and demographic factors

1. Demographic factors
 - High school graduates
 - 25-34 year old age cohort
2. Economic factors
 - Unemployment rate
 - Per capita income

Source: System Office Research

6

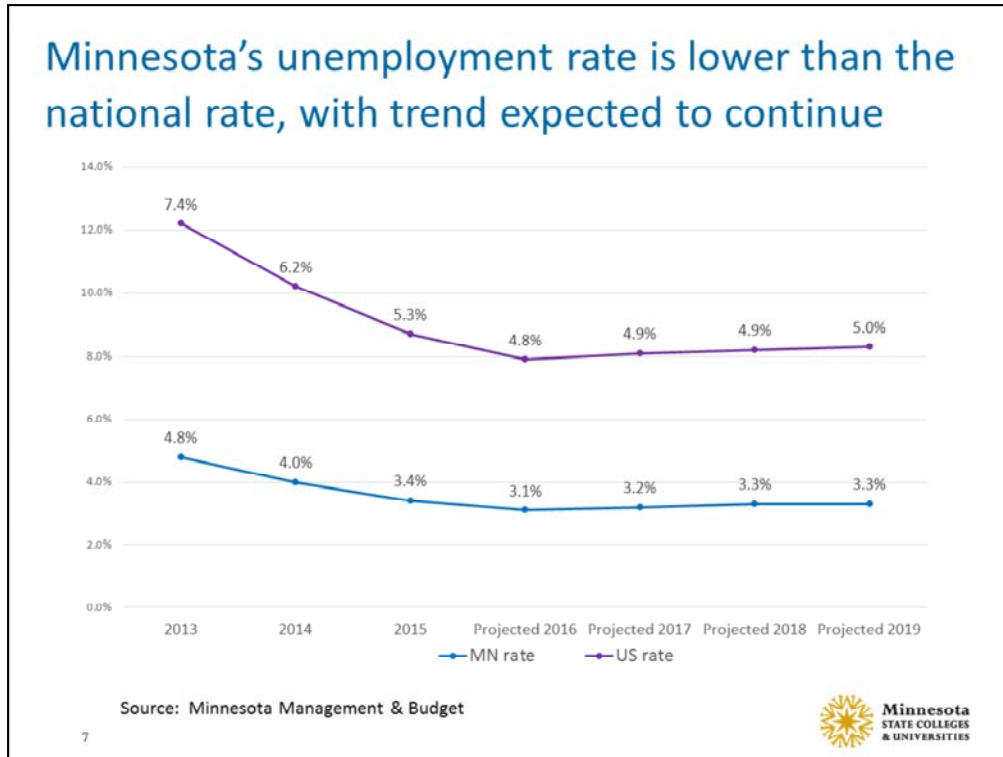


Based on a regression analysis conducted by System Office Research the four factors listed above account for a large share of the variance in enrollment.

Based on an analysis of grade level enrollment for Minnesota public high schools, the number of high school graduates is expected to grow in the next biennium after falling in the current biennium. In 2016, high school graduates are expected to fall by 1.3 percent, in 2017 they are expected to increase by 1.4 percent, and in 2018 they are expected to increase slightly by 0.9 percent.

The Minnesota State Demographic Center projects population by age for the state. According to their projections, population for the 25 to 34 age cohort is expected to remain essentially flat in 2016 (0.1 percent growth), grow slightly in 2017 (0.3 percent growth), and remain unchanged in 2018 (no growth or decline).

These projections suggest that the demographic factors influencing our enrollment would be slightly positive in the next biennium.



Minnesota's employment outlook has outperformed the national outlook over the past several years and that trend is expected to continue.

- Minnesota appears near its full employment level.
- Minnesota's unemployment rate is lower than national average. In 2015, the state's unemployment rate was 3.4 percent compared to 5.3 percent nationwide. Minnesota's unemployment rate is projected to remain low through 2019 (between 3.1-3.3 percent).
- Strong employment is a good sign for the state's economic and budget outlook. More people working means more taxes paid and often less services demanded.
- Unemployment rate is also a key indicator for MnSCU's enrollment outlook. As a regression analysis conducted by System Office Research found, low unemployment rates dampened enrollment as more potential students are drawn into the labor market.

While MMB does not forecast per capita income for the state, per capita income growth in Minnesota also exceeded the national average (2.4 percent compared to 1.4 percent). Higher per capita income and growth tend to have a positive impact on enrollment growth, as families are better able to afford the cost of college.

Enrollment environment remains challenging

- Key demographic and economic measures indicate neutral to slightly negative enrollment outlook over the next biennium.
- Economy's demand for skilled workforce could offset some downward pressure.

8



The system's enrollment will continue to face challenges in the next biennium. While the outlook for high school graduates and the 25-34 age cohort is slightly positive, a continued strong economy will likely put downward pressure on enrollment.

The system's enrollment experience is not unique. According to the National Student Clearinghouse Research Center, higher education enrollments have fallen across the country, with the largest declines reported in students over 24 years old. At two-year public colleges, full-time student enrollments have fallen more rapidly than part-time students. Over the past three years, Minnesota's higher education enrollment has fallen slightly more than the national average.

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

9



What dynamics is the system facing as it begins planning for the FY2018-FY2019 biennium?

1. Tuition will remain a primary revenue source.
2. Enrollment will continue to be a critical element—and demographic and economic indicators do not support strong enrollment growth.
3. Commitment to affordability (by the board, the legislature and other key stakeholders) is holding down tuition increases.
4. And state support, while strong and appreciated, has not kept up with limitations on tuition rates.

Items to consider in the biennial budget request

- Tuition strategy
- General inflation to cover compensation and other costs
- Student success initiatives
- ISRS next generation

10



As we begin thinking about crafting the FY2018-FY2019 biennial budget request, what are the priority considerations?

- Tuition strategy: Keeping tuition affordable and lowering student debt has been a priority focus over the last two biennium. What tuition strategy should be pursued going forward? What are the principles guiding the strategy?
- General inflation: The costs of providing accessible, affordable education will likely rise by the rate of inflation. Should state funding be requested to close that gap?
- Student success is at the very core of the system's purpose, and our colleges and universities have been working diligently to increase success rates for their students. Should state funding be requested for student success initiatives?
- ISRS next generation: MnSCU's enterprise software for integrated student records is insufficient to meet the student's needs into the future. How should its replacement be funded? Should state resources be requested to replace it?

FY2018-FY2019 biennial budget timeline

March: Board discussion of priorities, themes and process

April – July: Consultation with all constituent groups

August –
September: Preparation and continued consultation

October: First reading for Board of Trustees

November: Approval by Board and submission to MMB

Questions for discussion

1. How does the state's budget outlook inform our FY2018-FY2019 legislative operating budget request?
2. What areas of interest would the board like us to consider for the system's FY2018-FY2019 legislative operating budget request?



Minnesota
STATE COLLEGES
& UNIVERSITIES

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

Name: Campus Service Cooperative

Date: March 15, 2016

Title: Campus Service Cooperative 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:

This session will provide the Finance and Facilities Committee with a status report on the Campus Service Cooperative (CSC). It will include a report on the FY15 rebates and savings from CSC contracts and programs; changes to the CSC governance and funding models; observations about ways to increase savings; and questions for the committee to consider regarding the future of the CSC.

Scheduled Presenter(s):

Phil Davis, Associate Vice Chancellor, Campus Service Cooperative
Laura King, Vice Chancellor, Finance and Facilities
CSC Leadership Committee member

Handout

Campus Service Cooperative



Finance and Facilities Committee

March 2016



CSC Committee of the Leadership Council



Riverland
COMMUNITY COLLEGE

**Adenuga
Atewologun**




**MINNESOTA STATE
UNIVERSITY**
MANKATO

**Richard
Davenport**



 **BEMIDJI**
STATE UNIVERSITY
 **Northwest
Technical College**
Bemidji, Minnesota

**Richard
Hanson**



 **ANOKA-RAMSEY**
COMMUNITY COLLEGE
 **ANOKA**
TECHNICAL COLLEGE

**Kent
Hanson**



M | State
One College. Four Campuses. Online.

**Peggy
Kennedy**



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STATE COLLEGES
& UNIVERSITIES**

**Laura
King**

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Accomplishments in FY2015

- 1 CSC contracts and programs saved \$2.265 million for colleges and universities
 - Savings from contracts: \$1.7 million
 - Cash rebates: \$564,391
 - Signing bonuses: \$188,000 (used to offset operating expenses)
 - Net operating expenses: \$228,484
- 2 Every college and university had total savings of at least seven times the system's investment in the CSC
- 3 27 of the 31 colleges and universities received a cash rebate that was equal to or greater than its share of the system's investment in the CSC

Operating Framework

- Participation in CSC contracts and shared services programs is voluntary
- Rely on the marketplace and informed self-interest to drive participation decisions
- Select shared services and process improvement projects based on the availability of volunteers

Questions for consideration

- What are the benefits and pitfalls of moving from voluntary participation to universal participation in CSC contracts and programs?
- To what extent should shared services be expanded beyond administrative functions to academic and student services programs?
- Should the CSC continue as a stand-alone unit or should CSC initiatives be embedded in the existing operating structures of the organization?



ACADEMIC AND STUDENT AFFAIRS COMMITTEE
MARCH 16, 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.

1. **Minutes of January 26, 2016 (pp. 1-6)**
2. **Approval of Academic and Student Affairs Committee Charter (pp. 7-9)**
3. Report of the Vice Chancellor on the Work of Academic and Student Affairs (pp. 10-11)
4. Discussion of Open Educational Resources (pp. 12-33)
5. **Proposed Amendment to Policies (Second Readings):**
 - a. **2.1 Campus Student Associations (pp. 34-37)**
 - b. **3.7 Statewide Student Association (pp. 38-41)**
 - c. **3.29 College and University Transcripts (pp. 42-44)**
6. Proposed Amendments to Policies (First Readings):
 - a. 2.9 Academic Standing and Financial Aid Satisfactory Academic Progress (pp. 45-47)
 - b. 3.1 Student Rights and Responsibilities (pp. 48-51)
 - c. 3.6 Student Conduct (pp. 52-54)
 - d. 3.30 College Program Advisory Committees (pp. 55-57)
 - e. 3.38 Career Information (pp. 58-60)
 - f. 3.39 Transfer Rights and Responsibilities (pp. 61-65)

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

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

Bolded items indicate action required.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
ACADEMIC AND STUDENT AFFAIRS COMMITTEE
JANUARY 26, 2016**

Academic and Student Affairs Committee Members Present: Chair Alexander Cirillo; Trustees Duane Benson, Dawn Erlandson, Thomas Renier, Elise Ristau and Louise Sundin.

Academic and Student Affairs Committee Members Absent: Maleah Otterson

Other Board Members Present: Trustees Margaret Anderson Kelliher, Kelly Charpentier-Berg, Robert Hoffman, Philip Krinkie, Jay Cowles, and Michael Vekich.

The Minnesota State Colleges and Universities Academic and Student Affairs Committee held a meeting on January 26, 2016 at Minneapolis Community and Technical College, 1501 Hennepin Avenue, Minneapolis, MN.

Minneapolis Community and Technical College Interim President Avelino Mills-Novoa welcomed the Trustees to the Minneapolis Community and Technical College campus for their meetings this month and offered a brief overview of the college's student population and ongoing efforts to increase the diversity of faculty and staff.

Chair Alexander Cirillo called the session to order at 1:34 pm.

1. Minutes of the November 17, 2015 Academic and Student Affairs Committee meeting

Trustee Ristau moved and Trustee Erlandson seconded that the minutes from the November 17, 2015 meeting be approved as written. Motion carried.

2. Metro Baccalaureate

Presenters:

Vice Chancellor Ron Anderson
Todd Harmening, System Director for Planning

The Board was updated on system efforts to grow baccalaureate completion in the Twin Cities metropolitan area, including recent work completed, results of program capacity assessment and planning and next steps.

Campus presidents, provosts, chief academic officers, chief student affairs officers, chief financial officers and deans have been working collaboratively with academic and student affairs' staff and each other to formulate a solid strategy to meet projected increased baccalaureate demands in the Twin Cities over the next decade, Vice Chancellor Anderson said.

This strategy is aimed at providing additional baccalaureate opportunities related to student interest and business and industry needs. Major work on the plan has been done since the last update in June, Vice Chancellor Anderson said.

Tasks achieved include:

- A comprehensive inventory of program offerings in the metro area;
- University assessment of capacity to offer programming in the metro area and identification of programs to be offered;
- Forecasting of incremental degrees awarded by program;
- Mapping of proposed programs to key industry sectors;
- Review of program plans with university presidents and provosts, as well as with metro college presidents and chief academic officers;
- Identification of program area and attainment gaps;
- Preliminary identification of program locations.

Institutional programming strengths and existing partnerships with colleges also were inventoried, Vice Chancellor Anderson said.

In spring semester, the following work on the metro baccalaureate plan is expected to be completed:

- Enrollment projections for existing college programs and proposed baccalaureate programs;
- Space utilization analysis and capacity determination;
- Finalization of program locations;
- Development of student services model;
- Development of revenue and expense sharing model;
- Development of marketing strategy aligned with system branding.

The seven state universities will strategically and collaboratively expand baccalaureate programming, Vice Chancellor Anderson said. Programming will be anchored by Metropolitan State University, which will provide 60 percent of the incremental growth needed to reach attainment goals in the metro area. This will be augmented by greater Minnesota universities offerings in the metro area, which will provide 40 percent of the incremental growth in programming.

The strategy also includes working to expand baccalaureate programming at greater Minnesota state universities, Vice Chancellor Anderson said.

Programs will be located on all metro area college campuses, with the largest concentration of offerings on western and northwestern metro campuses. There will be an emphasis on locations that are accessible via public transportation. This placement of programs relates to the results of the Cushman Wakefield analysis done last spring, which identified these areas as primary areas for expansion with significant untapped adult learner markets.

By using existing campus facilities which have capacity to handle expanded programming, there will be no immediate need to incur capital expenditures for new buildings, Vice Chancellor Anderson said.

Enhanced support services on metro campuses will ease student transition and closely parallel the experience at a state university campus.

Overall, the system is on track to meet the incremental need for baccalaureate attainment over the next decade and provide programming in high-demand, high-growth sectors identified by *GreaterMSP*, Vice Chancellor Anderson said. Student access to expanded programming, as well as possible programming gaps, will be addressed.

Trustee Erlandson said she likes the collaborative approach to the plan. This would offer a great opportunity for direct marketing to two-year college students interested in getting a baccalaureate, encouraging them to stay in the system, she said.

When students graduate from one of these new baccalaureate programs at a metro college campus, what institution will be conferring the degree, she asked.

Vice Chancellor Anderson said baccalaureate degrees will be conferred by the university offering that specific program. He added it is possible that more than one university will be offering different programs at a metro campus.

There will be discussions pertaining to the location of programs, as well as ways to avoid duplication. In most cases, there will be a single metro location for a program, however, geographic distribution may factor into the discussions. For example, a program with high student interest could be offered at both a west and north campus, Vice Chancellor Anderson said.

Minnesota State University, Mankato President Richard Davenport said the cost of leasing space at community colleges needs to be reasonable or adjustments need to be made in the funding formulas in order for universities to be able to deliver more programs in the metropolitan area.

Chair Cirillo asked if the plan will require metro campuses to be renovated or upgraded.

Vice Chancellor Anderson said space and facilities continue to be analyzed and determinations will be made on any needed improvements or renovations to accommodate the baccalaureate programming.

Chancellor Rosenstone said enrollment projections are focused on the next decade and the Board may need to be thinking beyond that time frame given the lead time needed to make investments in facilities that will better serve students in the long run.

Trustee Cowles praised the work done on the plan, but said hard discussions will be needed in order to make it a success. He asked if there is room in the process for

consideration of alternative administrative and educational models that will address the looming disconnect between revenue streams and cost structures.

Trustee Benson asked if any forecasts have been collected relative to private colleges or online institutions in the metro area.

Vice Chancellor Anderson said these are good questions which can be addressed in upcoming discussions.

There have been previous discussions pertaining to increasing baccalaureate opportunities in the metro area, Trustee Krinkie noted. He asked how this one is different from previous attempts which were not successful.

Vice Chancellor Anderson said everyone involved is committed to making the plan work this time. Campuses are not only are looking for ways to best meet the needs of the state's students and the citizens, but also are facing long-term sustainability issues and this will be one way to address them.

Trustee Sundin voiced her disappointment with the plan. Failing to promote the creation of a new residential public university is a mistake, she said. First-generation and low-income students who are not able or interested in leaving the metro area will not be adequately served by this plan. This is a great opportunity for the system to provide urban students with a university home with a unique identity and that is being lost by this "hodgepodge" approach, she said.

She added that the plan offers no information pertaining to instruction. It is necessary for upper-level programming to include developmental or remediation coursework or else at-risk students will not be successful, she said.

3. Transfer Degree Pathways for Baccalaureate Completion

Presenters:

Vice Chancellor Ron Anderson

Lynda Milne, Associate Vice Chancellor for Academic Affairs

In response to legislation passed in 2014 and 2015, MnSCU developed a plan to ensure smooth transfer for the system's students. This plan described how the system will create new guaranteed pathways to baccalaureate degrees for students with associate degrees.

The plan will involve every college and university in the system. The transfer pathways degrees will be collaboratively designed to ensure that students who complete an Associate in Arts, Associate in Science or Associate in Fine Arts degree at a two-year college will have their coursework and credits transfer into any existing parallel baccalaureate program at any of the state universities with full junior standing and without the need for course-by-course equivalency.

Milne described how transfer pathways are being developed:

- College and university faculty are working together in discipline-based Transfer Pathways Teams to align associate and bachelor's degree curricula;
- The Transfer Pathways Coordinating Team has created guidelines and an informational toolkit for Transfer Pathways Teams in each discipline;
- A spring 2016 pilot is developing and refining alignment processes in four degree areas (biology, business, psychology and theater). In fall 2016, 12-13 additional pathway degrees will be created, followed by 12-13 more in spring 2017;
- All colleges and universities that offer parallel associate and bachelor degree programs are included in the new degree pathways and will be invited to "discipline stakeholder meetings" in March to review draft pathways;
- After each pathway is defined, campuses will have one year to revise curriculum, publish new catalogs, train advisors and inform students.

What this plan of action will mean for students:

- A guarantee for associate to bachelor's transfer in 25-30 disciplines, with junior status and the same opportunities for program admission as students who entered the university as freshmen;
- Transfer opportunities that are consistent from all colleges to all universities within MnSCU;
- Fewer lost credits, resulting in increased affordability, less attrition and shorter time to degree completion;
- Increased success rates at both associate and bachelor's levels.

Chair Cirillo asked if there will be a transition plan for students already in the system when the new pathways are implemented. He said he does not want existing students to suffer because of a change in curriculum requirements.

Milne said a transition plan is a good suggestion and she will take it to the transfer coordinating board for consideration.

Trustee Erlandson asked how students will be informed about the new pathways.

Marketing is important, but also expensive, Milne said. An informational brochure on the pathways project will be widely distributed. In addition to making students aware of curricular changes, campus staff, such as transfer specialists and advisors, also will need to be informed and trained.

Why will this effort will be successful considering transfer has been a problem for the last 20 years, Trustee Krinkie asked.

Associate Vice Chancellor Milne said the system, which recently turned 20 years old, has matured and a greater sense of cooperation and collaboration has emerged. Faculty and administrators know the current transfer process is broken and not serving students properly and they are ready to look for solid solutions, she said.

Trustee Charpentier-Berg said the intent of the legislation back in 2014 was to get the system to work collaboratively for students and it is gratifying to know that students

soon will be able to move seamlessly between institutions and graduate in a timely fashion without the time and cost barriers previously experienced.

4. Proposed Amendment to Policy 2.1 Campus Student Associations (First Reading)

Presenter:

Gary Hunter, System Director for Policy

This policy was reviewed as part of a five-year review cycle. The proposed amendment contains technical edits consisting of updated formatting and writing styles and the replacement of obsolete language. For example, the word “institution” has been replaced with “college and university” and there were changes pertaining to the use of “shall” and “must.”

Proposed policy amendments are reviewed by the Office of General Counsel, cabinet, presidents, employee representative groups, student associations and campus leadership groups. There was little feedback on these language changes, Hunter said.

5. Proposed Amendment to Policy 3.7 Statewide Student Association (First Reading)

Presenter:

Gary Hunter, System Director for Policy

Similar technical edits consisting of updated formatting and writing styles and the replacement of obsolete language were made to this policy.

6. Proposed Amendment to Policy 3.29 College and University Transcripts (First Reading)

Presenter:

Gary Hunter, System Director for Policy

Similar technical edits consisting of updated formatting and writing styles and the replacement of obsolete language were made to this policy.

The meeting adjourned at 2:45 pm

Respectfully submitted,

Margie Takash, Recorder

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

Name: Academic and Student Affairs

Date: March 16, 2016

Title: Approval of Academic and Student Affairs Charter

Purpose (check one):

Proposed
New Policy or
Amendment to
Existing Policy

Approvals
Required by
Policy

Other
Approvals

Monitoring /
Compliance

Information

Brief Description:

The Executive committee of the Board has asked that each committee develop and approve a committee charter.

Scheduled Presenter(s):

Ron Anderson, Vice Chancellor, Academic and Student Affairs

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

BOARD ACTION

ACADEMIC AND STUDENT AFFAIRS COMMITTEE CHARTER

PURPOSE

Board governance best practices as offered by organizations including the Association of Governing Boards, encourages the development and adoption of committee charters to guide the work of board committees.

AGB observes that:

“A college or university’s bylaws often define the board’s committee structure, with many institutions including committee charges and other committee details in bylaw clauses. However, mention in the bylaws does not formally establish a board committee; that is accomplished through a separate board-approved committee charter that outlines the committee’s mission, composition, responsibilities, and procedures for conducting its business”.

Last fall, the board chair asked each committee chair to work with the associated cabinet officer to research and draft a committee charter for consideration and adoption by the committee.

The draft Academic and Student Affairs Committee charter has been reviewed by the Board Executive Committee. It relies upon the enabling language in Board Policy 1A.2 *Board of Trustees, Part 5 Standing Committees, Committees and Working Groups of the Board, subpart D: Academic and Student Affairs Committee*. The board will be asked to approve amendments to Policy 1A.2 at its March meeting. Please refer to board meeting materials for additional information.

The charter is intended for the use of the committee and is subject to annual review.

RECOMMENDED COMMITTEE ACTION:

The Academic and Student Affairs Committee recommends the Board of Trustees adopt the Academic and Student Affairs Committee charter.

RECOMMENDED BOARD ACTION:

The Board of Trustees approves the Academic and Student Affairs Committee charter.

Date presented to the board: March 16, 2016

Charter of the Board of Trustees Academic and Student Affairs Committee

Revised February 2016

Purpose:

The Academic and Student Affairs Committee is charged with oversight of all system wide academic and student service matters of the organization.

The Academic and Student Affairs Committee shall not have the authority to act on behalf of the board unless specifically delegated by the board. The Academic and Student Affairs Committee shall meet at the call of the committee chair.

Committee Structure:

The committee will consist of no fewer than five and no more than seven members appointed by the chair of the board annually. The chair and vice chair of the Academic and Student Affairs Committee shall be appointed by the chair of the board.

Authority:

The principal elements of the Charter of the Academic and Student Affairs Committee shall be:

1. Provides advice and counsel to the chancellor. (This duty is shared with all other board members).
2. Preparation of an annual committee workplan.
3. Recommend proposed board policies within the purview of the committee.
4. The committee's oversight includes but is not limited to:
 - Academic programs
 - Academic standards
 - Transfer policy
 - Institutional names
 - Educational strategy that proactively addresses future needs
 - Diversity and equity matters related to students and academic programs
 - Academic and student-related technology matters
5. This charter is subject to review annually.

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

Name: Academic and Student Affairs

Date: March 16, 2016

Title: Report of the Vice Chancellor on the Work of Academic and Student Affairs

Purpose (check one):

Proposed
New Policy or
Amendment to
Existing Policy

Approvals
Required by
Policy

Other
Approvals

Monitoring /
Compliance

Information

Brief Description:

The Vice Chancellor for Academic and Student Affairs will provide an overview of the Academic and Student Affairs division and its areas of responsibility, and report on current and future key activities.

Scheduled Presenter(s):

Ron Anderson, Vice Chancellor for Academic and Student Affairs

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

INFORMATION ITEM

**REPORT OF THE VICE CHANCELLOR ON THE WORK OF
ACADEMIC AND STUDENT AFFAIRS**

BACKGROUND

The Vice Chancellor for Academic and Student Affairs has recently completed eight months of service in this role, and will offer his reflections on the division and its work, both current and future.

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

Name: Todd Digby

Date: March 16, 2016

Title: Open Educational Resources

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:

High textbook costs are presenting significant challenges for students attending colleges and universities. Open Educational Resources (OERs) offer one way to address these high costs. Information and discussion will focus on current faculty and campus-based Open Textbook initiatives in the system.

Scheduled Presenter(s):

Ron Anderson, Vice Chancellor for Academic and Student Affairs
Todd Digby, System Director of Academic Technology

From Central Lakes College:

David Hietala, Ph.D., Vice President of Academic and Student Affairs
Martha Kuehl, Dean of Liberal Arts and Sciences
Dave Bissonette, Librarian

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

INFORMATION ITEM
OPEN EDUCATIONAL RESOURCES

BACKGROUND

High textbook costs are presenting significant challenges for students attending colleges and universities. One movement to address these high costs is the creation and use of Open Educational Resources (OERs) and Open Textbooks.

Open Textbooks are real, complete textbooks licensed so faculty and students can freely use, adapt, and distribute the materials.

The system office is in the second year of an open textbook initiative. This initiative is intended to engage faculty in the possibilities of using Open Textbooks, by supporting faculty in the process of peer reviewing open textbooks in their disciplines. In addition to supporting faculty directly, we have awarded grant money to develop or expand campus-based open textbook efforts. These campus-based efforts are varied and distinctive, offering multiple ways to increase OER use and decrease textbook costs.

Open Education Resources



Board of Trustees
Academic & Student Affairs Committee

March 16, 2016



Minnesota
STATE COLLEGES
& UNIVERSITIES

Presentation overview

- Describe the issues surrounding textbook affordability
- Define open educational resources and open textbooks
- Report MnSCU activities and progress to date
- Share current strategic efforts
- Request Board comments and feedback

Executive Summary

- 1 Textbooks are growing prohibitively expensive, so many of our students are choosing not to purchase them.
- 2 Open educational resources (OERs) and textbooks are free or inexpensive for students; however, there are real costs associated with developing, maintaining, and reviewing these materials to ensure quality.
- 3 Through the work of the Educational Innovations unit and faculty across our campuses, we are increasing faculty awareness and adoption of OERs.

Executive Summary (cont'd)

- 4 Textbook reviews through the Open Textbook Library include criteria for cultural relevance (examples that are inclusive of a variety of races, ethnicities, and backgrounds).
- 5 Recently awarded grants at eights of our campuses have the potential to save students \$695,000 at colleges and universities during just the first year of implementation.
- 6 By reducing the average cost of educational resources and textbooks for our students by even \$300/per year through the adoption of OERs, we would accomplish the equivalent of a 3.5% to 6% reduction in tuition.

Next steps

- 1 Anticipate investing \$250,000 for FY2017
- 2 Continue providing faculty with training and review opportunities
- 3 Provide campuses with a second round of grants
- 4 Explore tools that will allow faculty to create, adapt, or remix open textbooks and materials

Questions on Background Materials?

Strategic Questions

- Does our approach advance the Board's objectives for affordability?
- How might we re-imagine our efforts to have a positive impact on the opportunity gap?
- What advice do you have as we move forward with FY2017 planning?

Campus efforts



David Hietala, Ph.D.
Vice President of
Academic and Student
Affairs

Martha Kuehn
Dean of Liberal Arts
and Sciences

Dave Bissonette
Librarian

Background Materials

A challenging textbook environment

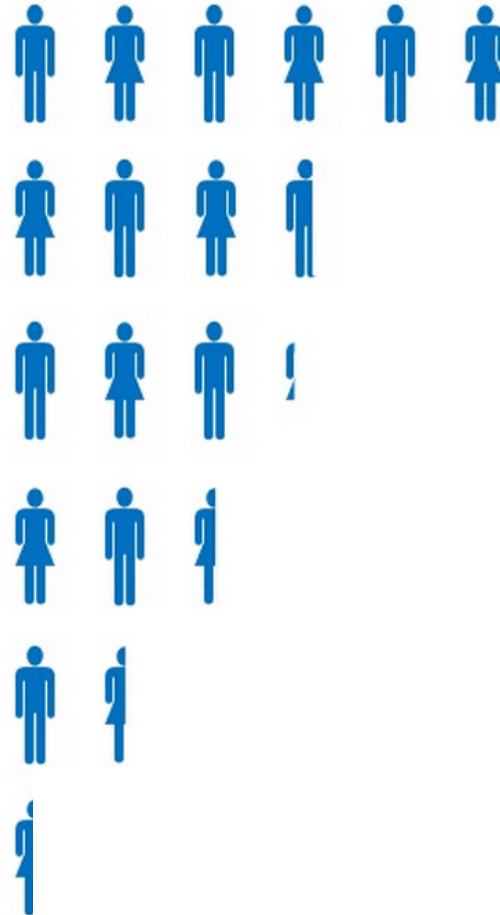
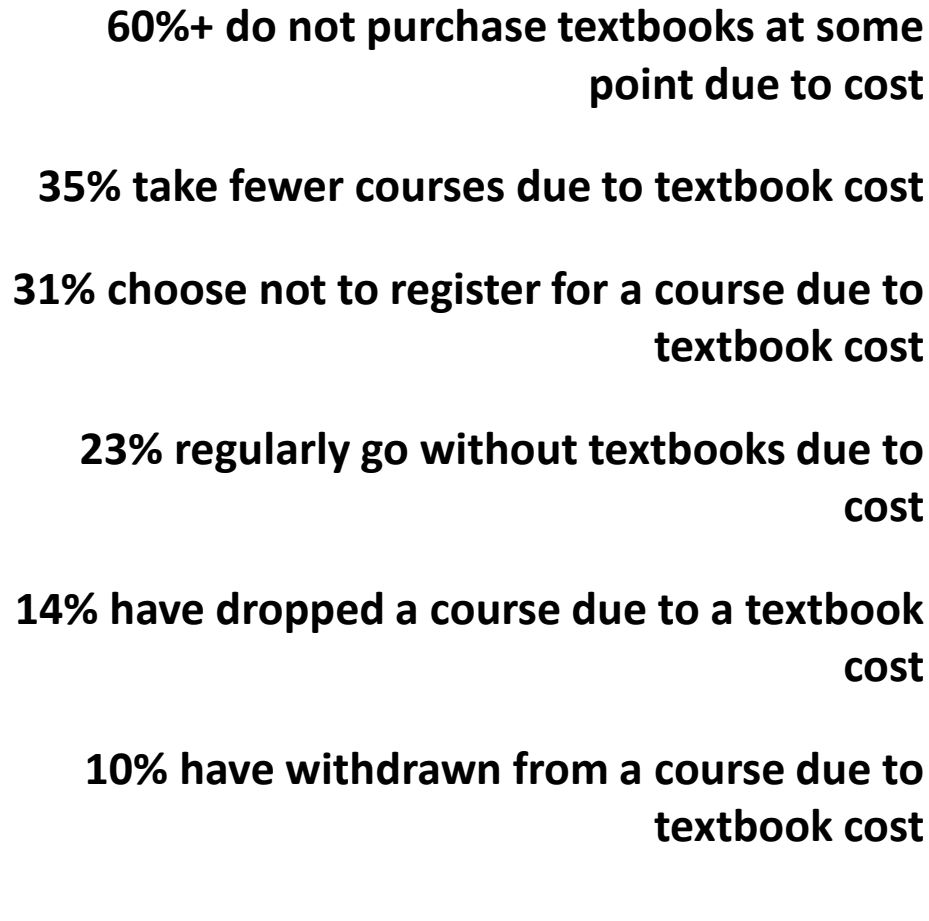
	2003-2004 academic year	2006-2007 academic year	2011-2012 academic year	2013-2014 academic year
2-year public	\$727	\$850	\$1,182*	\$1,270*
4-year public	\$786	\$942	\$1,168*	\$1,207*
4-year private	\$807	\$935	\$1,213*	\$1,253*

(average textbook prices)

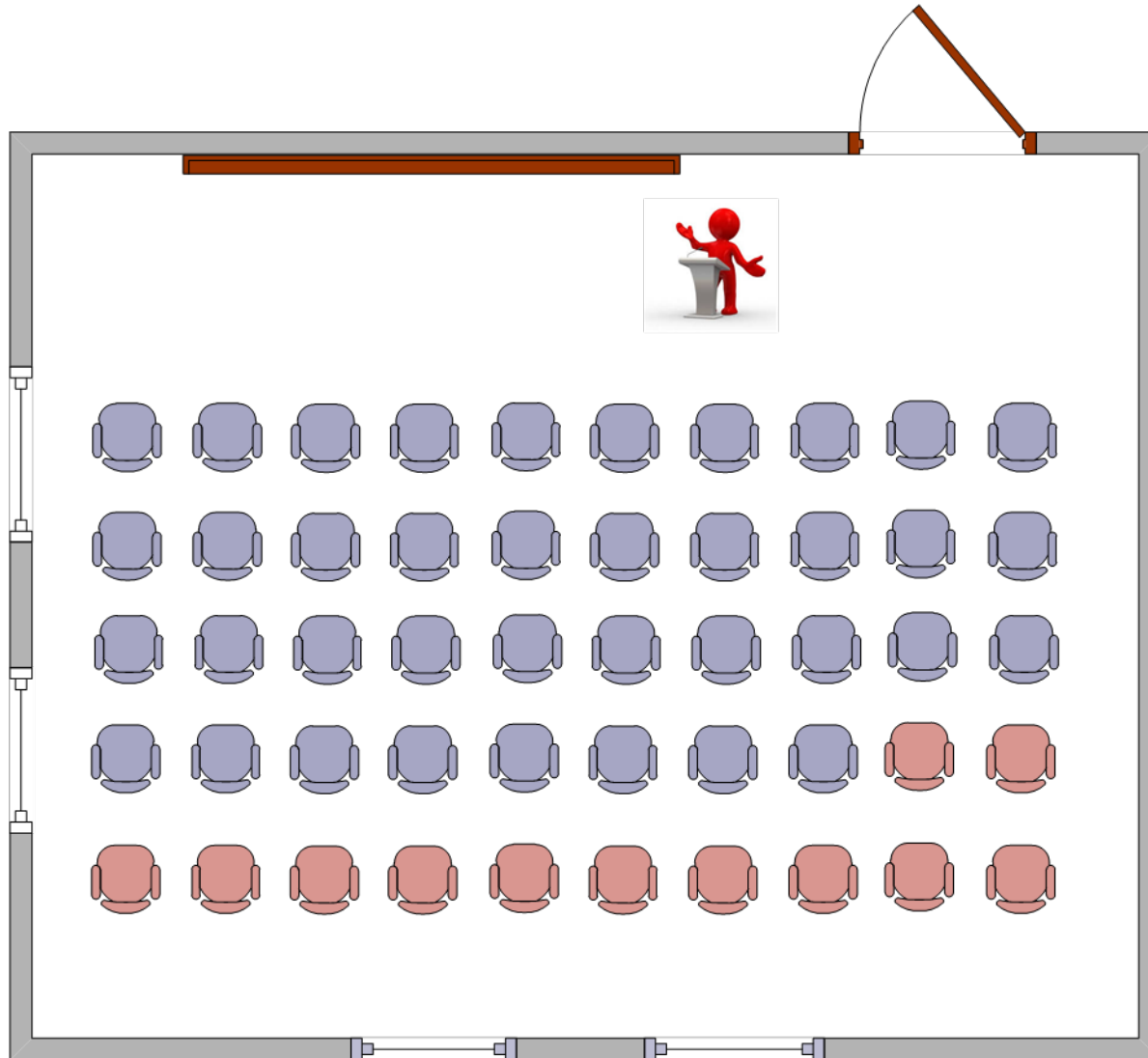
Source: College Board Annual Survey of Colleges, average prices for full-time, full-year students

* Costs for books and supplies – does not include fees.

Student textbook decisions



Student textbook decisions



23% regularly do not buy a textbook for a class

Open educational resources and textbooks

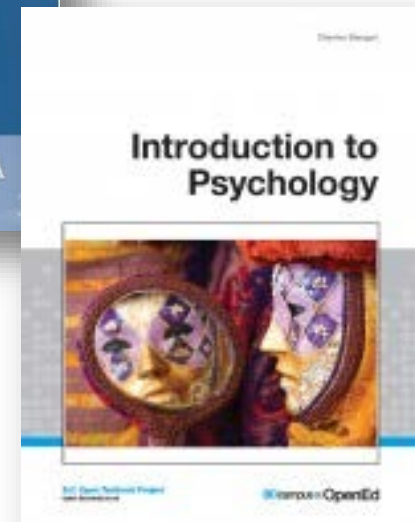
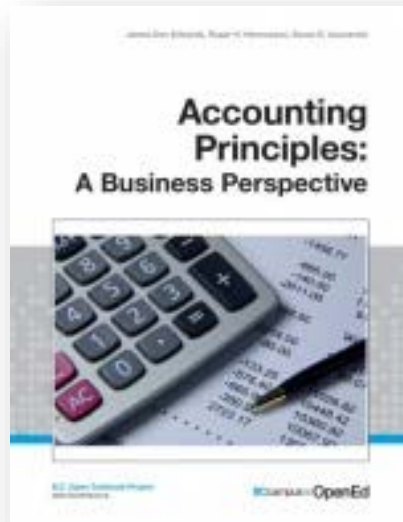
Open Educational Resources

- High-quality, openly licensed, online educational materials
- Offer an extraordinary opportunity for people everywhere to share, use, and reuse knowledge.

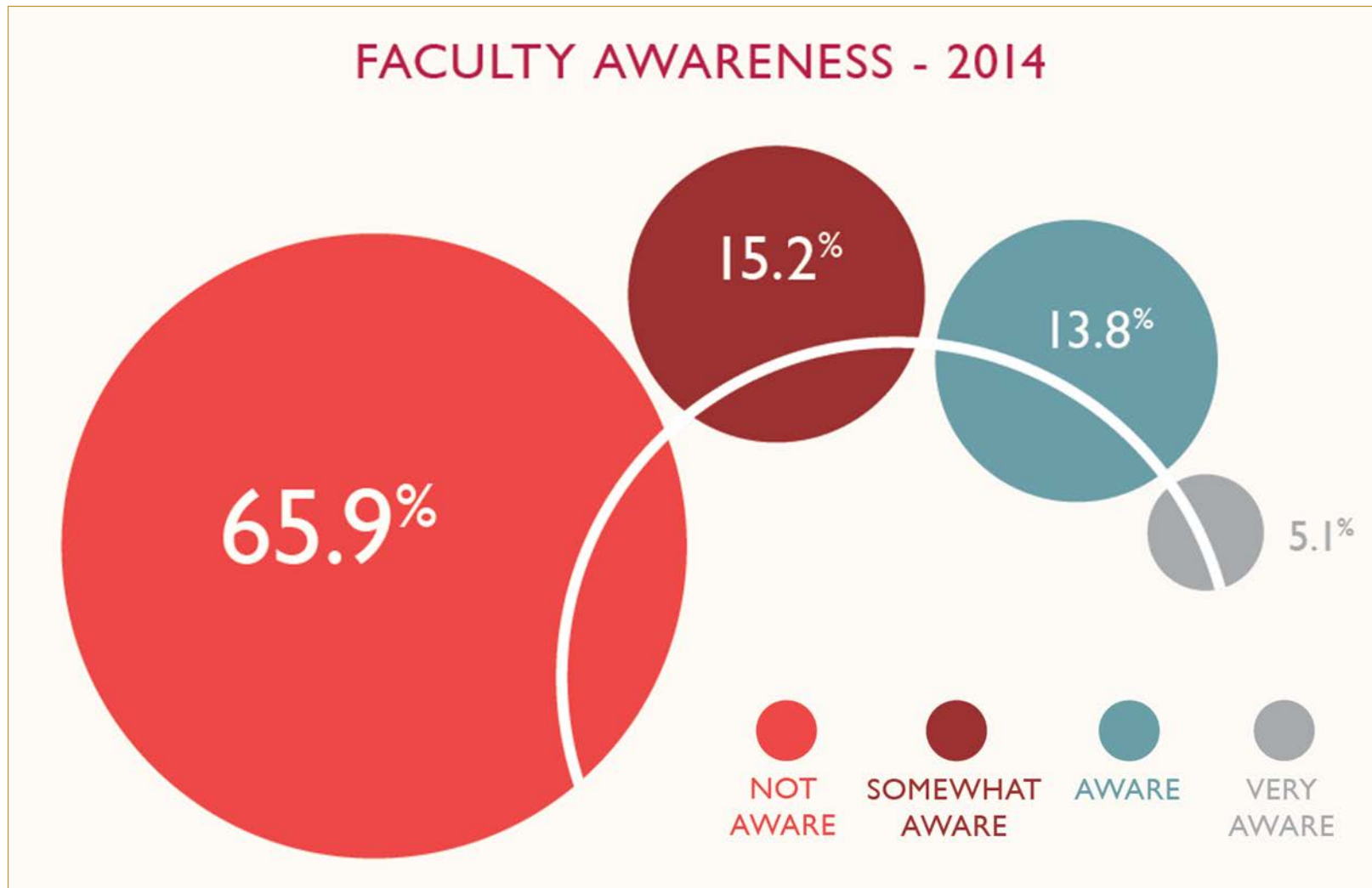
Open Textbooks

- Real, complete textbooks licensed so faculty and students can freely use, adapt, and distribute the material.
- Can be downloaded for no cost, or printed inexpensively.

Open textbooks



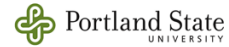
Open textbook awareness



Open textbook initiative

- 1 Awareness
- 2 Locating materials
- 3 Quality concerns
- 4 Faculty support

Open textbook network



open.umn.edu

Open textbook initiative

Faculty training and reviews 2014-2015

52 faculty in
four disciplines

Potential student savings this
academic year:
\$133,100 from those faculty
that have adopted

Results to Date	
Already Adopted	22%
Planning on Adopting	47%
Undecided	28%
Do not plan on adopting	3%

Faculty training and reviews 2015-2016

64 faculty across many disciplines

One more additional training available this academic
year for faculty to attend

Campus based open textbook projects



Impact and affordability

Open Textbooks

- Goal for students to have access to all their course materials from the first day of class without additional financial burdens impacting their course success without additional financial burdens impacting their course decisions and potential success.
- Faculty can retain control of their curriculum with the added abilities create and mix together wide variety of focused course content.

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

Name: Academic and Student Affairs Committee

Date: March 16, 2016

Title: Proposed Amendment to Policy 2.1 Campus Student Associations (Second Reading)

Purpose (check one):

- | | | |
|--|---|---|
| <input checked="" 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 type="checkbox"/> Information | |

Brief Description:

ASA staff reviewed Policy 2.1 as part of its five year review cycle. The proposed amendments consist of technical edits resulting from the new formatting and writing standards being applied to the policy.

The proposed amendments were reviewed by the Office of General Counsel, cabinet, then sent out for formal consultation and received support from the presidents, employee representative groups, student associations, and campus leadership groups. All comments received from the consultation were taken into consideration.

Scheduled Presenter(s):

Ron Anderson, Vice Chancellor for Academic and Student Affairs
Toya Younger, Associate Vice Chancellor for Student Affairs
Gary Hunter, System Director for Policy, Procedure, and Intellectual Property

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD ACTION
POLICY 2.1 CAMPUS STUDENT ASSOCIATIONS

1 **BACKGROUND**

2 Board Policy 2.1 Campus Student Associations was adopted by the Board of Trustees on April
3 18, 1995 and implemented on July 1, 1995. The policy was last reviewed in 2005 when technical
4 edits were made to the policy. Board Policy 1A.1, Part 6, requires periodic review of all board
5 policies.

6

7 **PROPOSED AMENDMENTS**

8 The proposed amendments to Policy 2.1 are identified by strikethrough and underlining in the
9 policy. The proposed amendments are technical edits that resulted from new formatting and
10 writing standards being applied to the policy.

11

12 **REVIEW PROCESS**

13 The proposed amendments were circulated to all presidents, employee representative groups,
14 student associations, and campus leadership groups. The Academic and Student Affairs review
15 and consultation process for proposed amendments to Policy 2.1 has been completed. All
16 comments received during the review process have been considered and responses sent to the
17 individual commentators.

18

19 **RECOMMENDED MOTION**

20 The Board of Trustees approve the proposed amendments to Policy 2.1.

21

22

23 *Date Presented to the Board of Trustees:* 03/16/16

24 *Date of Implementation:* xx/xx/xx

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD POLICY	2.1
Chapter 2. Students	
Section 1. Campus Student Associations	

2.1 Campus Student Associations

Part 1. Recognition.

Students at each ~~institution~~ college and university ~~shall~~ must have the right to establish a student government herein referred to as a campus student association. Students establishing a campus student association shall develop a constitution for the association. Only currently enrolled students ~~shall be~~ are eligible to serve as student representatives or officers. The college or university ~~institution~~ shall recognize the campus student association as the official representative of the students; upon receipt of evidence that the student body has approved the constitution. ~~Multi-campus institutions~~ Colleges and universities that have multiple campuses shall develop policies and procedures to assure representation and participation in a campus student association by students at their constituent campuses.

Part 2. Duties.

In addition to the duties listed in ~~institution~~ college, university, and board policies and in the campus student association constitution, the campus student association shall have the sole authority to recommend the chartering of student clubs and organizations for approval by the ~~institution~~ college or university president.

Part 3. Appeal.

The appeal of decisions made by the campus student association relative to chartering, funding, or providing service to student organizations when such decisions may be in violation of law, policy, or procedure ~~shall~~ must be conducted in accordance with the existing ~~institutional~~ college or university grievance policy.

Related Documents:

- [Policy 3.7 Statewide Student Association](#)

Policy History:

Date of Adoption: 4/18/95

Date of Implementation: 7/01/95

Date of Last Review: xx/xx/xx

Date & Subject of Amendment:

37 *xx/xx/xx – Applied new formatting and writing styles, replaced obsolete language; added*
38 *Policy 3.7 Statewide Student Associations in Related Documents section, and added*
39 *“Date of Last Review” in Policy History section.*
40 *01/20/05 - editorial changes; removal of obsolete language; definition of enrolled credit*
41 *added; delegated authority to chancellor for agreement approval.*
42
43 Additional **HISTORY**

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

Name: Academic and Student Affairs Committee

Date: March 16, 2016

Title: Proposed Amendment to Policy 3.7 Statewide Student Association (Second Reading)

Purpose (check one):

- | | | |
|--|---|---|
| <input checked="" 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 type="checkbox"/> Information | |

Brief Description:

ASA staff reviewed Policy 3.7 as part of its five year review cycle. The proposed amendments consist of technical edits resulting from new formatting and writing standards being applied to the policy.

The proposed amendments were reviewed by the Office of General Counsel, cabinet, then sent out for formal consultation and received support from the presidents, employee representative groups, student associations, and campus leadership groups. All comments received from the consultation were taken into consideration.

Scheduled Presenter(s):

Ron Anderson, Vice Chancellor for Academic and Student Affairs
Toyia Younger, Associate Vice Chancellor for Student Affairs
Gary Hunter, System Director for Policy, Procedure, and Intellectual Property

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD ACTION
POLICY 3.7 STATEWIDE STUDENT ASSOCIATION

1 **BACKGROUND**

2 Board Policy 3.7 Statewide Student Association was adopted by the Board of Trustees on
3 October 18, 1994 and implemented on the same date. The policy was last reviewed in 2005 when
4 technical edits were made to the policy. Board Policy 1A.1, Part 6, requires periodic review of all
5 board policies.

6
7 **PROPOSED AMENDMENTS**

8 The proposed amendments to Policy 3.7 are identified by strikethrough and underlining in the
9 policy. The proposed amendments are technical edits that resulted from new formatting and
10 writing standards being applied to the policy.

11
12 **REVIEW PROCESS**

13 The proposed amendments were circulated to all presidents, employee representative groups,
14 student associations, and campus leadership groups. The Academic and Student Affairs review
15 and consultation process for proposed amendments to Policy 3.7 has been completed. All
16 comments received during the review process have been considered and responses sent to the
17 individual commentators.

18
19 **RECOMMENDED MOTION**

20 The Board of Trustees approve the proposed amendments to Policy 3.7.

21
22

23 *Date Presented to the Board of Trustees:* 03/16/16

24 *Date of Implementation:* xx/xx/xx

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD POLICY	3.7
Chapter 3. Educational Policies	
Section 7. Statewide Student Association	

1 **3.7 Statewide Student Associations**

2
3 **Part 1. Statewide Student Association Recognition-**

4 The Minnesota State University Student Association, for state university students, and the
5 Minnesota State College Student Association, for state community and technical college
6 students, are each recognized as the one statewide student association for their respective student
7 associations and students.

8
9 **Part 2. Campus Student Association Affiliation-**

10 Each campus student association shall be affiliated with its statewide student association and all
11 students enrolled in credit courses ~~shall~~ will be members of their respective statewide
12 association.

13
14 **Part 3. Fees-**

15 Each statewide student association shall set its fees and shall submit any changes in its fees to the
16 ~~B~~board for review. The ~~B~~board may revise or reject the fee change during the two board
17 meetings immediately following the fee change submission. Fees must ~~shall~~ be collected for each
18 enrolled credit by each college and university and must ~~shall~~ be credited to each association's
19 account to be spent as determined by that association. For purposes of this policy, enrolled
20 credits include all credits in which a student has enrolled and not dropped before the ~~institution's~~
21 college or university drop deadlines. Fees must ~~shall~~ be forwarded by the ~~institution~~ the college
22 or university to the statewide student association whether or not the ~~institution~~ college or
23 university has received payment for fees.

24
25 **Part 4. Recognition Process-**

26
27 **Subpart A. Statewide student association recognition-**

28 Recognition of the associations listed in Part 1 ~~shall~~ must continue until such recognition is
29 repealed by the ~~B~~board and succeeded by an appropriately constituted association
30 representing the same group of students.

31
32 **Subpart B. Repeal of recognition-**

33 1. Repeal of recognition by the ~~B~~board ~~shall~~ must occur if the following actions occur:

- 34 a. ~~A~~~~t~~Two-thirds vote, by the existing statewide student association indicating no
35 confidence, expressed by a petition to the ~~B~~board in accordance with the
36 procedures set forth in the association's governing documents; and
37 b. Two-thirds of existing campus student associations, in accordance with their
38 governing rules, submit petitions to the board indicating no confidence. ~~to the~~
39 ~~Board.~~
40
- 41 2. Dissolution of a statewide student association must shall be subject to each
42 association's internal procedures as indicated in their respective governing documents.
43 Recognition of a statewide student association is repealed automatically upon
44 dissolution of the student association. A notice of intent to dissolve must shall be sent
45 to the ~~B~~board.
46

47 **Subpart C. Recognition of new statewide student association-**

48 Following repeal of recognition of a statewide student association, recognition of a new
49 statewide student association must shall be granted after the presentation of a petition to the
50 ~~B~~board which expresses support of the new association and is approved by two-thirds of the
51 campus student associations.
52

53 **Part 5. Implementation-**

54 The chancellor shall develop an agreements between Minnesota State Colleges and Universities
55 and each statewide student association to implement this policy, including provisions addressing
56 payment of fees collected.
57

58 **Related Documents:**

- 59 • [Policy 2.1 Campus Student Associations](#)
 - 60 • [Minn. Stat. § 136F.22 Student Associations](#)
-

61 **Policy History:**

62
63
64
65 *Date of Adoption: 10/18/94*

66 *Date of Implementation: 10/18/94*

67 *Date of Last Review: xx/xx/xx*

68
69 *Date & Subject of Amendment:*

70 *xx/xx/xx – Updated the formatting and writing styles, in Part 5 the word “agreements” was*
71 *made singular; added Policy 2.1 Campus Student Associations to the Related Documents*
72 *section; added “Date of Last Review” to the Policy History section, and inserted the*
73 *11/20/2009 date and information below..*

74 *11/20/09 – reviewed, no changes.*

75 *01/20/05 - editorial changes; removal of obsolete language; definition of enrolled credit*
76 *added; delegated authority to chancellor for agreement approval.*

77
78 Additional [HISTORY](#)

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

Name: Academic and Student Affairs Committee

Date: March 16, 2016

Title: Proposed Amendment to Policy 3.29 College and University Transcripts (Second Reading)

Purpose (check one):

- | | | |
|--|---|---|
| <input checked="" 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 type="checkbox"/> Information | |

Brief Description:

ASA staff reviewed Policy 3.29 as part of its five year review cycle. The proposed amendments consist of technical edits resulting from new formatting and writing standards being applied to the policy.

The proposed amendments were reviewed by the Office of General Counsel, cabinet, then sent out for formal consultation and received support from the presidents, employee representative groups, student associations, and campus leadership groups. All comments received from the consultation were taken into consideration.

Scheduled Presenter(s):

Ron Anderson, Vice Chancellor for Academic and Student Affairs
Toyia Younger, Associate Vice Chancellor for Student Affairs
Gary Hunter, System Director for Policy, Procedure, and Intellectual Property

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD ACTION

POLICY 3.29 COLLEGE AND UNIVERSITY TRANSCRIPTS

1 **BACKGROUND**

2 Board Policy 3.29 College and University Transcripts was adopted by the Board of Trustees on
3 January 20, 2005 and implemented on July 1, 2005. The policy was last reviewed in 2010 when
4 an amendment was made to add Part 3 the policy regarding electronic transcripts. Board Policy
5 1A.1, Part 6, requires periodic review of all board policies.

6
7 **PROPOSED AMENDMENTS**

8 The proposed amendments to Policy 3.29 are identified by strikethrough and underlining in the
9 policy. The proposed amendments are technical edits that resulted from new formatting and
10 writing standards being applied to the policy.

11
12 **REVIEW PROCESS**

13 The proposed amendments were circulated to all presidents, employee representative groups,
14 student associations, and campus leadership groups. The Academic and Student Affairs review
15 and consultation process for proposed amendments to Policy 3.29 has been completed. All
16 comments received during the review process have been considered and responses sent to the
17 individual commentators.

18
19 **RECOMMENDED MOTION**

20 The Board of Trustees approve the proposed amendments to Policy 3.29.

21
22
23 *Date Presented to the Board of Trustees:* 03/16/16

24 *Date of Implementation:* xx/xx/xx

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

BOARD POLICY	3.29
Chapter 3. Educational Policies	
Section 29. College and University Transcripts	

3.29 College and University Transcripts

Part 1. Uniform Paper Transcript-

In furtherance of a common system identification, Minnesota State Colleges and Universities shall use a uniform format for their official paper transcripts.

Part 2. Paper Transcript Format-

The Chancellor shall establish a procedure for a uniform paper transcript format for Minnesota State Colleges and Universities.

Part 3. Electronic Transcript (eTranscript)-

In lieu of an official paper transcript, ~~system~~ colleges and universities shall use the eTranscript within the Integrated Statewide Record System to document previous academic work completed by students transferring between ~~system~~ colleges and universities. ~~The Chancellor shall establish a procedure to guide the implementation and use of the eTranscript.~~

Related Documents:

- [Procedure 3.29.1](#) College and University Transcripts
-

Policy History

Date of Adoption: 01/20/05

Date of Implementation: 07/01/05

Date of Last Review: xx/xx/xx

Date & Subject of Amendment:

xx/xx/xx – Editorial and formatting changes made, deleted unnecessary language authorizing the chancellor to create a procedure, added Policy History heading and the Date of Last Review in the Policy History section.

04/21/10 - Part 3 added to designate the eTranscript within the Integrated Statewide Record System (ISRS) as an official transcript for students transferring within the system.

No additional HISTORY

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

Name: Academic and Student Affairs Committee

Date: March 16, 2016

Title: Proposed Amendment to Policy 2.9 Academic Standing and Financial Aid Satisfactory Academic Progress (First Reading)

Purpose (check one):

- | | | |
|--|---|---|
| <input checked="" 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 type="checkbox"/> Information | |

Brief Description:

ASA staff reviewed Policy 2.9 at the request of the Charting the Future Student Success Team to determine if the language was a barrier to student retention. The proposed amendment contains technical edits that consist of updated formatting and writing styles used in to the policy and the replacement of obsolete language with more current terminology.

The proposed amendment was reviewed by the Office of General Counsel, cabinet, then sent out for formal consultation and received support from the presidents, employee representative groups, student associations, and campus leadership groups. All comments received from the consultation were taken into consideration.

Scheduled Presenter(s):

Ron Anderson, Vice Chancellor for Academic and Student Affairs
Toyia Younger, Associate Vice Chancellor for Student Affairs

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD POLICY	2.9
Chapter 2. Students	
Section 9. Academic Standing and Financial Aid Satisfactory Academic Progress	

1 **Policy 2.9 Academic Standing and Financial Aid Satisfactory Academic Progress**

2
3 **Part 1. Introduction**

4 Measurement of student satisfactory academic progress toward achievement of an academic award is an
5 important activity in higher education. Such measurement provides feedback to students and ensures
6 responsible action by colleges and universities regarding effective use of state resources.

7
8 Student academic progress must also be monitored to ensure effective and responsible management of
9 federal and state student financial aid. Students within the Minnesota State Colleges and Universities are
10 often enrolled in more than one institution. ~~Students also~~ and they frequently transfer among colleges
11 ~~and universities.~~ Therefore, ~~institutional~~ college and university financial aid satisfactory academic
12 progress policies should ~~shall~~ be as uniform as possible, consistent with individual ~~institutional~~ college
13 and university missions.

14
15 **Part 21. Academic Standing Policy.**

16 Each college and university shall develop a policy requiring students to maintain good academic
17 standing and describing the academic performance standards students must meet to maintain good
18 academic standing. This policy ~~shall~~ must apply to all students, whether receiving financial aid or not.
19 ~~At e~~Each ~~institution~~ college and university shall ensure that their Financial Aid Satisfactory Academic
20 Progress Policy and Academic Standing Policy ~~shall~~ have the same grade point average requirement and
21 percentage of completion requirement. ~~Institutional~~ College and university policies may provide for
22 reinstatement to enroll in classes following academic suspension under conditions different from those
23 required for financial aid reinstatement. Other aspects of the Academic Standing Policy and the
24 Financial Aid Satisfactory Academic Policy including maximum timeframe, recognition of academic
25 amnesty, and other elements, may vary; provided, that the Financial Aid Satisfactory Academic Policy
26 must be as strict as, or stricter than, the Academic Standing Policy.

27
28 **Part 32. Satisfactory Academic Progress Policy.**

29 Each college and university shall develop ~~an institutional~~ a satisfactory academic progress policy that
30 ~~shall apply~~ to all students receiving federal or state financial aid. ~~The Chancellor shall develop a~~
31 ~~system procedure for Board Policy 2.9 that shall contain required elements and parameters for these~~
32 ~~institutional policies, and each college and university satisfactory academic progress policy and~~
33 ~~procedure shall~~ and conform to the requirements of the ~~s~~System ~~p~~Procedure 2.9.1.

36 **Part 43. Annual Review and Report to the Board.**

37 The ~~system office~~ chancellor shall annually review each college and university financial aid satisfactory
38 academic progress policy and procedure to ensure continued compliance with ~~the s~~System pProcedure
39 2.9.1. Significant exceptions ~~shall~~ must be reported to the Board of Trustees.

40

41

42 **Related Documents:**

- 43 • [Procedure 2.9.1](#) Financial Aid Satisfactory Academic Progress

44

45 **Policy History:**

46

47 *Date of Adoption:* 09/20/95

48 *Date of Implementation:* 09/20/95

49 *Date of Last Review:* xx/xx/xx

50

51 *Date and Subject of Amendment:*

52 *xx/xx/xx (add information)*

53 *11/16/11 - Effective 1/1/12, the Board of Trustees amends all board policies to change the term*
54 *"Office of the Chancellor" to "system office," and to make necessary related grammatical*
55 *changes.*

56 *05/17/06 - amended the title to include Academic Standing and added new part 1, Academic*
57 *Standing Policy. Also repealed Carry Forward Community College Policies III.02.06*
58 *Academic Standards and IV.07.01Academic Suspension.*

59 *03/17/04 - replaced almost all policy language.*

60

61 *No additional HISTORY*

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

Name: Academic and Student Affairs Committee

Date: March 16, 2016

Title: Proposed Amendment to Policy 3.1 Student Rights and Responsibilities (First Reading)

Purpose (check one):

- | | | |
|--|---|---|
| <input checked="" 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 type="checkbox"/> Information | |

Brief Description:

ASA staff reviewed Policy 3.1 as part of the five year review cycle pursuant to Board Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration, Part 6, Subpart H, Periodic review. The proposed amendment contains both substantive and technical edits. The substantive changes resulted from the replacement of obsolete language with more current terminology, such as replacing “classroom” with “all learning environments”. This change and the others have broadened the application of the policy. The technical edits consist of updated formatting and writing styles used in to the policy.

The proposed amendment was reviewed by the Office of General Counsel, cabinet, then sent out for formal consultation and received support from the presidents, employee representative groups, student associations, and campus leadership groups. All comments received from the consultation were taken into consideration.

Scheduled Presenter(s):

Ron Anderson, Vice Chancellor for Academic and Student Affairs
Toyia Younger, Associate Vice Chancellor for Student Affairs

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD POLICY	3.1
Chapter 3. Educational Policies	
Section 1. Student Rights and Responsibilities	

1 **Policy 3.1 Student Rights and Responsibilities**

2 **Part 1. Freedom to Learn-**

3 In addition to the basic constitutional rights enjoyed by all citizens, students ~~in~~ at colleges and
4 universities have specific rights related to academic freedom and their status as students.
5 Freedom to teach and freedom to learn are inseparable facets of academic freedom. The freedom
6 to learn depends ~~upon~~ appropriate opportunities and conditions in ~~the classroom~~ all learning
7 environments, on the campus, and in the larger community. Students are expected to exercise
8 their freedom with responsibility.

9
10 **Part 2. Freedom of Expression-**

11 Individual students and student organizations shall be free to examine and ~~to~~ discuss all
12 questions of interest to them and to express opinions publicly and privately. They shall be free to
13 support causes by orderly means that do not substantially disrupt the regular and essential
14 operation of the college or university ~~institution~~. Students shall be free to take reasoned
15 exception to the ~~data~~ information or views offered in any course of study and to reserve
16 judgment about matters of opinion, but they are responsible for learning the content of any
17 course of study for which they are enrolled.

18
19 **Part 3. Freedom of Association-**

20 Students shall be free to organize and join organizations to promote their common and lawful
21 interests, subject to ~~institutional~~ college or university policies, procedures, or regulations.
22 Registration or recognition may be withheld or withdrawn from organizations that violate
23 ~~institutional~~ college or university policies, procedures, or regulations.

24
25 **Part 4. Student-Sponsored Forums-**

26 Students shall have the right to assemble, to select speakers, and to discuss issues of their choice.
27 The college or university shall establish reasonable time, place, and manner restrictions to assure
28 that the assembly does not substantially disrupt the work of the ~~institution~~ college or university
29 or ~~does not~~ interfere with the opportunity of other students to obtain an education or otherwise
30 infringe upon the rights of others. Such regulations ~~shall~~ must not be used as a means of
31 censorship. The president or designee may prohibit any forum when there is a likelihood of harm
32 to individuals or damage to property if the event is held. Prior to any such prohibition, the
33 president shall make his or her best effort to consult with the student association.

34

1 **Part 5. Student Publications.**

2 Student-funded publications ~~shall~~ must be free of censorship and advance approval of copy, ~~and~~
3 ~~€~~Their editors and managers shall be free to develop their own editorial and news coverage
4 policies. Editors, ~~and~~ managers, and contributors of student publications shall be protected from
5 arbitrary suspension and removal because of student, faculty, administrative, or public
6 disapproval of editorial policy or content. The student fee allocation process ~~shall~~ must not be
7 used as a means of editorial control of student-funded publications. All student publications ~~shall~~
8 must explicitly state on the editorial page that the opinions there expressed are not necessarily
9 those of the college, university, system, or student body.

10
11 **Part 6. Student Policies.**

12 The policies, procedures, and regulations of the college or university regarding student
13 expectations, rights, and responsibilities ~~shall~~ must be readily accessible to students.

14
15 **Part 7. Catalog and Course Information.**

16 To the extent possible, students ~~shall~~ must be provided relevant and accurate information
17 regarding courses prior to enrollment. Catalog course descriptions and website postings ~~shall~~
18 must be accurate and based on information existing at the time of publication. To the extent
19 possible, class schedules ~~shall~~ must list the names of faculty teaching the courses.

20
21 **Part 8. Student Academic Standing Information.**

22 Students shall have access to accurate information for establishing and maintaining acceptable
23 academic standing, information which will enable students to determine their individual
24 academic standing, and information regarding graduation requirements.

25
26 **Part 9. Academic Evaluation.**

27 Student academic performance ~~shall~~ must be evaluated solely on the basis of academic standards,
28 including any requirements that are noted in the catalog, course syllabus, ~~or~~ student handbook, or
29 on the college or university website. Students ~~shall~~ must have protection against prejudiced or
30 capricious evaluation and ~~shall~~ not be evaluated on the basis of opinions or conduct in matters
31 unrelated to academic standards. Students ~~shall~~ must have the right to review their corrected
32 examinations or other required assignments used by the faculty in evaluating the student's
33 academic performance.

34
35 **Part 10. Property Rights.**

36 Term papers, essays, projects, works of art, and similar property including property in which the
37 student has intellectual property rights pursuant to Board Policy 3.26 ~~shall~~ must be returned to a
38 student upon request, within a reasonable timeframe, when no longer needed for evaluation
39 purposes, unless the student grants written permission for them to be retained.

40
41 **Part 11. Student Review and Consultation.**

42 Students ~~shall~~ must have the right to appropriate levels of participation in college and university
43 decision-making pursuant to Policy 2.3 and Procedure 2.3.1; Student Involvement in Decision-
44 Making.

45
46 **Related Documents:**

- 47
- [Policy 2.3 Student Involvement in Decision-Making](#)

- [Procedure 2.3.1 Student Involvement in Decision-Making](#)
- [Policy 3.39 Transfer Rights and Responsibilities](#)

Policy History

Date of Implementation: 01/18/95

Date of Adoption: 01/18/95

Date of Last Review: xx/xx/xx

Date and Subject of Amendment:

xx/xx/xx – Applied the new policy formatting standards, replaced obsolete language, added Date of Last Review in policy history section, and inserted the 11/20/09 amendment date and information in the line below.

11/20/09 – Reviewed, no changes.

12/7/05 – Amends policy to add clarifying language and deletes unnecessary language. Adds new Part 6 – to assure that information on student expectations, rights and responsibilities is readily accessible to students, and new Part 11 that refers students to Policy 2.3 and Procedure 2.3.1, Student Involvement in Decision Making. Part 10 is deleted because it is addressed in the proposed Student Conduct Procedure (3.6.1).

No additional HISTORY

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

Name: Academic and Student Affairs Committee

Date: March 16, 2016

Title: Proposed Amendment to Policy 3.6 Student Conduct (First Reading)

Purpose (check one):

- | | | |
|--|---|---|
| <input checked="" 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 type="checkbox"/> Information | |

Brief Description:

ASA staff reviewed Policy 3.6 as part of the five year review cycle pursuant to Board Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration, Part 6, Subpart H, Periodic review. The proposed amendment contains technical edits that consist of updated formatting and writing styles used in the policy and the replacement of obsolete language with more current terminology.

The proposed amendment was reviewed by the Office of General Counsel, cabinet, then sent out for formal consultation and received support from the presidents, employee representative groups, student associations, and campus leadership groups. All comments received from the consultation were taken into consideration.

Scheduled Presenter(s):

Ron Anderson, Vice Chancellor for Academic and Student Affairs
Toyia Younger, Associate Vice Chancellor for Student Affairs

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

BOARD POLICY	3.6
Chapter 3. Educational Policies	
Section 6. Student Conduct	

1 **3.6 Student Conduct**

2
3 **Part 1. Student Conduct Policy-**

4 Each college and university shall establish a student code of ~~student~~ conduct that ~~states~~ includes its
5 student conduct policies and ~~its~~ administrative procedures for ~~the administration of~~ student conduct
6 proceedings. Hazing, whether occurring on or off campus, ~~shall~~ must be included in each ~~institution's~~
7 college and university list of prohibited behavior. Students ~~shall~~ must be afforded appropriate due
8 process in the resolution of any ~~allegation(s) of~~ violations of the student code of ~~student~~ conduct.
9 Students found responsible for violations are subject to sanctions which ~~in more serious cases~~ may
10 include removal from student housing or suspension or expulsion from the college/ or university.
11 Annually, and upon amendment, colleges and universities shall notify students of the availability and
12 location of the student code of conduct. ~~and a~~ A copy of the code ~~shall~~ must be ~~posted~~ made available at
13 appropriate locations on campus and on the college/ or university website. Allegations of discrimination,
14 harassment, sexual violence, fraud, or dishonest acts as defined in Board Policy 1C.2 ~~shall~~ must be
15 resolved pursuant to ~~B~~board policy. Allegations of academic dishonesty may be resolved under separate
16 procedures in accordance with ~~an institution's~~ college or university policies on that ~~those~~ issues.

17
18 **Part 2. Off-campus Conduct.**

19 ~~The Minnesota State~~ Colleges and ~~U~~niversities may hold students accountable for a violation of the
20 behavioral proscriptions contained in their ~~S~~student ~~C~~odes of ~~C~~onduct committed off campus when:

- 21
- 22 • Hazing is involved; or
 - 23 • The violation is committed while participating in a college_ or university_sanctioned or
 - 24 sponsored activity; or
 - 25 • The victim of the violation is a member of the college or university community; or
 - 26 • The violation constitutes a felony under state or federal law; or
 - 27 • The violation adversely affects the educational, research, or service functions of the college or
 - 28 university.
- 29

30 **Part 3. Appeal-**

31 ~~Students found to be responsible for a conduct violation shall be provided an avenue of appeal within~~
32 ~~the institution college or university.~~ Colleges and universities shall provide an avenue for appeal to
33 students found responsible for a conduct violation. In addition, colleges and universities shall inform
34 students of their right to a contested case hearing under Minnesota Statutes Chapter 14 in cases
35 involving sanctions of suspension for 10 days or longer.

36 in cases involving sanctions of suspension for 10 days or longer, students shall be informed of their
37 right to a contested case hearing under Minnesota Statutes Chapter 14.
38

39 **Part 4. Procedures-**

40 The chancellor shall establish procedures to implement this policy. The College and university student
41 conduct codes of conduct and procedures of colleges and universities shall must comply with Policy 3.6
42 and Procedure 3.6.1.
43

44 **Related Documents:**

- 45 • [Procedure 3.6.1](#) Student Conduct
 - 46 • ~~Minnesota Statutes [Chapter 14](#)~~ Minn. Stat. [Ch. 14](#)
-

48 **Policy History:**

49
50 *Date of Adoption: 5/16/95,*
51 *Date of Implementation: 7/01/95,*
52 *Date of Last Review: xx/xx/xx*
53

54 *Date & Subject of Amendments:*

55 *xx/xx/xx – (add summary of changes)*
56 *12/7/05 - some procedural language moved into a newly created Procedure 3.6.1. Policy was*
57 *amended to change language from a judicial context to a student development context. New*
58 *language requires that students be informed of the student conduct code and the policy*
59 *authorizes the creation of a procedure. The proposed procedure adds clarifying language,*
60 *deletes unnecessary language, and changes language to be consistent with a student*
61 *development model. deleted Part 1 Definitions, deleted Part 3 Contents of Code of Student*
62 *Conduct, deleted Part 4 Process, deleted Part 6 Summary Suspensions. Created new Part 4*
63 *Procedures.*
64

65 Additional [HISTORY](#)

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

Name: Academic and Student Affairs Committee

Date: March 16, 2016

Title: Proposed Amendment to Policy 3.30 College Program Advisory Committees (First Reading)

Purpose (check one):

- | | | |
|--|---|---|
| <input checked="" 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 type="checkbox"/> Information | |

Brief Description:

ASA staff reviewed Policy 3.30 as part of the five year review cycle pursuant to Board Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration, Part 6, Subpart H, Periodic review. The proposed amendment contains both substantive and technical edits. The substantive changes update the language to reflect the current practices while technical edits consist of updated formatting and writing styles used in the policy.

The proposed amendment was reviewed by the Office of General Counsel, cabinet, then sent out for formal consultation and received support from the presidents, employee representative groups, student associations, and campus leadership groups. All comments received from the consultation were taken into consideration.

Scheduled Presenter(s):

Ron Anderson, Vice Chancellor for Academic and Student Affairs
Toyia Younger, Associate Vice Chancellor for Student Affairs

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD POLICY	3.30
Chapter 3. Educational Policies	
Section 30. College program Advisory Committees	

1 **3.30 College Program Advisory Committees**

2
3 **Part 1. Purpose and ~~Applicability.~~**

4 ~~This policy To establishes standards, processes, and conditions that enable consistent creation and~~
5 ~~operation of practices for creating and operating college program advisory committees; it applies to~~
6 ~~credit-based academic programs determined by a college to be preparation for initial or continued~~
7 ~~employment.~~

8
9 **Part 2. Definitions.** ~~The following definitions apply to this policy and its procedure.~~

10
11 **College.** ~~College means a~~ A community college, technical college, or community and technical
12 college.

13
14 **College program advisory committee.**

15 ~~A college program advisory~~ formally organized committee that provides expert advice and
16 assistance to college professional-technical programs. identifies college program needs and
17 opportunities; describes articulates the current status and dynamic nature of its industry and/or
18 occupation(s); and provides guidance and advice on initial development, accountability, expansion,
19 and closure of academic programs or related program clusters at the college or with related programs
20 at high schools, colleges, and/or universities. A college program advisory committee shall include,
21 but is not limited to, employers, students, and faculty.

22
23 **Part 3. College Program Advisory Committees ~~Policy and Procedure.~~**

24 ~~Each college shall adopt and implement a policy and procedure to establish, manage, and operate~~
25 ~~college program advisory committees in compliance with this policy and System Procedure 3.30.1.~~

26
27 **Subpart A. Applicability**

28 ~~An advisory committee must be created for~~ credit-based academic programs determined by a
29 college to be preparation for initial or continued employment. shall have an advisory committee. One
30 advisory committee may serve more than one program provided that committee members possess
31 requisite knowledge and skills relevant to the programs.

32
33 **Subpart B. Membership**

34 A college program advisory committee must include, but is not limited to, employers, students, and
35 faculty who possess the requisite knowledge and skills relevant to the program. One advisory

36 committee may serve more than one program provided that committee members possess requisite
37 knowledge and skills relevant to the programs.

38
39 **Subpart C. Role of committee**

40 An advisory committee:

- 41 • identifies college program needs and opportunities,
- 42 • describes the current status and dynamic nature of its industry and/or occupation(s),
- 43 • provides guidance and advice on initial development, accountability, expansion, and closure
44 of academic programs or related program clusters at the college or with related programs at
45 high schools, colleges, and/or universities, and
- 46 • reviews the intended competencies and other learning outcomes associated with the program
47 on an ongoing basis.

48
49 **~~Part 4. Oversight and Accountability.~~**

50 ~~The chancellor shall adopt a system procedure to implement Policy 3.30 Community and Technical~~
51 ~~College Program Advisory Committees. The chancellor shall assess compliance with this policy, post~~
52 ~~this information on the Web, and consider such findings in presidential evaluations.~~

53
54 **Related Documents:**

- 55 • [Procedure 3.30.1](#) Community and Technical College Program Advisory Committees
- 56 • [MN Stat. 136F.52](#) LOCAL ADVISORY COMMITTEES

57
58 **Policy History:**

59
60 *Date of Adoption:* 06/14/05,

61 *Date of Implementation:* 06/14/05,

62 *Date of Last Review:* xx/xx/xx

63
64 *Date & Subject of Amendment:*

65 *xx/xx/xx (add information)*

66 *3/17/10 - Amends all previous language.*

67
68 *No additional HISTORY*

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

Name: Academic and Student Affairs Committee

Date: March 16, 2016

Title: Proposed Amendment to Policy 3.38 Career Information (First Reading)

Purpose (check one):

- | | | |
|--|---|---|
| <input checked="" 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 type="checkbox"/> Information | |

Brief Description:

ASA staff reviewed Policy 3.38 as part of the five year review cycle pursuant to Board Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration, Part 6, Subpart H, Periodic review. The proposed amendment contains both substantive and technical edits. The substantive changes reflect the current practices and the technical edits consist of updated formatting and writing styles used in the policy.

The proposed amendment was reviewed by the Office of General Counsel, cabinet, then sent out for formal consultation and received support from the presidents, employee representative groups, student associations, and campus leadership groups. All comments received from the consultation were taken into consideration.

Scheduled Presenter(s):

Ron Anderson, Vice Chancellor for Academic and Student Affairs
Toyia Younger, Associate Vice Chancellor for Student Affairs

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD POLICY	3.38
Chapter 3. Educational Policies	
Section 38. Career Information	

1 **Policy 3.38 Career Information**

2 **Part 1. Purpose.**

3 ~~The purpose of t~~This policy is to requires that all system colleges and universities to provide
4 information on career exploration and job opportunities to occupational program students.

6 **Part 2. Definition.**

7 For purposes of this policy only, occupational programs are technical and professional academic
8 programs that prepare students for employment.

10 **Part 3. College and University Policy.**

11 Each system college and university shall ~~establish a policy to~~ provide information on career
12 exploration and job opportunities to all students enrolled in occupational programs. -

14 **Part 4. Evaluation.**

15 ~~The system office shall, on a biennial basis, evaluate the effectiveness of system college and~~
16 ~~university efforts to provide career exploration and job prospect information to occupational~~
17 ~~program students and shall secure assurance from each system college and university that this~~
18 ~~responsibility is being met.~~

20 **Part 5. System Procedure.**

21 ~~The Chancellor shall develop a system procedure to provide direction for the implementation of~~
22 ~~this policy.~~

24 **Related Documents:**

- 25 • [Procedure 3.38.1](#) Career Information
- 26 • [MN Stat. 136F.37](#) Job Placement Impact on Program Review, Information to Students

28 **Policy History:**

30 *Date of Adoption:* 5/19/10
31 *Date of Implementation:* 5/19/10
32 *Date of Last Review:* XX/XX/XX
33
34 *Date & Subject of Amendment:*

35 XX/XX/XX – editorial and formatting changes made, language in Part 4 now places
36 responsibility for the evaluation on the colleges and universities, Part 5 regarding the
37 chancellor creating a procedure was deleted, and Date of Last Review was added to the
38 Policy History section.
39 11/16/11 - Effective 1/1/12, the Board of Trustees amends all board policies to change the
40 term "Office of the Chancellor" to "system office," and to make necessary related
41 grammatical changes.
42
43 No additional HISTORY

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

Name: Academic and Student Affairs Committee

Date: March 16, 2016

Title: Proposed Amendment to Policy 3.39 Transfer Rights and Responsibilities (First Reading)

Purpose (check one):

- | | | |
|--|---|---|
| <input checked="" 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 type="checkbox"/> Information | |

Brief Description:

ASA staff reviewed Policy 3.39 as part of the five year review cycle pursuant to Board Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration, Part 6, Subpart H, Periodic review. The proposed amendment contains both substantive and technical edits. The substantive changes improve the accuracy of the information while the technical edits consist of updated formatting and writing styles used in the policy.

The proposed amendment was reviewed by the Office of General Counsel, cabinet, then sent out for formal consultation and received support from the presidents, employee representative groups, student associations, and campus leadership groups. All comments received from the consultation were taken into consideration.

Scheduled Presenter(s):

Ron Anderson, Vice Chancellor for Academic and Student Affairs
Toyia Younger, Associate Vice Chancellor for Student Affairs

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD POLICY	3.39
Chapter 3. Educational Policies	
Section 39. Transfer Rights and Responsibilities	

1 **3.39 Transfer Rights and Responsibilities**

2
3 **Part 1. Purpose:**

4 To ~~identify provide an understanding of~~ the rights and responsibilities of students and colleges
5 and universities as they related to transfer of credit. And to facilitate the transfer of students
6 between MnSCU colleges and universities to minimize the loss of credit and time to completion.

7
8 **Part 2. Definitions:**

9
10 **Advisor**

11 A faculty or staff member who explains academic programs, course requirements, or other
12 academic information to students.

13
14 **Subpart A. Articulation Agreement.**

15 An articulation agreement is a formal agreement to accept credits in transfer toward a
16 specific academic program. A formal agreement between two or more educational entities
17 identifying the courses and credits within a program that transfer to a specific academic
18 program using the system articulation agreement template or equivalent evidence of course
19 transferability.

20
21 **Subpart B. Course outlines.**

22 A document approved by the college or university curriculum committee that communicates
23 information about a college or university course.

24
25 **Subpart C. Degree Audit Reporting System (DARS).**

26 The Degree Audit Reporting System is an electronic system that provides for an evaluation
27 of a student's academic record indicating completion toward the student's academic program
28 requirements. A database that serves as the official repository of course relationships and also
29 produces a report reflecting a student's progress toward completion of an academic program.

30
31 **Subpart D. Minnesota Transfer Curriculum (MnTC).**

32 The Minnesota Transfer Curriculum comprises general education reflecting competencies
33 adopted by the public higher education systems in Minnesota. Curriculum comprised of
34 general education courses and goal area definitions and competencies designed for transfer
35 among Minnesota public colleges and universities.

36 **Receiving college or university**

37 The college or university to which courses or credits are transferred.

38
39 **Sending college or university**

40 The college or university from which courses or credits are transferred.

41
42 **Part 3. Student Transfer Rights and Responsibilities.**

43
44 **Subpart A. Student ~~T~~ransfer ~~R~~ights.**

45 Students who transfer have the right to:

- 46 • Receive comparable treatment as transfer students or direct entry students with respect
- 47 to course and program requirements, ~~whether they are transfer students or direct entry~~
- 48 ~~students~~ at a ~~system institution~~ college or university;
- 49 • Receive clear, accurate, and current information about transfer admission requirements
- 50 and deadlines, degree requirements, transfer policies and procedures, articulation
- 51 agreements, course equivalencies, transfer tools, and the Minnesota Transfer
- 52 Curriculum;
- 53 • Access course outlines, consistent with the requirements of Board Policy 3.21;
- 54 • Receive a degree audit report showing how courses transferred, and to receive
- 55 clarification about transfer evaluations when they have questions;
- 56 • Appeal transfer decisions at both the college or university and system levels, as
- 57 provided in ~~s~~System Procedure 3.21.1;
- 58 • Have completed courses that fulfill Minnesota Transfer Curriculum goal areas at the
- 59 sending ~~institution system~~ college or university accepted as counting toward the same
- 60 goal areas at the receiving ~~institution system~~ college or university.
- 61 • Receive ~~acknowledgement of a degree audit showing fulfillment of~~ Minnesota
- 62 Transfer Curriculum goal areas that match as designated by the goal areas of courses
- 63 at the sending college or university.

64
65 **Subpart B. Student ~~T~~ransfer ~~R~~esponsibilities.**

66 Students who transfer have the responsibility to seek and use guidance in the following ways:

- 67 • Consult with advisors at both the sending and receiving colleges and universities
- 68 throughout their academic careers, especially when their academic plans change.
- 69 • Obtain information about how a change in their academic plans may impact the
- 70 transfer of their courses and ensure that the change is reflected in their academic
- 71 record.
- 72 • Plan their course(s) of study as early as possible by referring to published catalog
- 73 requirements, online advising tools, and campus and system websites, and published
- 74 ~~requirements of all system~~ for college and university programs in which they intend to
- 75 enroll.
- 76 • Take advantage of transfer-related orientation, workshops, or other training
- 77 opportunities offered by the college or university in which they are currently enrolled
- 78 and at the one to which they plan to transfer.
- 79 • ~~Seek guidance from appropriate institutional advisors at both the sending and~~
- 80 ~~receiving institutions throughout their academic careers, especially when academic~~
- 81 ~~plans change, in order and~~ students need to understand how the change in their

82 academic plans may impact the transfer of their courses, and need to ensure that the
83 change is reflected in made to their enrollment information (Relocated to 1st bullet
84 point)

- 85 • Provide their college or university with all materials required for admission, including
- 86 official transcripts from all previously attended non-System colleges and universities.
- 87 • Notify their home college or university of all courses taken at other schools system or
- 88 non-system colleges and universities after transfer or about any other changes to their
- 89 transcripts to ensure all courses are evaluated;
- 90 • When planning to follow the requirements of an articulation agreement or other
- 91 transfer- related agreement, seek guidance from appropriate institutional advisors at
- 92 their current institution college or university and notify the System college or
- 93 university to which they plan to transfer.
- 94 • Seek information and guidance on the transferability of their chosen program, because
- 95 not all associate degrees transfer.

96 **Part 4. System College and University Rights and Responsibilities.**

97 **Subpart A. System eCollege and university rights.**

98 System eColleges and universities have the right to:

- 99 • Ensure standards of quality for educational programs offered;
- 100 • Determine course equivalencies and admission, program, major, and graduation
- 101 requirements in accordance with their missions.
- 102 • Consider the accreditation of the sending institution college or university and program
- 103 in making course transfer decisions.

104 **Subpart B. System eCollege and university responsibilities.**

105 System eColleges and universities have the responsibility to:

- 106 • Provide students with access to advisors about designated to assist with transfer
- 107 processes and requirements.
- 108 • Provide students with accurate information about transferring into and out of the
- 109 college or university early in their academic careers, including information about the
- 110 transfer web page and other resources on their website.
- 111 • Provide students with specific information about the transferability of all associate
- 112 degrees on their academic program webpages, transfer webpage, and program
- 113 information.
- 114 • Refer students to staff and resources at the college or university to which they intend
- 115 to transfer.
- 116 • ~~Provide students with access to advising about for transfer processes and requirements,~~
- 117 ~~and provide appropriate support to advisors.~~
- 118 • Update and Publish their transfer policies and procedures, requirements, and course
- 119 offerings, including the current Minnesota Transfer Curriculum, articulation
- 120 agreements and other transfer related agreements, transfer guides, and course
- 121 equivalencies, and communicate these to students and the public.
- 122 • Make electronic course equivalency, and degree completion, and transfer tools
- 123 available to students, including instructions on their use, and inform students on how
- 124 to use these tools to plan for transfer.

- 128 • Provide students with access to the current course catalog and catalogs for at least the
 129 prior five years. Publish current transfer information and periodically update and
 130 archive prior transfer information, including catalogs, articulation agreements, and
 131 program guides.
- 132 • Continuously improve student access to information about transfer and to improve
 133 transfer processes.
- 134 • Provide written confirmation to transfer students about their admission and transfer-
 135 related decisions, including the opportunity to appeal transfer decisions and the result
 136 of transfer appeals, in a timely manner.
- 137 • Upon request, provide information necessary for the System Office chancellor to
 138 monitor and evaluate the effectiveness of existing transfer processes.
 139

140
 141 **Related Documents:**

- 142 • [Policy 3.21 Undergraduate Course Credit Transfer and the Minnesota Transfer](#)
 143 [Curriculum](#)
- 144 • [Procedure 3.21.1 Undergraduate Course Credit Transfer](#)

145
 146 **Policy History:**

147
 148 *Date of Adoption:* 5/16/12

149 *Date of Implementation:* 5/16/12

150 *Date of Last Review:* xx/xx/xx

151
 152 *Date & Subject of Amendment:*

153 *Xx/xx/xx (Add summary of revision)*

154
 155 *No additional HISTORY*



**HUMAN RESOURCES COMMITTEE
MARCH 16, 2016
9: 30 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 January 27, 2016 (pp. 1-2)**
- (2) Approval of Human Resources Committee Charter (pp. 3-5)**
- (3) Charting the Future: Human Resources Project Update (pp.6-8)
- (4) Appointment of President of Central Lakes College (pp. 9-10)**
- (5) Appointment of President of Minneapolis Community and Technical College (pp. 11-12)**

Members

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

Bolded items indicate action required.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
HUMAN RESOURCES COMMITTEE
MEETING MINUTES
January 27, 2016**

Human Resources Committee Members Present: Dawn Erlandson, Chair; Trustees Margaret Anderson Kelliher, Duane Benson, Alexander Cirillo, Robert Hoffman, and Elise Ristau.

Human Resources Committee Members Absent: Ann Anaya, Vice Chair.

Other Board Members Present: John Cowles, Philip Krinkie, Maleah Otterson, Tom Renier, 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 January 27, 2016, at Minneapolis Community and Technical College, Room 3000, 1501 Hennepin Avenue in Minneapolis. Chair Erlandson called the meeting to order at 2: 00 p.m.

1. Minutes of November 17, 2015

Chair Erlandson called for the motion to approve the minutes of the Human Resources Committee on November 17, 2015. The minutes were moved, seconded and passed without dissent.

2. Appointment of Interim President of Rochester Community and Technical College

Chancellor Rosenstone stated that following the announcement of President Leslie McClellon's resignation, Chancellor Rosenstone appointed Joyce Helens, president of St. Cloud Technical and Community College, as acting president of Rochester Community and Technical College. Chancellor Rosenstone invited nominations and expressions of interest for the position of interim president at Rochester Community and Technical College. Applications and nominations were reviewed by the chancellor, and he reviewed all input received and consulted as appropriate to develop his recommendation to the board. Chancellor Rosenstone recommended Joyce Helens as interim president of Rochester Community and Technical College, effective today.

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

The Board of Trustees, upon the recommendation of Chancellor Rosenstone, appoints Joyce Helens as interim president of Rochester Community and Technical College effective January 27, 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 2:25 p.m.
Respectfully submitted,
Pa Yang, Recorder

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

Agenda Item Summary Sheet

Name: Human Resources Committee

Date: March 16, 2016

Title: Approval of Human Resources Committee Charter

Purpose (check one):

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

Brief Description:

The Executive committee of the Board has asked that each committee develop and approve a committee charter.

Scheduled Presenter(s):

Mark Carlson, Vice Chancellor for Human Resources

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

BOARD ACTION
HUMAN RESOURCES COMMITTEE CHARTER

PURPOSE

Board governance best practices as offered by organizations including the Association of Governing Boards, encourages the development and adoption of committee charters to guide the work of board committees.

AGB observes that:

“A college or university’s bylaws often define the board’s committee structure, with many institutions including committee charges and other committee details in bylaw clauses. However, mention in the bylaws does not formally establish a board committee; that is accomplished through a separate board-approved committee charter that outlines the committee’s mission, composition, responsibilities, and procedures for conducting its business.”

Last fall, the board chair asked each committee chair to work with the associated cabinet officer to research and draft a committee charter for consideration and adoption by the committee.

The draft Human Resources Committee charter has been reviewed by the Board Executive Committee. It relies upon the enabling language in Board Policy 1A.2 *Board of Trustees, Part 5 Standing Committees, Committees and Working Groups of the Board, subpart C: Human Resources Committee*. The board will be asked to approve amendments to Policy 1A.2 at its March meeting. Please refer to board meeting materials for additional information.

The charter is intended for the use of the committee and is subject to annual review.

RECOMMENDED COMMITTEE ACTION:

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

RECOMMENDED BOARD ACTION:

The Board of Trustees approves the Human Resources Committee charter.

Charter of the Board of Trustees Human Resources Committee

Revised February 2016

Purpose:

The Human Resources Committee is charged with assisting the Board of Trustees in fulfilling its oversight responsibilities in the arena of personnel policy and compensation. The board acknowledges that to fulfill the mission of the organization, a high level of professionalism and commitment to student success is critical. It further holds that MnSCU will endeavor to nurture a safe, inclusive, and supportive workplace for all faculty, staff, and student employees.

Committee Structure:

The Human Resources Committee of the board shall consist of no fewer than five and no more than seven members to be appointed by the chair of the board annually.

Authority:

The principal elements of the Charter of the Human Resources Committee are:

1. To provide advice and counsel to the chancellor and vice chancellor for Human Resources.
2. The preparation of an annual committee work plan that considers critical Human Resources strategic components (with an eye toward proactive innovation), such as:
 - a. Talent pipeline (succession planning, staff/faculty development, diversity, etc.)
 - b. Workforce trends
 - c. Organizational development
 - d. Search and recruitment processes
 - e. Retention
3. Recommending employment contract (union) negotiation strategies and contract approvals.
4. Recommending employment plan (non-union) approvals.
5. Recommending selection of senior system executives (chancellor, vice chancellors, and college/university presidents).
6. Address additional matters deemed appropriate by the chancellor, vice chancellor for human resources, or the board.

The Human Resources Committee shall not act on behalf of the board unless specifically delegated to do so by the board.

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

Agenda Item Summary Sheet

Name: Human Resources Committee

Date: March 16, 2016

Title: Human Resources Transactional Service Model 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:

This session will provide the Board a progress report on the Human Resources Transactional Service Model (HR-TSM) effort. The update will include:

1. An introduction to the HR-TSM (what it is, and why we are doing this);
2. The current status of the project; and
3. What it will look like a year from now.

Scheduled Presenter(s):

Mark Carlson, Vice Chancellor for Human Resources
Sue Appelquist, Associate Vice Chancellor for Human Resources

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

INFORMATION ITEM

HUMAN RESOURCES TRANSACTIONAL SERVICE MODEL UPDATE

BACKGROUND

The overarching goal of MnSCU’s HR-TSM project is to improve service to students by providing exceptional campus support to employees. Through a team approach, and by leveraging the scale of the MnSCU system, the HR community will develop a new common business practice model for systemwide HR transactional delivery that allows the campus HR team to focus squarely on the needs of their institution. The HR-TSM project was influenced by the Charting the Future initiative, a strategic effort spanning all 31 MnSCU colleges and universities. In particular, the System Incentives & Rewards team looked at the recommendation 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.” The team’s final report submitted in June, 2015 included a recommendation for a new systemwide human resources transactional service delivery model. Vice Chancellor Carlson convened a leadership team of campus chief human resources officers and system office subject matter experts to help lead this effort and work began over summer 2015.

Project Work

The work of the HR-TSM project will focus on two areas:

- **Development of a new delivery model**
The future state for the HR-TSM project includes the implementation of a new shared service environment in which HR transactional and operational services are delivered via HR service centers that support multiple institutions. The HR-TSM Leadership Team has decided that there will be four (4) regional service centers and will finalize locations during March 2016. Additionally, the leadership team is continuing to work on other aspects of the new shared service environment including staffing and technology supports. Work will continue throughout 2016 to move to a phase one launch by January, 2017.

- **Process review and establishment of common business practices**
Today, HR transactional work varies widely from institution to institution. In order to support consistent, high quality practices across the spectrum of HR work, approximately twenty-five (25) workgroups have been convened consisting of HR staff from across the system. Workgroup participants will be asked to share their unique experience and knowledge of processes in order to determine the necessary inputs for achieving high

quality end results and to identify both possible barriers and the responsible parties that must provide and maintain these inputs. This work will be fundamental to a design for MnSCU's HR transactional services environment that best meets the needs of all our employees. As the workgroups review and refine common business practices, results will be posted to the HR Connect website and announced in the bi-weekly HR-TSM email updates and the documentation will be posted to the HR-TSM SharePoint site for review and comment.

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

Name: Human Resources Committee

Date: March 16, 2016

Title: Appointment of President of Central Lakes College

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:

Following the announcement of President Larry Lundblad's retirement, Chancellor Rosenstone initiated a national search for president of Central Lakes 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 CENTRAL LAKES COLLEGE

1 **BACKGROUND**

2 Following the announcement of President Larry Lundblad’s retirement, Chancellor Rosenstone
3 initiated a national search for president of Central Lakes College. It is anticipated that Chancellor
4 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 Central Lakes effective _____,
13 2016, subject to the completion of an employment agreement. The board authorizes the
14 chancellor, in consultation with the chair of the board and chair of the Human Resources
15 Committee, to negotiate and execute an employment agreement in accordance with the terms and
16 conditions of the MnSCU Personnel Plan for Administrators.

17
18 *Date of Adoption: March 16, 2016*

19 *Date of Implementation:*

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

Name: Human Resources Committee

Date: March 16, 2016

Title: Appointment of President of Minneapolis Community and Technical College

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 Minneapolis Community and Technical College.

Scheduled Presenter(s):

Steven Rosenstone, Chancellor



**Board of Trustees Agenda
March 16, 2016, 10:30 AM
Minnesota State Colleges and Universities
30 7th Street East
St. Paul, Minnesota**

1. Call to Order, Michael Vekich, Chair
2. **Consent Agenda**
 - a. **Meeting Minutes: (pp. 1-23)**
 - **Joint Board of Trustees and Leadership Council Study Session, Strategies for Addressing the Impact of Poverty on Students, January 26, 2016 (pp. 1-4)**
 - **Board of Trustees Study Session, Strategies for Managing Strategic Risks, January 26, 2016 (pp. 5-8)**
 - **Board of Trustees Study Session, Charting the Future Update, January 27, 2016 (pp. 9-13)**
 - **Board of Trustees, January 27, 2016 (pp. 14-22)**
 - **Board of Trustees, February 16, 2016 (p. 23)**
 - b. **Revised FY2016 Board Operating Budget (p. 24)**
 - c. **Charters for the Academic and Student Affairs, Audit, Executive, Finance and Facilities, and Human Resources Committees (pp. 25-41)**
 - d. **FY2018-2024 General Obligation Capital Budget Program Guidelines (pp. 24-41 of the Finance and Facilities Committee)**
 - e. **Contract Exceeding \$1M for State Universities Food Service Vendors (pp. 42-62 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 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 (pp. 1-6)**
 - b. **1C.1 Board of Trustees Code of Conduct (pp. 7-10)**
 - c. **2.1 Campus Student Associations (pp. 11-14)**
 - d. **3.7 Statewide Student Association (pp. 15-18)**
 - e. **3.29 College and University Transcripts (pp. 19-21)**
 - f. **5.9 Biennial Budget Planning (pp. 22-27)**
8. Board Standing Committee Reports
- a. Human Resources Committee, Dawn Erlandson, Chair
 - 1. **Appointment of President of Central Lakes College (pp. 9-10)**
 - 2. **Appointment of President of Minneapolis Community and Technical College (pp. 11-12)**
 - 3. Human Resources Transactional Service Model Update (pp. 6-8)
 - b. Audit Committee, Robert Hoffman, Chair
 - Study Abroad Programs Internal Control and Compliance Audit (pp. 10-29)
 - c. Finance and Facilities Committee, Jay Cowles, Chair
 - 1. System Financial Health Update, Including Update on Financial Recovery Plans and Monitoring Metrics (pp. 63-91)
 - 2. Integrated Statewide Records System (ISRS) NextGen Business Case Report (pp.92-110)
 - 3. FY2018-2019 Legislative Operating Budget Request Planning (pp. 111-125)-
 - 4. Campus Service Cooperative Update (pp. 126-131)
 - d. Academic and Student Affairs Committee, Louise Sundin, Vice Chair
 - 1. Report of the Vice Chancellor on the Work of Academic and Student Affairs (pp. 10-11)
 - 2. Discussion of Open Educational Resources (pp. 12-33)
 - 3. Proposed Amendment to Policies (First Readings) (pp. 45-65)
 - a. 2.9 Academic Standing and Financial Aid Satisfactory Academic Progress
 - b. 3.1 Student Rights and Responsibilities
 - c. 3.6 Student Conduct (First Reading)
 - d. 3.30 College Program Advisory Committees
 - e. 3.38 Career Information
 - f. 3.39 Transfer Rights and Responsibilities
9. Trustee Reports
10. Other Business
11. Adjournment



**Board of Trustees Agenda
March 16, 2016, 10:30 AM
Minnesota State College 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. Meeting Minutes: (pp. 1-23)

- **Joint Board of Trustees and Leadership Council Study Session, Strategies for Addressing the Impact of Poverty on Students, January 26, 2016 (pp. 1-4)**
- **Board of Trustees Study Session, Strategies for Managing Strategic Risks, January 26, 2016 (pp. 5-8)**
- **Board of Trustees Study Session, Charting the Future Update, January 27, 2016 (pp. 9-13)**
- **Board of Trustees, January 27, 2016 (pp. 14-22)**
- **Board of Trustees, February 16, 2016 (p. 23)**

b. Revised FY2016 Board Operating Budget (p. 24)

c. Charters for the Academic and Student Affairs, Audit, Executive, Finance and Facilities, and Human Resources Committees (pp. 25-41)

d. FY2018-2024 General Obligation Capital Budget Program Guidelines (pp. 24-41 of the Finance and Facilities Committee)

e. Contract Exceeding \$1M for State Universities Food Service Vendors (pp. 42-62 of the Finance and Facilities Committee)

**Minnesota State Colleges and Universities
Board of Trustees and Leadership Council
Study Session
Strategies for Addressing the Impact of Poverty on Our Students
January 26, 2016**

Convene and Introduction

Board Chair Michael Vekich and Chancellor Steven Rosenstone convened a joint study session of the Board of Trustees and the Leadership Council on January 26, 2016, at 10:00 am at Minneapolis Community and Technical College. The session was on strategies for addressing the impact of poverty on our students.

Chair Vekich explained that this is the first of what will be several sessions this year to better understand the needs of our students and how our colleges and universities can do a better job of serving our students. At last month's Academic and Student Affairs Committee meeting, we learned of some of the consequences of the Great Recession:

- Fully 36% of our students (92,000) are Pell-eligible – meaning that over 1/3 of our students come from families of very modest financial means. This compares to 23% a decade ago.
- Fully 62% of our students receive some form of financial aid – up about 10 points over the past decade.

Students with high financial need are less likely to successfully complete their degrees than those with little or no financial need:

- students with high financial need are about 14% less likely than those with no financial need to achieve their associate's degree within 3 years of beginning their program;
- they are about 8% less likely to achieve their baccalaureate degree within 6 years of beginning their program.

Questions for us to consider are:

- How hospitable are our campuses to students living in poverty, who are homeless and/or hungry and are struggling to hold body and soul together while pursuing their education?
- How do we better understand the struggles of students in poverty?
- What do our colleges and universities look like from their point of view?
- What do we need to change to do a better job?

Introduction of Dr. Donna Beegle

Chancellor Rosenstone introduced Dr. Donna Beegle. Her life work has focused on these kinds of questions – questions we need to address if we are going to “break the iron cage of poverty,” as she puts it.

Dr. Beegle is author of several books, including *An Action Approach to Educating Students who Live in the Crisis of Poverty*, and has worked nationally with educators, social service agencies and other organizations who strive to make a difference for people living in the crisis of poverty. Donna grew up in poverty and struggled with poverty through a good part of her life. In her mid-20s she started down a path that began with completion of her G.E.D., then an A.A. in journalism, a B.A. and Masters in Communication, and eventually a doctorate in Educational Leadership. In 1989 she co-founded Communication Across Barriers, serves as its president, and in 2014 was named a Woodrow Wilson Princeton Fellow.

Her life's work and passion are to help people who are trapped in poverty. In Donna's words, "This can only happen if the voices of those struggling with poverty can be heard and their perspectives understood."

That's our purpose today: to better understand the voices of those struggling with poverty and to better understand how we should reshape our colleges and universities to meet the needs of students who are struggling to "break the iron cage of poverty."

Dr. Donna Beegle acknowledged everyone and commented that she currently resides in Portland, Oregon. She is originally from Phoenix, Arizona and she grew up in a family that came from generations of poverty.

Dr. Beegle commented that a student in poverty today is less likely to achieve an education than a student in poverty in the 1940s. Only 11 percent of students from poverty complete their degrees or certifications. What prevents us from addressing poverty? There is no clear definition of poverty. We graduate people from college without Poverty 101 and leave media as #1 teacher. We are segregated by social class and confounding by race and poverty issues. The voices and perspectives of students from poverty are rarely included in the development of solutions. The fragmented approaches to dealing with issues of poverty do not allow us to learn from them.

Dr. Beegle introduced Michele Jersak, a counselor from Century College. Ms. Jersak shared her views on poverty and its effect on students in Minnesota, those originally from Minnesota as well as those coming to Minnesota to attend college. She introduced a short recorded presentation with actual students sharing their personal journeys through poverty and college.

Dr. Beegle explained that there are different views of poverty including that it is caused by individual or family irresponsibility. The policy response is to punish people and then they will be more responsible and not poor. Poor people do not learn middle class values. The policy response has been to teach people to be more middle class. Poverty caused by race, class or gender barriers to education, housing, employment, health care, etc., are addressed as single-focused efforts. Poverty is complex and breaking its cycle requires a systematic, connected, and collaborative approach.

Guiding questions include: What are we taught to believe about poverty? How do the different life experiences of poverty impact educational opportunities? What are three practical tools leaders can use right now to improve outcomes? What proven next steps can leaders begin to create poverty competencies and improve outcomes?

What does poverty teach? Constant Crisis: People are sick more and in survival mode. Two strategies: 1. Examine policies/practices to ensure they are serving students/families in the crisis of poverty. 2. Make it a priority to know about local resources and opportunities for breaking poverty barriers.

Work to understand and build in supports for students who live in the war zone of poverty.

Poverty Impacts: Hopelessness. Purpose of education or job unclear. Not knowing subjects/norms/vocabulary. Stereotypes, myths, and judgements. Internalized personal deficiency. Poverty realities pull and demand attention. Trained incapacity: expectations diminished by poverty conditions.

Advanced tools for improving education outcomes:

1. Strengths perspective – potential is unknown. Raise expectations and provide network of supports.
2. Resiliency Theory – promote a focus on what students are doing right.
3. Asset Theory – build access to resources and supports.
4. Social capital theory – break isolation! Encourage programs to connect students in poverty with mentors/navigators who use their education to earn a living.
5. Comprehensive, poverty informed connected approaches to removing poverty obstacles.

What can leaders do? Promote a poverty informed climate. Ensure poverty competencies: a deeper understanding of poverty and its impacts are essential for breaking barriers. Examine policies and curriculum to ensure we are actually serving, not punishing or ignoring, the realities of poverty that students and families face. Build staff “resource backpacks” to decrease poverty impacts on learning.

A new paradigm. A deeper understanding of poverty and families who live in it. A strength’s perspective approach: Stand in awe. A NASA Attitude: Failure is not an option. Stronger Partnerships: within and without.

There is enough money to address issues of poverty. For example, Americans spent millions of dollars on Valentine’s Day 2015.

Dr. Beegle outlined three essential tools for leaders:

1. **Conceptual:** Ensure poverty competencies, be poverty informed. The Beegle Poverty Institute and Beegle Certified Poverty Coaching Institute can provide competency assessments, action plans, and kits for students.
2. **Dialectical:** Examine leadership decisions from the perspectives of students and families. Build identification, develop trust, and improve communication.
3. **Connected Approach:** The opportunity community model exists because you cannot break the cycle of poverty alone. A poverty informed community builds support for educators and restores hope for those students in poverty and for those who are serving them. It removes the shame and judgment and reduces the isolation of poverty by connecting students and parents to people who can help them navigate barriers to success.

Dr. Beegle concluded by stating that leaders should lead through their actions. People are resilient. Every student's potential is unknown and with your help and connected approach you can find ways to help students shine.

Chair Vekich thanked Dr. Beegle for an information session. He also thanked the Leadership Council for their participation.

The Study Session adjourned at 12:05 p.m.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
STUDY SESSION
STRATEGIES FOR MANAGING STRATEGIC RISKS
JANUARY 26, 2016**

Board Members Present: Chair Michael Vekich; Trustees Margaret Anderson Kelliher, Duane Benson, Kelly Charpentier-Berg, Alexander Cirillo, Jay Cowles, Dawn Erlandson, Robert Hoffman, Philip Krinkie, Elise Ristau, and Louise Sundin

Absent: Ann Anaya, Maleah Otterson, Thomas Renier and Erma Vizenor

The Minnesota State Colleges and Universities Board of Trustees held a study session on January 26, 2016 at Minneapolis Community and Technical College, 1501 Hennepin Avenue, Minneapolis. Board Chair Michael Vekich called the session to order at 3:05 pm.

Strategies for Managing Strategic Risks

Presenters

Steven Rosenstone, chancellor
Noelle Hawton, chief marketing and communications officer
Mark Carlson, vice chancellor, human resources
Ron Anderson, vice chancellor, academic and student affairs
Laura King, vice chancellor - chief financial officer

Introduction

Chancellor Rosenstone commented that the trustees discussed strategic risks which could challenge the system's ability to deliver on its core mission and strategic framework during a board retreat in September. These risks include declining enrollments due to a smaller student pool, changing student demographics, fiscal sustainability, student affordability and debt, and course delivery issues.

Strategies for managing these risks include elements of the Charting the Future workplan, metro baccalaureate planning, universal branding efforts, work done by the long-term financial sustainability workgroup, the system's scholarship campaign, and ongoing work with the Minnesota Department of Education (MDE) and the Minnesota Department of Employment and Economic Development (DEED).

During the board's retreat in September, Trustee Erlandson suggested the system become more proactive or pre-emptive with its risk management strategies. Emphasis could be put on offensive measures, rather than always focusing on defensive ones.

With that focus, Chancellor Rosenstone asked four members of his cabinet to offer a slate of bold ideas and approaches to risk strategy management. At this point these are only ideas, not proposals. At the end of the presentation, there will be time for trustees to discuss and comment on whether the ideas are on the right track or if more calibration of the ideas is needed.

Ideas and Approaches

Vice Chancellor Anderson offered bold ideas pertaining to learning strategies and course delivery, including:

- A credential and degree pathway that moves away from time-dependent measures of achievement and progression to competency-based measures where learning and achievement are aligned from pre-K through graduate education and throughout workforce experiences;
- A pathway with multiple entrance and exit points that would allow students to integrate and individualize their learning both inside and outside of the classroom across their lifetime;
- Customized learning, heavily supported by technology, with a focus on individualization rather than standardization. Progression would be based on subject mastery.
- Student engagement with content would be customized to meet specific student needs. All learning would be intentionally linked across disciplines and skill areas;
- Students would receive the academic support when they need it and faculty would be free to engage students in deeper analysis of content, knowledge, knowledge creation, and cross-disciplinary connections;

Vice Chancellor Anderson noted that overall, these bold ideas have the potential to increase equity, opportunity, and success across the educational lifespan of MnSCU students.

Chief Marketing and Communications Officer Noelle Hawton discussed the creation of universal branding platform which would allow colleges and universities to keep their individual identities while binding them together in a way that is easily grasped by consumers. The branding platform would raise the collective value of MnSCU colleges and universities and would help students understand that they stand for high-quality education accessible throughout the state at an affordable price. Possible strategies in this effort could include:

- Billboards throughout the state, especially near the borders, which tout the outstanding educational opportunities offered in the system;
- Enhanced digital content featuring college and university alumni. Prospective students would learn about the jobs alumni have, what salary they earn and their student debt load;
- Through traditional media stories and local events, students would learn about educational partnerships that colleges and universities have with business, cultural and civic organizations. These partnerships would work to ensure that students have the right knowledge and skills for the jobs and roles needed in their communities;
- The chancellor would become a well-known opinion leader in the state, speaking to groups and writing newspaper commentaries on the state's talent shortage, the latest thinking about student debt and the need for more post-secondary education.

This work has already begun, Hawton said. Stories about MnSCU's affordability, accessibility, partnerships, and talent are being placed in local market media throughout the state. During 2015, there were 38 metro market media stories featuring colleges and universities that supported the system's strategic framework initiatives and themes.

An array of innovative ideas pertaining to student services was offered by Vice Chancellor Laura King. The goal would be a seamless student, faculty and staff experience across the system both academically and administratively. Ideas suggested included:

- A unified administrative experience at colleges and universities for every student, faculty and staff so they could move easily from campus to campus and experience the same look and feel in those interactions;
- A greatly simplified registration process, allowing students to pay one tuition bill for coursework being taken at more than one college or university;
- A single financial aid application and award process;
- The ability to easily check grades and coursework online at more than one college or university, and a single sign-up for student ID purposes and computer access;
- Faculty and staff teaching at multiple campuses with easy access to student and course information. Staff would be able to back each other up without complicated system changes.

Vice Chancellor King commented that these strategies would take work currently underway by various system workgroups and committees to the next level.

Vice Chancellor Mark Carlson outlined bold concepts for an integrated metro-wide educational collective to address complexities in the system, including:

- Academic planning would have seamless curriculum and enhanced transfer pathways with coordinated program development. Students would be offered "crystal-clear" baccalaureate pathways with increased course offerings through a shared academic catalog;
- Student support activities would be centered on synchronized financial aid management and processing, coordinated transportation schedules, integrated technology services, and fully coordinated advising;
- Fractured and cross-marketing efforts would be eliminated through the creation of a unified brand. MnSCU would have a much larger competitive presence and consolidated alumni relations;
- Faculty and staff efficiencies would be enhanced through innovations such as pay management and coordinated, metro-wide teaching loads. This bold idea would foster faculty assignment mobility, staff-sharing opportunities, and a wall-to-wall administrative shared-service environment.

This collective approach could potentially transform the student experience into one that is truly unified, coordinated, and more responsive to individual needs, Vice Chancellor Carlson said.

Trustee Discussion / Comments

Trustee Charpentier-Berg praised the bold ideas, saying they would provide a seamless plan for students. A strategy pertaining to generating funds, such as a potential statewide levy, was not included in the slate of bold proposals, Trustee Sundin noted. Vice Chancellor King said the long-term financial sustainability workgroup will have a revenue discussion and she'll make sure that topic is included.

Trustee Cirillo suggested that the system could realize an alternative source of revenue if it would run some programs that provide credentialing opportunities as a small business. He added that this idea would take customized training to another level for added income.

Trustee Anderson Kelliher said she appreciates discussion centering on bold ideas for strategic planning. It is very powerful to imagine what the system could be five to ten years from now. Trustee Benson commented that it would be revolutionary for a public institution such as MnSCU, to embrace bold, offensive strategies which cause every other player in higher education to "play defense."

Trustee Hoffman said outdated programs and methods may need to be jettisoned for futuristic, innovative ones. Trustee Cowles suggested the use of pilots as a way to gather empirical evidence of a bold idea's cost, as well as its successes and failures. He added that although it may be difficult, collaboration and relationship building in the sphere of work that serves student goals will be integral to the success of these measures.

Chair Vekich said when it comes to moving these bold ideas along, it will be necessary to promote experimentation and not punish for failure. Another study session to continue the discussion on the proactive strategies will be scheduled.

On another topic, Trustee Anderson Kelliher said trustee campus visits were discussed during that day's lunch. Several campus presidents suggested trustees could visit when a special event is scheduled on campus, such as during an agricultural symposium planned at South Central Colleges or during a concert at Minnesota State College - Southeast Technical featuring students from their musical instrument repair and construction program.

Chancellor Rosenstone said the Leadership Council will work with Board Secretary Inge Chapin to get more campus events like these on the trustees' calendars.

Adjournment

The meeting adjourned at 4:03 pm

Respectfully submitted,
Margie Takash, Recorder

Minnesota State Colleges and Universities
Board of Trustees
Study Session
Charting the Future Update
January 27, 2016

Board Members Present: Chair Michael Vekich, Trustees Margaret Anderson-Kelliher, Duane Benson, Kelly Charpentier–Berg, Alexander Cirillo, Jay Cowles, Dawn Erlandson, Robert Hoffman, Philip Krinkie, Maleah Otterson, Thomas Renier, Elise Ristau, Louise Sundin, and Chancellor Steven Rosenstone

Absent: Trustees Ann Anaya and Erma Vizenor

Convene and Introduction

The Minnesota State Colleges and Universities Board of Trustees held a study session on January 27, 2016, at Minneapolis Community College, Minneapolis. Chair Vekich called the study session for an update on Charting the Future to order at 11:20 am. He summarized the commitment of the board to the work of the Charting the Future initiatives. He asked that the board think about the information being provided and to consider whether it is sufficient for what they need.

Chancellor Rosenstone continued the introduction of the CTF initiatives and provided the recent history of CTF work. He discussed the CTF work plan, the campus based initiatives and the work that is being done, as “on track.” Presidents and vice chancellors understand the importance of the work and the board supports that. He reiterated the commitment of the students to this work as well.

Jaime Simonson, managing director for government relations, presented the Charting the Future quarterly report to the board and provided an outline of the study session.

In order to ensure accountability and provide oversight for the work being done on campuses as well as at the system office the following mechanisms were put into place:

1. Quarterly Reports (first report delivered today)
2. Board Study Sessions (first today, and one in June)
3. Convene Coordinating Committee (met three times)

Work plan status

Campus teams have been formed, all projects led by colleges and universities have launched and are on track. All projects led by vice chancellors have launched and are on track.

Lesson learned in the fall: Gantt charts in fall mapped out extremely aggressive timelines. They did not address the amount of time that would be needed to allow for campuses to understand the initiatives, engage all stakeholders, and determine how best to approach the work. Most campus teams launched towards the end of the fall term. Recognizing the extra bandwidth needed to take on this work, Nicole Merz was hired in January as the project manager to provide support in Academic and Student Affairs.

College and University Examples

President Scott Olson, Winona State University (WSU) shared how his campus has approached the CTF initiatives. He addressed the importance of honoring the uniqueness of each college and university and the variety of approaches that campuses are taking to achieve the CTF goals. His campus has engaged students, faculty, and staff to determine what work has already been done, is in process of getting done, or still needs to be accomplished. The campus also looked at the nature of the work evaluating whether it should be led by the system office or the campuses. This opportunity of engaging the community has served them well as they have moved forward, as all feel like their voices have been heard and they are engaged in the work. In addition, WSU has also held open forums (Inter Faculty Organization (IFO) and the Minnesota State University Association of Administrative and Service Faculty (MSUAASF) held their own), discussed at meet and confers, and convened university-wide discussions.

President Olson presented data on the fit of the CTF initiatives with WSU campus stakeholders. Across initiatives, there was strong support for the CTF initiative work, however, they were also able to prioritize which initiatives were most important to the stakeholders of the WSU community.

President Annette Parker, South Central College (SCC), presented on their approach to the CTF work. They have established a college-wide steering committee to lead the work. The committee is representative of the campus community. The committee mapped the CTF initiatives to existing college committees to determine where the work would be done. They determined from this initial step that they needed to formalize their committees further to ensure that all stakeholders were represented on the committees and worked diligently to ensure that each committee had a representative group of students, faculty, and staff. A reporting structure was established for the committees back to the steering committee to ensure accountability and oversight. Committees were asked to do a gap analysis of their current strategic plan and to ensure that each of the CTF initiatives were embedded within the plan.

President William Maki presented from the Northeast Higher Education District which includes five colleges. They have organized CTF work by using existing college and district structures. Student success is an area that was identified as needing additional attention. They have thus formed opportunities to create new structures to address some of these issues, including academic advising. Because of these new structures, there has been an increased focus on sharing across colleges to improve student success. He expressed the need to continue to respect differences between the colleges in how they implement the initiatives while also finding themes where colleges can work together. The ability to share across the colleges has been incredibly beneficial.

Trustee Cirillo asked how we will determine if CTF continues to be a priority on campuses and within the divisions. How do we keep the sense of urgency? President Olson offered that because it is built into the college structure, it ensures that the work will continue to be a priority. The work that needs to get done fits nicely into their campus work plans. President Parker also addressed timelines and how that keeps the work going. The committee structure keeps things moving and ensuring we're meeting our goals.

Trustee Otterson expressed her concern that the format of CTF and campuses engaging in the work in a non-uniform way will not ensure the work gets done fast enough, puts too much pressure on the presidents, and that students are having a hard time with the changes. She expressed her belief that the format will not work and will not create change. Chair Vekich asked Trustee Otterson if she had any empirical evidence regarding this. Trustee Otterson replied that she did not bring any but that she could get some.

Director Simonson continued with the quarterly report progress. The quarterly report process has brought clarification to what was committed to, where there are gaps, and opportunities to resolve those gaps.

Trustee Otterson asked when in the process will we know whether this approach is working. Director Simonson responded that CTF is about both the work plan and the initiatives getting completed but also about colleges and universities identifying how to work together to address issues our entire system faces. The type of engagement that is occurring with students, faculty, and staff around these issues is occurring due to CTF.

Chancellor Rosenstone reiterated what Director Simonson expressed. He agreed that there is a tension between getting the work done and what the presidents said they wanted to get done and how much work there is to get done. That tension is going to exist. There are manifestations of the changing culture about how we approach things as a system that goes beyond the individual initiatives within CTF. These types of collaborations and communications didn't happen prior to CTF. There is a shared responsibility between the system office and the campuses themselves. There are things that the system office can lead, but on other initiatives the campuses need to take the lead. There is variance between colleges and universities in terms of where they are at relative to where we are supposed to be. Trustee Anderson Kelliher agreed that because this is in the strategic plans of the colleges and because of the quarterly reports, we will ensure the progress is on track. Chancellor Rosenstone added that these initiatives are also in the vice chancellors' work plans.

Chair Vekich asked what is the biggest concern regarding completing the CTF initiatives. President Parker answered that she doesn't have any concerns that she would bring to this group at this time. President Maki shared that he has concerns about the resources available and needed to ensure that the work is getting done. President Olson shared that much of the work is easy to check off the list but other initiatives are more difficult and will take more time and resources to accomplish.

Chair Vekich asked if there was a common understanding of the deliverable in June. President Olson answered that yes, there is a clear understanding of what needs to be delivered in June. President Parker agreed.

Trustee Cirillo asked if there was a way to help the organizations that are struggling. Can we help ensure that they are getting up-to-speed and on track? Director Simonson asked to hold that question until Vice Chancellor Ron Anderson's portion of the presentation. Director Simonson shared that all campuses have launched a campus CTF team. Some of the campuses

are still finalizing those appointments. Campuses have varied structures, but integration of the work into the existing structures of the campus has been critical.

Initiative Highlights

A chart was shared that summarizes the progress across all of the colleges and universities on CTF initiatives. Another chart shared the progress across the divisions for system office initiative pieces. These charts indicated that overall the system and campuses are on track with their initiative progress. Director Simonsen provided brief highlights of some initiatives.

Diversity Plans: A small workgroup developed a tool kit to help colleges and universities to create or modify their diversity plans. The focus of the plans is on student success, addressing the opportunity gap and address five areas:

1. Work with partners to reduce and eliminate the student success gap
2. Increase diversity of students and strategies for retention
3. Increase diversity of faculty and staff and strategies for retention
4. Build effective partnerships with communities of color
5. Ensure a supportive and welcoming environment

Initiatives led by Vice Chancellor Mark Carlson include the Human Resources Transactional Service Model (HR-TSM). Vice Chancellor Carlson provided an introduction at the November Board meeting and will share an update at the March board meeting. In addition, the initiative to *Improve the recruitment and retention of diverse faculty and staff* was launched this month. Vice Chancellor Carlson and Associate Vice Chancellor Sue Appelquist presented a draft model at the January Leadership Council meeting. The Intentional Recruitment and Retention model leverages data and carefully examines the needs of the organization well before vacancies occur. These are the two fundamental steps toward achieving a much needed MnSCU comprehensive recruitment and retention strategy.

The initiative to *Replace or re-engineer ISRS* is on track. Vice Chancellor Ramon Padilla will share an update at the March Board meeting. In six weeks, 33 listening sessions were held and 1,265 students, faculty, and staff provided additional feedback through an online survey.

The majority of the initiatives at the system office are being supported or lead by academic and student affairs. Vice Chancellor Ron Anderson addressed the board. He shared 3 categories of CTF work in Academic and Student Affairs (ASA):

1. ASA is responsible for leading
2. ASA is responsible for supporting campus-led work
3. Existing groups that are doing the work

Observations: A number of opportunities have been identified on how ASA can help to support campus-led work. Campuses are in different stages of this work and thus determines the level of support that they will need from ASA. For example, 1.2.2 to address students access to technology. Campuses were asked to assess their students' needs around technology. ASA is

able to offer a common tool to assess this information, which allows us to benchmark across the colleges and universities, and provides a uniform way to assess. He expressed his appreciation for his campus colleagues in determining where consistency of approach is necessary and when campuses unique approaches are needed.

Vice Chancellor Anderson provided one initiative highlight on the initiative to develop a comprehensive strategy to increase awareness and development of e-textbooks and open educational resources (OERs). Thirty-three faculty participated in the December online faculty training in the review of OERs, linkages with faculty across the country and other campuses to do peer review. ASA administered a grant process to develop resources and/or increase the use of OERs on campus. Eight colleges and universities were awarded a grants. The grantees needed to show that their work would lead to an increase in affordability and accessibility for students.

Trustee Anderson Kelliher asked about Riverland Community College with gigantic savings and Bemidji with the lowest savings. Vice Chancellor Anderson answered that perhaps this is due to the scope of the work that is being done. Director Simonson added that the grant to Riverland is for a faculty who teaches at multiple campuses and accounts for the high potential savings. Additional information on each grant will be shared with the board. Trustee Charpentier-Berg asked if a database is being developed to hold these resources. Vice Chancellor Anderson shared that there are three databases or repositories of these textbooks that are being developed and available for use.

Coordinating Committee

Student Josh Hanson addressed the board as a co-chair of the coordinating committee for CTF to provide an update on the progress of that committee. He discussed the committee makeup, which is representative of the MnSCU community (18 different colleges and universities and students, faculty, and staff). This structure is beneficial due to the variety of ideas, but can also slow the work. Recent discussion included which documents the group should be reviewing and what discussions the group should focus on. Documents have been selected and uploaded for all members to review. At each meeting a representative is asked to share about initiative highlights. The committee determined the structure of the quarterly reports and discussed the implementation of initiatives.

Director Simonson closed by addressing the next steps for the CTF initiatives. There is additional work to be done and Leadership Council and the board will be discussing what those potential next steps will be.

Trustee Otterson asked if there was a more quantifiable way to address the initiatives. Director Simonson shared the quarterly report received by each of the campuses and divisions has been posted to the CTF blog. Trustee Otterson asked how often the CTF blog is updated. Director Simonson shared that the blog is updated when there is new information to share. Individuals can input their email addresses to follow the blog.

Chair Vekich adjourned the study session at 12:25p.m.

Minnesota State Colleges and Universities
Board of Trustees Meeting Minutes
January 27, 2016

Present: Chair Michael Vekich, Trustees Ann Anaya, Margaret Anderson Kelliher, Duane Benson, Kelly Charpentier-Berg, Alexander Cirillo, John Cowles, Dawn Erlandson, Robert Hoffman, Philip Krinkie, Maleah Otterson, Thomas Renier, Elise Ristau, Louise Sundin, and Chancellor Steven Rosenstone

Absent: Trustees Duane Benson and Erma Vizenor

1. Call to Order

Chair Michael Vekich called the meeting at Minneapolis Community and Technical College to order at 2:00 PM and announced that a quorum was present. He thanked Interim President Mills-Novoa, and the faculty, administration, and students for hosting the meeting. Chair Vekich introduced Kaley Taffe, the administrator for the Higher Education Budget and Finance Committee, chaired by Representative Bud Nornes.

2. Consent Agenda

- a. Minutes of the Board of Trustees Study Session on the Allocation Framework Redesign Principles, November 18, 2015**
- b. Minutes of the Board of Trustees Meeting, November 18, 2015**
- c. Approval of Contracts Exceeding \$1M for:**
 - **Retirement Program Recordkeeping**
 - **E-Procurement Vendor**
 - **Oracle Service Agreement**
 - **Microsoft Office 365 License**
 - **Student Housing Module Vendor**
 - **Grant Award to Minnesota West Community and Technical College**
 - **MSU, Mankato Bookstore Vendor**
 - **MSU Moorhead Renovation of South Snarr**
 - **Bemidji State University Phone Service Vendor**

Chair Vekich called for approval of the Consent Agenda. The motion was made by Trustee Renier and seconded by Trustee Cowles and carried.

3. Chair's Report: Michael Vekich

- **Chancellor's FY15 Merit Increase**

Chair Vekich called upon Trustee Cirillo, who chaired the FY15 Chancellor Performance Review Committee. Trustee Cirillo reported that the FY15 Chancellor Performance Review Committee set performance goals for the chancellor. The committee reviewed the chancellor's performance relative to the goals and shared their report at a closed meeting of the board on the chancellor's annual performance evaluation on September 28, 2015. At the October 21, 2015 Board of Trustees meeting, the board reported that they identified progress on all of the chancellor's objectives and that they were pleased with the chancellor's overall performance. Trustee Cirillo commented that the Chancellor Performance Review Committee is recommending that the chancellor receive a salary increase for the fiscal year ending June 30, 2015.

The increase would be retroactive to July 1, 2014. The chancellor's salary is subject to the Personnel Plan for MnSCU Administrators. The Plan covering FY15 was approved by the Board of Trustees on July 23, 2014, and by the Legislative Subcommittee on Employee Relations on October 22, 2014. The Plan sets out the salary ranges for all administrators, including the range for the chancellor's salary. The Plan in effect for FY15 (7/1/2013 – 6/30/2015) sets the top of the range for the chancellor's salary at \$390,000. The Plan allowed for merit increases; the target merit increase for administrators in FY15 was 2.5%.

The chancellor's current salary is \$387,250. The maximum he can receive under the Plan is \$390,000. Thus, the maximum salary increase the board has authority to award is \$2750. An increase of \$2750 amounts to a 0.7 percent increase. The salary increase will be effective upon the ratification of all employee contracts.

Trustee Cirillo moved that the Board of Trustees, having conducted an assessment of the chancellor's performance, approve and authorize an adjustment which brings the salary to the top of the range as allowed under the MnSCU Personnel Plan for Administrators. The adjustment amounts to a 0.7 percent increase in the chancellor's salary,

The motion carried unanimously.

Chair Vekich thanked Trustee Cirillo, who chaired the FY15 Chancellor Performance Review Committee and its members, Trustees Anderson Kelliher, Erlandson and Renier.

4. Chancellor's Report: Steven Rosenstone

Chancellor Rosenstone thanked the Board of Trustees for their kind words and confidence that they have placed in him. He also thanked Governor Dayton for his support of the board's bonding request. The governor's bill provides \$154 million for college and university projects and Higher Education Asset Preservation and Renovation. The governor's support was informed by the more than 50 bonding tours held at our campuses over the past 5 months. Chancellor Rosenstone thanked the presidents, students, faculty, and staff who shared their stories with legislators and members of the governor's administration.

The HEAPR funds are our highest priority in order to preserve and protect academic buildings across Minnesota, keeping them warm, safe, and dry. The additional capital projects in the board's request will build opportunities for students from all backgrounds to become the homegrown talent Minnesota needs to prosper. Chancellor Rosenstone commented that we are committed to these priorities and look forward to continuing to work with students, faculty, staff, and legislators in the months ahead.

Chancellor Rosenstone also thanked President Bill Maki of the Northeast Higher Education District for his leadership of MnSCU's response to an issue that is of great concern to the people and communities on the Iron Range. That issue: finding ways to help retool more than 1,000 workers who have been displaced from jobs and whose unemployment benefits are being exhausted.

President Maki has worked closely with state agencies and his colleagues across our colleges and universities to identify a systemwide response, to meet the needs of the Range including the expansion of the menu of educational options available for laid-off workers. President Maki's leadership on this issue has been outstanding.

Chancellor Rosenstone extended congratulations to the faculty and staff across our colleges and universities for ways their important work serving our students and communities has been recognized recently. Specifically, an article that was published in this month's *Twin Cities Business* magazine entitled "Building Minnesota's STEM Workforce" recognized the vital role our colleges and universities play in meeting the needs of the 21st century economy. The article describes how our colleges and universities have expanded our eight centers of excellence as well as math and science programs across the state. One example cited is the 360 Manufacturing and Applied Engineering Center of Excellence, a collaboration of 15 of our colleges and universities led by Bemidji State University.

The article also highlights some powerful evidence of the success of our advanced manufacturing programs:

- 36% growth over four years in the number of graduates from the 360-affiliated manufacturing programs;
- 85% of graduates have gotten jobs in their field of study right out of college.

Chancellor Rosenstone referred to a citation from the Tekne Awards, sponsored by the Minnesota High Tech Association, at an event held last November. The Tekne Awards honor organizations and individuals who have played a significant role in developing new technologies that have a positive impact on the lives and future of people living around the world. The award for educational technology went to South Central College and its new distance learning model – iMEC – a set of online simulators that gives students access to the college's mechatronics program anytime, anywhere. Students can access instructors and participate in distance classes while at the same time experiencing real hands-on training using online, simulation, and remote access delivery methods. The development of iMEC was supported by a grant from the National Science Foundation. Chancellor Rosenstone congratulated South Central College, President Annette Parker, and the team that developed these tools led by mechatronics instructor Doug Laven.

6. Student Associations

- a. Minnesota State College Student Association
Kevin Parker, president, addressed the board. He introduced Tim St. Claire, vice president, who also addressed the board.

7. Minnesota State Colleges and Universities Bargaining Units

- a. Inter Faculty Organization
Jim Grabowska, president, addressed the board.

8. **Comments Regarding Presidents**

Chancellor Rosenstone made the following statement:

I want the Board of Trustees to understand that I have complete confidence in Tim Wynes, as president of both Inver Hills Community College and Dakota County Technical College. President Wynes has worked closely with students, faculty, and staff to create a remarkable community that collaboratively delivers on the missions of both colleges. The actions that were taken by a set of the faculty were the actions of a single faculty unit on a single campus. The Dakota County Technical College faculty are not scheduling a vote. None of the other bargaining units on either campus – MAPE, AFSCME, or MMA – are participating, nor are the students. In fact, the Student Senate at Inver Hills has issued a statement of support for President Wynes. I hope that those who have differences with President Wynes will resume open face-to-face dialog to resolve their differences and return their focus to serving students.

I want the board to also understand that I have complete confidence in the leadership of Doug Allen. During his tenure as Ridgewater College president, the college has received national acclaim as one of the top community colleges in the nation by respected authorities as the Aspen Institute, Washington Monthly magazine, and ACT. Ridgewater's job placement rate in career and technical programs is over 96 percent during the last five years, and it is a model for colleges across the state and demonstrates their success in meeting the talent requirements of employers in the region. In short, Ridgewater College has an outstanding track-record under the leadership of Doug Allen – one that should make Doug, the faculty, and staff, and the students, and this board very proud. The no-confidence vote from nearly a year ago was driven by a single campus bargaining unit – the faculty union. No other bargaining units – including MAPE, AFSCME, and MMA – participated. As the board knows, we have received literally dozens and dozens of messages from students, faculty, staff, and most importantly, leaders of the community expressing their enthusiastic and full support of President Allen.

I continue to believe that the best way to resolve differences is through face-to-face open dialog and I encourage all involved to resume their conversations as soon as possible. If faculty leaders at either Inver Hills Community College or Ridgewater College – or for that matter at any other college or university in the state – feel that they need help in facilitating these conversation with college leadership, human resources professionals both at the college level and at the Minnesota State Colleges and Universities system level stand ready to assist in those conversations. Enrollment challenges and budget pressures are being felt by colleges and universities across the nation, and I think it is not appropriate that these should be used to question the leadership of an individual college. Instead, my hope would be that these challenges would inspire faculty, staff, students, and the community to be working together with college leadership to strategize on how best to address these challenges.

I personally think that the faculty union's strategy of 'being loud in public' as they put it as a means of addressing challenges or bringing about change is short sighted.

I personally think it is counterproductive, and ultimately does a disservice to our students. Open dialog, face-to-face, sitting down together to resolve disagreements in a spirit of mutual respect and collaboration, I believe is the most effective way to bring about change, and I call upon our faculty colleagues at both campuses to resume these discussions with their campus presidents as soon as possible.

Chair Vekich thanked the chancellor, and he made the following statement:

I join the chancellor in his support of our presidents. The Board of Trustees knows that the presidents of our colleges and universities have very challenging jobs. They lead continually innovative places of higher learning that are responsive to the needs of students and communities across the state while delivering excellent education at an affordable cost. In fact, we have asked many of our presidents to lead more than one college. The board appreciates their dedicated work. The savings from these shared administrative services help us meet our commitment to students and the state of Minnesota to provide an affordable education.

True leaders, by definition, are called to make hard decisions; decisions that can sometimes be unpopular. Our college and university presidents make these kinds of hard decisions only after thoughtful consultation, and when those decisions cause discord, we expect campus communities to come together in a professional manner to discuss differences of opinion and solve issues at the campus level. On behalf of the Board of Trustees, I want to express our unwavering support for, and confidence in, our presidents at every one of our colleges and universities.

9. Branding Initiative Update, Noelle Hawton, Chief Marketing and Communications Officer

Noelle Hawton, chief marketing and communications officer, gave an update on the branding initiative. The newly expanded steering committee has met three times. In December, the committee met for a project orientation and input on naming alternatives. In January, the committee met twice to review brand alternatives recommended by PadillaCRT, continue brainstorming, and review an outline of the plan and timeline for the entire project.

PadillaCRT also has completed an environmental inventory documenting all potential elements to be impacted by a change in the brand name. The purpose of the inventory is to properly scope the remainder of the work and to develop a realistic cost estimate for implementing a brand plan. Costs are being categorized as recurring and non-recurring. Recurring costs will require no new budget (e.g., a brochure will be updated with the new brand when it is normally reprinted). Non-recurring costs are one-time costs, such as replacing a sign with the new brand.

PadillaCRT also held one-on-one telephone interviews with representatives from each of our 31 colleges and universities to get input on the brand names under consideration, understand any specific local branding challenges or opportunities, and gather any ideas about systemwide branding. Each local representative was asked to complete an environmental inventory of where the system name is included for their local campus.

Brand Names under Consideration

CMCO Hawton noted that the branding effort faces some challenges. First, a literal name is difficult to replace and moving it to something more aspirational or creative can be seen as too big of a change, and not particularly academic. For example, the current name is literal – it describes exactly what we are. Another challenge is that because we have not successfully demonstrated how to leverage a system brand name in the past, colleges and universities may not recognize the need for a brand or the opportunity to be leveraged. CMCO Hawton added that she has found that many people within the system are confused about our intentions. The plan is to change our collective brand so that prospective students, parents, and community leaders can understand how all of our colleges and universities are linked together, making it easier to navigate and less debt-producing than other options.

The impact on the campuses will be minimal and the impact on our collective system, if fully leveraged, could be game-changing. We plan to create system brand guidelines that can be phased in over time. After reviewing more than a dozen brand name options, the steering committee is favoring the idea of sticking with the existing name or a condensed version, such as “Minnesota State,” or “Minnesota State Colleges and Universities” or “Minnesota State System.” The Minnesota State condensed approach builds on a well-used and understood approach throughout the higher education world – such as Cal State, Michigan State, Penn State, etc.

The committee also is thinking about how we will determine if we have accomplished our objectives. The following criteria are under consideration:

- adoption rate (how many colleges and universities use the new brand)
- awareness research (to see if key stakeholders know and understand the new brand)
- enrollment (whether any joint messaging and marketing efforts increase enrollment)

CMCO Hawton reiterated that she believes that this work is urgent. The work plan is on track and expected to be done on time and by June. She offered the following question for the board:

- Does creating a brand platform from which to build a presence that makes it simpler for prospective students to understand our colleges and universities’ value proposition continue to be a priority?

Board Discussion

Trustee Sundin commented that this is a long overdue priority; she urged full speed ahead. There was broad agreement among the board members with Trustee Sundin’s comments. Responding to a questions, Chancellor Rosenstone replied that the work will be completed by June 1. He explained that the transition in leadership in Marketing and Communications delayed the timeline, but the purpose of today’s update was to check-in with the board on the progress made to date.

CMCO Hawton added that the new name and new logo will be presented to the board in June. There is a board policy on use of the system name and logo, but it is not being followed consistently.

10. Board Standing Committee Reports

a. Human Resources Committee, Dawn Erlandson, Chair

1. Appointment of Interim President of Rochester Community and Technical College

Committee Vice Chair Anaya moved that the Board of Trustees, upon the recommendation of Chancellor Rosenstone, appoints Joyce Helens as interim president of Rochester Community and Technical College, effective January 27, 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 carried unanimously.

2. Introduction of Margaret Shroyer, Acting President of St. Cloud Technical and Community College

Chancellor Rosenstone commented that he was delighted to introduce Dr. Margaret Shroyer as acting president of St. Cloud Technical and Community College. She has served as vice president for academic affairs since 2009. Dr. Shroyer is a graduate of our executive leadership program and she is a critical member of the college's leadership team. He explained that Dr. Shroyer had planned to retire in May but she has graciously agreed to accept the appointment as acting president of St. Cloud Technical and Community College.

Chair Vekich welcomed Acting President Shroyer. She thanked the chancellor and the board for their support.

b. Academic and Student Affairs Committee, Alex Cirillo, Chair

1. Metro Baccalaureate Update

Committee Chair Cirillo reported that the committee heard a presentation on the efforts to grow baccalaureate degrees in the metro area. The seven state universities will strategically and collegially expand baccalaureate degrees in the Twin Cities. It will be anchored by Metropolitan State and augmented by the universities in Greater Minnesota.

2. Transfer Degree Pathways for Baccalaureate Completion

Committee Chair Cirillo reported that the work that has been done on the Transfer Degree Pathways to allow students to complete degrees will take care of 25-30 pathways.

3. Proposed Amendment to Policies (First Readings)

- 2.1 Campus Student Associations
- 3.7 Statewide Student Association
- 3.29 College and University Transcripts

Committee Chair Cirillo reported that the committee reviewed the proposed amendments.

c. Audit Committee, Robert Hoffman, Chair

1. NCAA Agreed Upon Procedures External Audit
Committee Chair Hoffman reported that representatives from CliftonLarsonAllen summarized the results of the audit which is required every three years.
2. Progress on Recommendations from January 2015 Payroll Special Review
Committee Chair Hoffman reported that the committee heard a report on the progress that has been made following the payroll review at Metropolitan State University. In addition, the review has resulted in improvements to systemwide human resources functions.
3. MSU, Mankato Internal Control and Compliance Audit
Committee Chair Hoffman reported on the internal control and compliance audit of MSU, Mankato.

d. Finance and Facilities Committee, Jay Cowles, Chair

1. Proposed Amendments to Policy 5.9 Biennial Budget Planning (First Reading)
Committee Chair Cowles reported that committee reviewed the language in the proposed amendments to Policy 5.9.
2. FY2015 Finance Statement Review and FY2016-FY2017 Operating Budget Update
Committee Chair Cowles reported that the update on the FY2016-FY2017 operating budget raised a number of issues. Vice Chancellor King will review the procedures around financial health to be more responsive to changing conditions such as market and demographics. The subject of the supplemental budget request was discussed and Committee Chair Cowles will consult with the chair, chancellor and vice chancellor on a proposal for consideration for the next biennium.
3. Discussion of FY2018 Capital Planning Guidelines (First Reading)
Committee Chair Cowles reported that the FY2018 planning guidelines were presented as a first reading. Committee members had some suggestions that will be incorporated into the second reading which will be presented at the March meeting.
4. Update on the Work of the Long Term Financial Sustainability Workgroup
Committee Chair Cowles reported that the committee heard an update from Vice Chancellor King and Associate Vice Chancellor Phil Davis on the workgroup.
5. FY2018-FY2019 Operating Budget Outlook
Committee Chair Cowles commented that this was an information item.

11. Trustee Reports

Trustee Sundin introduced Denise Specht, president, Education Minnesota, the 70,000 educators in Minnesota. She thanked her for attending the meeting. Trustee Sundin also thanked the faculty members in the audience.

Trustee Otterson reported that she attended Saint Paul College's ground-breaking ceremony for its Health and Science Center.

Trustee Renier commented that he likes the electronic board meeting materials and he will not be receiving a paper board packet in the future.

12. Adjournment

Chair Vekich announced that the Executive Committee will meet on February 16 at 8:00 AM. The next Board of Trustees meetings are on March 15 and 16, 2016.

Chair Vekich adjourned the meeting at 3:30 PM.

Ingeborg K. Chapin, Secretary to the Board

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

Present: Chair Michael Vekich, Trustees Ann Anaya, Alexander Cirillo, Jay Cowles, Dawn Erlandson, Robert Hoffman, Philip Krinkie, Thomas Renier, Elise Ristau, and Chancellor Steven Rosenstone

Absent: Trustees Margaret Anderson Kelliher, Duane Benson, Kelly Charpentier-Berg, Maleah Otterson, Louise Sundin, and Erma Vizenor

Call to Order

Chair Michael Vekich called the meeting to order at 8:01 AM and announced that a quorum was present. Trustees Anaya, Erlandson, Hoffman, and Ristau participated by phone.

Approval of Minnesota State College Faculty Bargaining Agreement

Mark Carlson, vice chancellor for human resources, and Chris Dale, system director for labor relations, summarized the terms of the agreement

Trustee Cirillo moved that the Board of Trustees approve the terms of the 2015-2017 labor agreement between Minnesota State Colleges and Universities and the Minnesota State College Faculty and authorize Chancellor Steven Rosenstone to sign the agreement on behalf of the Board of Trustees.

Trustee Renier seconded and the motion carried.

Adjournment

Chair Vekich adjourned the meeting at 8:06 am.

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

BOARD ACTION

PROPOSED INCREASE TO FY2016 BOARD OF TRUSTEES OPERATING BUDGET

BACKGROUND

Board Policy 1A.2, Board of Trustees, Part 4. Officers of the Board, Subpart C. Duties and Responsibilities of the Board Chair require the chair to recommend an annual board operations budget and budget increases to the Executive Committee for approval.

Since the FY2016 Operating Budget was approved in June of 2015, the board has had four training sessions on governance, added monthly meetings of the Executive Committee, and held an off-site meeting in January. Increased consulting costs, meeting expenses, per diem, and in-state travel expenses have resulted in an evident gap. See attachment A.

Chair Vekich and Trustee Cowles, treasurer and chair of the Finance and Facilities Committee recommending an increase of \$30,000 to the board's operating budget. The additional funds will be one-time funds, not be an increase to the base.

At its meeting on February 16, 2016, the Executive Committee approved an increase of \$30,000 to the FY2016 Board Operating Budget, and recommends that the Board of Trustees approve it at their meeting on March 16, 2016. The additional funds will be one-time funds, not added to the base.

RECOMMENDED BOARD OF TRUSTEES MOTION

The Board of Trustees approves an increase of \$30,000 to the FY2016 Board Operating Budget. The additional funds will be one-time funds, not added to the base.

Date Approved by the Executive Committee: February 16, 2016

Presented to the Board of Trustees: March 16, 2016

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

Name: Academic and Student Affairs

Date: March 16, 2016

Title: Approval of Academic and Student Affairs Charter

Purpose (check one):

Proposed
New Policy or
Amendment to
Existing Policy

Approvals
Required by
Policy

Other
Approvals

Monitoring /
Compliance

Information

Brief Description:

The Executive committee of the Board has asked that each committee develop and approve a committee charter.

Scheduled Presenter(s):

Ron Anderson, Vice Chancellor, Academic and Student Affairs

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

BOARD ACTION

ACADEMIC AND STUDENT AFFAIRS COMMITTEE CHARTER

PURPOSE

Board governance best practices as offered by organizations including the Association of Governing Boards, encourages the development and adoption of committee charters to guide the work of board committees.

AGB observes that:

“A college or university’s bylaws often define the board’s committee structure, with many institutions including committee charges and other committee details in bylaw clauses. However, mention in the bylaws does not formally establish a board committee; that is accomplished through a separate board-approved committee charter that outlines the committee’s mission, composition, responsibilities, and procedures for conducting its business”.

Last fall, the board chair asked each committee chair to work with the associated cabinet officer to research and draft a committee charter for consideration and adoption by the committee.

The draft Academic and Student Affairs Committee charter has been reviewed by the Board Executive Committee. It relies upon the enabling language in Board Policy 1A.2 *Board of Trustees, Part 5 Standing Committees, Committees and Working Groups of the Board, subpart D: Academic and Student Affairs Committee*. The board will be asked to approve amendments to Policy 1A.2 at its March meeting. Please refer to board meeting materials for additional information.

The charter is intended for the use of the committee and is subject to annual review.

RECOMMENDED COMMITTEE ACTION:

The Academic and Student Affairs Committee recommends the Board of Trustees adopt the Academic and Student Affairs Committee charter.

RECOMMENDED BOARD ACTION:

The Board of Trustees approves the Academic and Student Affairs Committee charter.

Charter of the Board of Trustees Academic and Student Affairs Committee

Revised February 2016

Purpose:

The Academic and Student Affairs Committee is charged with oversight of all system wide academic and student service matters of the organization.

The Academic and Student Affairs Committee shall not have the authority to act on behalf of the board unless specifically delegated by the board. The Academic and Student Affairs Committee shall meet at the call of the committee chair.

Committee Structure:

The committee will consist of no fewer than five and no more than seven members appointed by the chair of the board annually. The chair and vice chair of the Academic and Student Affairs Committee shall be appointed by the chair of the board.

Authority:

The principal elements of the Charter of the Academic and Student Affairs Committee shall be:

1. Provides advice and counsel to the chancellor. (This duty is shared with all other board members).
2. Preparation of an annual committee workplan.
3. Recommend proposed board policies within the purview of the committee.
4. The committee's oversight includes but is not limited to:
 - Academic programs
 - Academic standards
 - Transfer policy
 - Institutional names
 - Educational strategy that proactively addresses future needs
 - Diversity and equity matters related to students and academic programs
 - Academic and student-related technology matters
5. This charter is subject to review annually.

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

Agenda Item Summary Sheet

Name: Audit Committee

Date: March 15, 2016

Title: Approval of Audit Committee Charter

Purpose (check one):

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

Brief Description:

The executive committee of the board has asked that each committee develop and approve a committee charter.

Scheduled Presenter(s):

Eric Wion, Interim Executive Director

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

ACTION ITEM
APPROVAL OF AUDIT COMMITTEE CHARTER

PURPOSE

Board governance best practices as offered by organizations including the Association of Governing Boards, encourages the development and adoption of committee charters to guide the work of board committees.

AGB observes that:

A college or university's bylaws often define the board's committee structure, with many institutions including committee charges and other committee details in bylaw clauses. However, mention in the bylaws does not formally establish a board committee; that is accomplished through a separate board-approved committee charter that outlines the committee's mission, composition, responsibilities, and procedures for conducting its business.

Last fall, the board chair asked each committee chair to work with the associated cabinet officer to research and draft a committee charter for consideration and adoption by the committee.

The draft audit committee charter has been reviewed by the Board Executive Committee. It relies upon the enabling language in Board Policy 1A.2 *Board of Trustees, Part 5 Standing Committees, Committees and Working Groups of the Board, subpart E: Audit Committee*. The board will be asked to approve amendments to Policy 1A.2 at its March meeting. Please refer to board meeting materials for additional information.

The charter is intended for the use of the committee and is subject to annual review.

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.

Date Presented to the Board of Trustees: March 15, 2016

Charter of the Board of Trustees

Audit Committee

Revised February 2016

Purpose:

The Audit Committee shall assist the board in fulfilling its oversight responsibility for MnSCU's system of internal control, the audit process, and compliance with legal and regulatory requirements. The committee provides ongoing oversight of internal and external audits of all system functions including individual campus audits.

Committee Structure:

The committee shall consist of no fewer than three and no more than seven members to be appointed by the chair of the board annually.

Authority:

The principle elements of the Charge of the Audit Committee shall be:

1. Internal Auditing

- Approve decisions regarding the appointment and removal of the executive director who shall report directly to the Audit Committee and board consistent with Board Policy 1A.4.
- Review, at least once per year, the performance of the executive director and concur with the annual compensation and any salary adjustment consistent with Board Policy 1A.4. The performance review process should include input from the chancellor and other key stakeholders.
- Provide input, review, and approve an annual audit plan that is based on a risk assessment(s). The plan shall include all internal auditing and external audit activities planned for the ensuing fiscal year.
- Review and evaluate the effectiveness of MnSCU's internal control system, including information technology security and control. Review and discuss the audit results and management's response to each internal audit report.
- Review with the executive director the internal audit budget, resource plan, activities, and organizational structure of the internal audit function.
- On a regular basis, the audit committee chair or vice chair should meet with the executive director to discuss any matters that they or the executive director believes should be discussed privately.

- The committee has authority to direct the Office of Internal Auditing to conduct any investigations, audits, or other assurance-related projects within its scope of responsibility. It may also direct the office to provide professional advice on any matters within its scope of responsibility.

2. Independent External Audits

The committee shall oversee the services of independent external auditors.

- Oversee the process for selecting and removing independent auditors. The committee shall select one or more independent auditors to audit system-level or institutional financial statements.
- Review any non-audit services proposed by independent external auditors under contract for audit services. The board must approve in advance any non-audit services to be provided by independent auditors under contract for audit services unless the scope of non-audit services is completely distinct from the scope of the audit engagement.
- The audit chair or vice chair should meet with the external auditors to discuss any matters that they or the external auditors believe should be discussed privately.
- Review and discuss the results of each audit engagement with the independent auditor and management prior to recommending that the board release the audited financial statements.

3. Other Responsibilities

The committee shall perform other duties, including:

- The committee has authority to conduct or authorize special audits and investigations into any matters within its scope of responsibility.
- Periodically review and assess the adequacy of the committee charter and request board approval for proposed changes.
- Committee members should obtain annual training on their roles and responsibilities.

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

Name: Board of Trustees

Date: March 16, 2016

Title: Consent Agenda, Executive Committee Charter

Purpose (check one):

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

Brief Description:

The Executive Committee began discussions on creating charters for each of the standing committees at a meeting on November 12, 2015. At subsequent meetings on December 14, 2015, January 7, 2016, and February 16, 2016, the Executive Committee reviewed, discussed, and revised draft charters for the standing committees. The Executive Committee approved its charter on February 16, 2016 and recommended approval by the Board of Trustees at its March 16, 2016 meeting.

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

BOARD ACTION

EXECUTIVE COMMITTEE CHARTER

PURPOSE:

The Executive Committee provides ongoing oversight of the administration of the board. In addition, the Executive Committee provides a forum for trustees to address all issues of board governance. The Executive Committee acts on behalf of the Minnesota State Colleges and Universities Board of Trustees on matters delegated to it by the full board and shall consider issues that require attention prior to the next regular board meeting. The Executive Committee does not act on behalf of the board unless specifically delegated by the board except in the case of an emergency. In such instances, the chair reports to members of the board as soon as possible after the emergency and seek ratification of emergency actions at the next meeting. The Executive Committee meets at the call of the chair.

COMMITTEE STRUCTURE:

The members of the Executive Committee are the chair, the vice-chair, the past chair if still serving on the board and the chairs of the standing committees, which shall not constitute a majority of the board. The chair of the board chairs the Executive Committee.

AUTHORITY:

The principal elements of the Charter of the Executive Committee shall be:

1. Provide advice and counsel to the chancellor. (This duty is shared with all other board members).
2. Conduct ongoing reviews of board operations procedures.
3. Approve the annual operating budget for the board office, subject to the regular budget review and approval procedures of the facilities/finance committee and the board. The Executive Committee periodically shall review the budget and provide a year-end report to the board at the conclusion of the fiscal year.
4. Assure that policies and procedures are in place and being implemented to ensure that the board, and its individual members, operate with the highest ethical standards and integrity, including duties of care and loyalty. Act on unresolved issues of conflict of interest.
5. Recommend proposed board policies not within the purview of other standing committees.
6. Research and identify best practices for boards with an educational mission and recommends particular practices to the board.
7. Design and oversee the orientation process for new trustees so that new trustees may be fully prepared for decision making. Design and implement training for current board members as appropriate.

- 37 8. Plan for trustee succession by identifying to the governor desired qualities of a trustee
38 and identifying potential candidates.
39 9. Ensure that policies and procedures are in place and being implemented to ensure that the
40 committees of the board are fulfilling their obligations as defined by their respective
41 charters. Provide a process for each committee to review and update its charter annually.
42 10. Review periodically the governance processes, including board organization and
43 structure, frequency of meeting and attendance and make any necessary
44 recommendations to the board in accordance with the Two-Read Policy.
45 11. Perform a board self-evaluation at least annually.
46

47 The Executive Committee approved the charter at its meeting on February 16, 2016.
48
49

50 **RECOMMENDED MOTION**

51 The Board of Trustees approves the Executive Committee charter.
52

53 *Date Presented to the Board of Trustees: March 16, 2016*
54
55

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

Name: Finance and Facilities Committee

Date: March 15, 2016

Title: Approval of Finance and Facilities Committee Charter

Purpose (check one):

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

Brief Description:

The Executive committee of the Board has asked that each committee develop and approve a committee charter.

Scheduled Presenter(s):

Laura M. King Vice Chancellor - CFO

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

BOARD ACTION

APPROVAL OF FINANCE AND FACILITIES COMMITTEE CHARTER

PURPOSE

Board governance best practices as offered by organizations including the Association of Governing Boards, encourages the development and adoption of committee charters to guide the work of board committees.

AGB observes that:

“A college or university’s bylaws often define the board’s committee structure, with many institutions including committee charges and other committee details in bylaw clauses. However, mention in the bylaws does not formally establish a board committee; that is accomplished through a separate board-approved committee charter that outlines the committee’s mission, composition, responsibilities, and procedures for conducting its business”.

Last fall, the board chair asked each committee chair to work with the associated cabinet officer to research and draft a committee charter for consideration and adoption by the committee.

The draft Finance and Facilities Committee charter has been reviewed by the Board Executive Committee. It relies upon the enabling language in Board Policy 1A.2 *Board of Trustees, Part 5 Standing Committees, Committees and Working Groups of the Board, subpart B: Finance and Facilities Committee*. The board will be asked to approve amendments to Policy 1A.2 at its March meeting. Please refer to board meeting materials for additional information.

The charter is intended for the use of the committee and is subject to annual review.

RECOMMENDED COMMITTEE ACTION:

The Finance and Facilities Committee recommends the Board of Trustees adopt the Finance and Facilities Committee charter.

RECOMMENDED BOARD ACTION:

The Board of Trustees approves the Finance and Facilities Committee charter.

Charter of the Board of Trustees Finance and Facilities Committee

Revised February 2016

Purpose:

The Board of Trustees is responsible for overall systemwide financial management assurance and is committed to long-term stewardship of the state's financial and physical resources. It is the policy of the Board of Trustees to provide sound financial administration to safeguard the resources of the State of Minnesota, the system, the colleges and universities and the constituencies they serve and to preserve the long term viability of the colleges, universities and system as a whole.

The Finance and Facilities Committee is charged with oversight of all systemwide fiscal, facilities and technology matters of the organization.

The Finance and Facilities Committee shall not have the authority to act on behalf of the board unless specifically delegated by the board. The Finance and Facilities Committee shall meet at the call of the committee chair.

Committee Structure:

The committee will consist of no fewer than five and no more than seven members appointed by the chair of the board annually. The chair and vice chair of the Finance and Facilities Committee shall be appointed by the chair of the board.

Authority:

The principal elements of the Charter of the Finance and Facilities Committee shall be:

1. Provides advice and counsel to the chancellor. (This duty is shared with all other board members);
2. Assurance of leadership, research and pursuit of best practices in the finance and facilities arena on behalf of the success of all students;
3. Adoption of an annual committee workplan; and
4. Recommend proposed board policies within the purview of the committee.
5. The committee's oversight includes but is not limited to:
 - the system's biennial budget development
 - annual operating budget establishment and performance
 - the system's tuition and fee structure
 - design and administration of the system's allocation framework
 - administration of financial management polices including financial reporting, scholarships, and grant administration
 - procurement practices including support of the board's commitment to diverse supplier and vendor participation

- establishment and administration of the system's pension program and related plans (in cooperation with the Human Resources Committee of the board)
- college and university foundation relations and development
- approval of capital budget requests
- administration of the system's capital asset program including the design, construction and maintenance program for the built and natural environment with environmental stewardship as a core value
- policies related to system technology practices and programs (in cooperation with the Academic and Student Affairs Committee of the board)
- oversight of college and university administrative programs including the areas of campus housing, dining and parking services
- safety and security, occupational health, environment compliance and emergency management

6. This charter is subject to review annually.

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

Agenda Item Summary Sheet

Name: Human Resources Committee

Date: March 16, 2016

Title: Approval of Human Resources Committee Charter

Purpose (check one):

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

Brief Description:

The Executive committee of the Board has asked that each committee develop and approve a committee charter.

Scheduled Presenter(s):

Mark Carlson, Vice Chancellor for Human Resources

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

BOARD ACTION
HUMAN RESOURCES COMMITTEE CHARTER

PURPOSE

Board governance best practices as offered by organizations including the Association of Governing Boards, encourages the development and adoption of committee charters to guide the work of board committees.

AGB observes that:

“A college or university’s bylaws often define the board’s committee structure, with many institutions including committee charges and other committee details in bylaw clauses. However, mention in the bylaws does not formally establish a board committee; that is accomplished through a separate board-approved committee charter that outlines the committee’s mission, composition, responsibilities, and procedures for conducting its business.”

Last fall, the board chair asked each committee chair to work with the associated cabinet officer to research and draft a committee charter for consideration and adoption by the committee.

The draft Human Resources Committee charter has been reviewed by the Board Executive Committee. It relies upon the enabling language in Board Policy 1A.2 *Board of Trustees, Part 5 Standing Committees, Committees and Working Groups of the Board, subpart C: Human Resources Committee*. The board will be asked to approve amendments to Policy 1A.2 at its March meeting. Please refer to board meeting materials for additional information.

The charter is intended for the use of the committee and is subject to annual review.

RECOMMENDED COMMITTEE ACTION:

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

RECOMMENDED BOARD ACTION:

The Board of Trustees approves the Human Resources Committee charter.

Charter of the Board of Trustees Human Resources Committee

Revised February 2016

Purpose:

The Human Resources Committee is charged with assisting the Board of Trustees in fulfilling its oversight responsibilities in the arena of personnel policy and compensation. The board acknowledges that to fulfill the mission of the organization, a high level of professionalism and commitment to student success is critical. It further holds that MnSCU will endeavor to nurture a safe, inclusive, and supportive workplace for all faculty, staff, and student employees.

Committee Structure:

The Human Resources Committee of the board shall consist of no fewer than five and no more than seven members to be appointed by the chair of the board annually.

Authority:

The principal elements of the Charter of the Human Resources Committee are:

1. To provide advice and counsel to the chancellor and vice chancellor for Human Resources.
2. The preparation of an annual committee work plan that considers critical Human Resources strategic components (with an eye toward proactive innovation), such as:
 - a. Talent pipeline (succession planning, staff/faculty development, diversity, etc.)
 - b. Workforce trends
 - c. Organizational development
 - d. Search and recruitment processes
 - e. Retention
3. Recommending employment contract (union) negotiation strategies and contract approvals.
4. Recommending employment plan (non-union) approvals.
5. Recommending selection of senior system executives (chancellor, vice chancellors, and college/university presidents).
6. Address additional matters deemed appropriate by the chancellor, vice chancellor for human resources, or the board.

The Human Resources Committee shall not act on behalf of the board unless specifically delegated to do so by the board.



**Board of Trustees Agenda
March 16, 2016, 10:30 AM
Minnesota State College 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.

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 (pp. 1-6)**
 - b. **1C.1 Board of Trustees Code of Conduct (pp. 7-10)**
 - c. **2.1 Campus Student Associations (pp. 11-14)**
 - d. **3.7 Statewide Student Association (pp. 15-18)**
 - e. **3.29 College and University Transcripts (pp. 19-21)**
 - f. **5.9 Biennial Budget Planning (pp. 22-27)**

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

Name: Board of Trustees

Date: March 16, 2016

Title: Board Policy Decisions

Proposed Amendments to 1A.2, Part 5, Standing Committees, Committees, and Working Groups of the Board, and
1C.1 Board of Trustees Code of Conduct

Purpose (check one):

- | | | |
|--|---|---|
| <input checked="" 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 type="checkbox"/> Information | |

Brief Description:

The Executive Committee began discussions on the role of the standing committees and the board's code of conduct starting on November 12, 2015. At subsequent meetings on December 14, 2015, January 7, 2016, and February 16, 2016, the Executive Committee reviewed, discussed, and drafted amendments to Policies 1A.1, Part 5, Standing Committees, Committees, and Working Groups of the Board and 1C.1 Board of Trustees Code of Conduct.

The Executive Committee approved the amendments to both policies on February 16, 2016, and recommended approval by the full board at its meeting on March 16, 2016.

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

BOARD ACTION

POLICY 1A.2 BOARD OF TRUSTEES PART 5, STANDING COMMITTEES, COMMITTEES AND WORKING GROUPS OF THE BOARD
--

BACKGROUND

The Executive Committee began discussions on the role of the standing committees at its meeting on November 12, 2015. At subsequent meetings on December 14, 2015, January 7, 2016, and February 16, 2016, the Executive Committee reviewed, discussed, and drafted amendments to Policies 1A.1, Part 5, Standing Committees, Committees, and Working Groups of the Board.

The Executive Committee approved the amendments to Policy 1A. 2 on February 16, 2016, and recommended approval by the full board at its meeting on March 16, 2016.

RECOMMENDED BOARD MOTION

The Board of Trustees approves the amendments to Policy 1A.2, Board of Trustees, Part 5, Standing Committees, Committees, and Working Groups of the Board.

Date Presented to the Board of Trustees: March 16, 2016

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD POLICY		1A.2
Chapter	1A.	System Organization and Administration
Section	2.	Board of Trustees

1A.2 BOARD OF TRUSTEES.

Part 5. Standing Committees, Committees, and Working Groups of the Board. The board establishes the standing committees at subparts A through G and may establish additional standing committees as necessary. A joint meeting of standing committees may be scheduled only after prior consultation with the board chair.

All members of the board shall serve as ex-officio members of every committee to which they are not appointed. The ex-officio members are granted the right to fully participate in committee discussion and deliberations, but do not have the power to vote and are not to be included for purposes of a quorum.

Subpart A. Executive Committee.

1. The ~~E~~xecutive ~~C~~ommittee of the board shall consist of not fewer than five and not more than seven trustees, and shall include the chair, the vice chair, the past chair if that person continues to serve as a trustee, and is available to serve, and additional trustees as determined by the chair to ensure broad representation.
2. The board chair and vice chair shall serve as chair and vice chair respectively of the ~~E~~xecutive ~~C~~ommittee.
3. The ~~E~~xecutive ~~C~~ommittee may meet during periods between regular meetings of the board at the call of the chair.
4. The ~~E~~xecutive ~~C~~ommittee shall also act as a governance committee and as such is charged with oversight of the board's integrity and effectiveness. ~~conducting ongoing reviews of board operations procedures~~ The executive committee recommends board policies not within the purview of other standing committees, evaluates the effectiveness of the board annually, identifies best practices for boards with an educational mission, reviews the board's practices with respect to participation and conflict of interest, act on unresolved conflict of interest questions, designs and oversees orientation of new board members and leads in succession planning by identifying, to the governor, qualities to be sought in a trustee and potential new members.
5. The ~~E~~xecutive ~~C~~ommittee may act on those issues delegated to it by the full board and shall consider issues that require attention prior to the next regular board meeting. The ~~E~~xecutive ~~C~~ommittee shall not have the authority to act on

1 behalf of the board unless specifically delegated by the board except in the case of
2 an emergency which, in the judgment of the chair, requires action more
3 immediately than an emergency meeting of the board can be called. In such
4 instances, the chair shall report to members of the board as soon as possible after
5 the emergency and seek ratification of emergency actions at the next possible
6 meeting.

- 7 6. The Executive Committee shall approve the annual operating budget for the
8 board office, subject to the regular budget review and approval procedures of the
9 facilities/finance committee and the board. The Executive Committee
10 periodically shall review the budget and provide a yearend report to the board at
11 the conclusion of the fiscal year.

12 **Subpart B. Finance and Facilities Committee.** The Finance and Facilities
13 Committee of the board shall consist of no fewer than five and no more than seven
14 members to be appointed by the chair annually. The Finance and Facilities Committee
15 is charged with governance of the short and long term financial strategic conditions and
16 economic health of the system and its colleges and universities. oversight of all
17 ~~systemwide fiscal, facility and technology matters, matters related to system pension~~
18 ~~plans, and oversight of system/ foundation relations and development. This includes~~
19 ~~biennial budget development, tuition, allocation formula, capital budget requests, and~~
20 ~~annual gifts and grants reports~~ The committee's scope includes oversight of board
21 policies for the administrative, information technology, financial and facilities
22 management of the system so to assure the highest possible quality of administrative
23 services, data integrity and the efficient use of the system's physical and information
24 resources. The committee recommends the annual operating and capital budget for
25 the system and its colleges and universities including tuition, fees and allocation
26 decisions, the issuance of debt, certain real estate transactions, and other policy
27 oversight according to its charge in support of academic priorities.

28 **Subpart C. Human Resources Committee.** The Human Resources Committee of the
29 board shall consist of no fewer than five and no more than seven members to be
30 appointed by the chair annually. The Human Resources Committee is charged with
31 oversight of all system personnel policies for administrators, student employees and
32 collective bargaining agreements throughout the system, and climate, diversity and equity
33 matters related to system employees.

34 **Subpart D. Academic and Student Affairs Committee.** The Academic and Student
35 Affairs Committee of the board consists of no fewer than five and no more than seven
36 members to be appointed by the chair annually. The Academic and Student Affairs
37 Committee is charged with governance and oversight of the academic programs and
38 student services provided at the system's colleges and universities. all-system academic
39 ~~and student service policy. This includes program approval, academic standards, transfer~~
40 ~~policy, institutional names, systemwide~~ The committee's scope includes oversight of
41 board policies for the all system academic and student service policy to assure the

1 highest possible quality of academic programming and service to students and the
2 efficient use of the system's academic and service resources. The committee also
3 provides oversight to systemwide academic and student service strategic planning,
4 diversity and equity matters related to students and academic programs, and academic or
5 student related technology matters.

6 **Subpart E. Audit Committee.** The Audit Committee of the board consists of no fewer
7 than three and no more than seven members to be appointed by the chair of the board
8 annually. The committee shall meet at the call of its chair. The Audit Committee is
9 charged with oversight of internal and external audits of all system functions including
10 individual campus audits. The board shall hire an executive director of internal auditing
11 and other auditors who shall report directly to the committee and the board. Committee
12 members shall receive training annually on their auditing and oversight responsibilities.

13 The Audit Committee is responsible for overseeing the service of internal and
14 independent external auditors. Policy 1D governs the Office Internal Auditing. The
15 committee has the following responsibilities for independent external auditors:

- 16 1. Oversee the process for selecting and removing independent auditors. The
17 committee shall select one or more independent auditors to audit system-level or
18 institutional financial statements and recommend their appointment to the board.
- 19 2. Review any non-audit services proposed by independent auditors under contract
20 for audit services. The board must approve in advance any non-audit services to
21 be provided by independent auditors under contract for audit services unless the
22 scope of non-audit services is completely distinct from the scope of the audit
23 engagement.
- 24 3. Review and discuss the results of each audit engagement with the independent
25 auditor and management prior to recommending that the board release the audited
26 financial statements.

27 **Subpart F. Diversity ~~and~~ Equity, and Inclusion Committee.** The Diversity, ~~and~~
28 Equity, and Inclusion Committee of the board consists of no fewer than five and not
29 more than seven members to be appointed by the chair of the board annually. The
30 Diversity, ~~and~~ Equity, and Inclusion Committee is charged with oversight of
31 incorporation of diversity and equity into the work of the system. Annually, the board
32 will assess progress on this charge.

33 **Subpart G. Working Groups.** The chair of a standing committee may request that the
34 board chair appoint a working group under Part 4, Subpart C3d. to advise on issues of
35 concern to the committee.

36
37
38 *Date of Adoption:* 03/21/95,

1 *Date of Implementation: 03/21/95,*
2
3

4 *Date and Subject of Revision:*

5 *XX/XX/16 – Amended Part 5 to update the responsibilities of the standing committees.*

6 *01/22/14 – Amended Part 5, Subpart E1 to remove the restriction that independent audit firms*
7 *may not be appointed to a particular engagement for more than six consecutive years.*

8 *06/20/12 – ...*
9

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

BOARD ACTION

POLICY 1C.1. BOARD OF TRUSTEES CODE OF CONDUCT

1 **BACKGROUND**

2 The Executive Committee began discussions on the board’s code of conduct at its meeting on
3 November 12, 2015. At subsequent meetings on December 14, 2015, January 7, 2016, and
4 February 16, 2016, the Executive Committee reviewed, discussed, and drafted amendments to
5 Policy 1C.1 Board of Trustees Code of Conduct.

6
7 The Executive Committee approved the amendments to Policy 1C.1 Board of Trustees Code of
8 Conduct on February 16, 2016, and recommended approval by the full board at its meeting on
9 March 16, 2016.

10

11

12 **RECOMMENDED BOARD MOTION**

13 The Board of Trustees approves the amendments to Board Policy 1C.1 Board of Trustees Code
14 of Conduct.

15

16 *Date Presented to the Board of Trustees: March 16, 2016*

17

18

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD POLICY		1C.1
Chapter	1C.	System Organization and Administration
Section	1.	Board of Trustees Code of Conduct

1 **1C.1 Board of Trustees Code of Conduct.**

2

3 **Part 1. Purpose.** The purpose of this policy is to establish the general standards of conduct
4 required of trustees. As public officials, trustees are required to file annual statements of
5 economic interest, and are subject to gift prohibitions and other provisions of Minnesota State
6 Statute Chapter 10A. Those provisions and any other applicable law shall govern in the event of
7 any conflict between applicable law and this policy.

8

9 **Part 2. General Standards of Conduct.** In order to fulfill its statutory authority and support
10 the vision, mission, values and goals of the MnSCU system, the bBoard functions as a collegial
11 unit. The bBoard functions well as a unit when the individual members act ethically, are
12 committed to working together, operate in a non-partisan manner and speak with one voice. The
13 bBoard creates a positive climate when it focuses on the future, acts with integrity and civility
14 and uses its influence appropriately.

15 **Subpart A. Authority to act.** Each board member is encouraged to contribute his or her
16 talents and perspectives to the bBoard. Although board members are free to voice their
17 personal opinions, no board member has the authority to act on his or her own to further a
18 personal agenda or to direct college, university or system employees or operations.

19 **Subpart B. Informed decision-making.** Trustees strive to make informed decisions based
20 on sufficient information, thoughtful deliberation and comprehensive understanding of
21 issues. To achieve that goal, board members gather information by listening, asking
22 questions, analyzing materials and exploring issues thoroughly in conjunction with other
23 trustees, faculty, staff, students and constituency groups.

24 **Subpart C. Support for Board decisions.** Individual trustees are able to express their
25 opinions vigorously and openly during the decision making process and may respectfully
26 disagree with colleagues. However, once a decision has been made and the bBoard has taken
27 action, it is each member's responsibility to support the decision.

28 **Subpart D. Official spokesperson.** Trustees are the stewards of the system and advocates
29 of its policies and programs. The official spokesperson for the bBoard is the chair of the
30 bBoard or the chair's designee.

31

1 **Part 3. Conflicts of Interest.**

2 **Subpart A. Disclosure of potential conflicts.** A potential conflict of interest is any
3 circumstance in which the personal, professional or substantial financial interests of the
4 trustee in a matter before the board may be reasonably perceived as potentially or actually
5 diverging from his or her fiduciary obligation to the board and Minnesota State Colleges and
6 Universities. This conflict may arise from the personal, professional or economic interest of
7 themselves, members of their immediate families or others with whom they have a personal
8 or professional relationship, including outside organizations.

9 A trustee with a substantial financial conflict of interest must follow the provisions of Minn.
10 Stat. § 10A.07. A substantial financial conflict exists when a decision would confer a
11 particular benefit on a trustee greater than that generally available to the trustee’s business or
12 occupational class.

13 A trustee with a potential non-financial conflict shall inform the board chair of the conflict in
14 a timely manner.

15 ~~A trustee who in the discharge of official duties would be required to take an action or make~~
16 ~~a decision that would substantially affect the trustee's financial interests or those of an~~
17 ~~associated business, unless the effect on the trustee is no greater than on other members of~~
18 ~~the trustee's business classification, profession, or occupation, must take the following~~
19 ~~actions:~~

- 20
21
22 ~~1. Prepare a written statement describing the matter requiring action or decision and the~~
23 ~~nature of the potential conflict of interest; and~~
24 ~~2. Deliver copies of the statement to the Board chair for distribution to the Board.~~

25
26 ~~If a potential conflict of interest presents itself and there is insufficient time to provide the~~
27 ~~written statement under paragraphs 1 and 2, the trustee must orally inform the Board of the~~
28 ~~potential conflict in open meeting session.~~

29
30 ~~**Subpart B. Required actions for trustee with potential conflict of interest.** If a potential~~
31 ~~conflict of interest arises for a trustee, the Board chair must assign the matter in which the~~
32 ~~potential conflict arises, if possible, to another trustee or other individual who does not have~~
33 ~~a conflict of interest.~~

34
35 ~~A trustee with a potential conflict of interest shall:~~

- 36 ~~1. Abstain, if possible, from influence over the action or decision in question.~~
37 ~~2. File a statement describing the potential conflict and the action taken, if the trustee is not~~
38 ~~permitted or is otherwise unable to abstain from action in connection with the matter.~~
39 ~~The statement shall be filed with the Campaign Finance and Public Disclosure Board, and~~
40 ~~copied to the Board chair, within a week of the action taken.~~

41
42 ~~The Board chair shall promptly distribute copies of the statement to Board members.~~

1
2 **Subpart ~~B~~C. Abstention.** A trustee who has a potential conflict of interest shall not chair a
3 meeting, participate in any vote, offer any motion or discussion, or otherwise attempt to
4 influence other trustees on the matter giving rise to the potential conflict of interest.
5

6 **Part 4. Employment ~~w~~With Minnesota State Colleges a~~nd Universities in higher~~
7 education.** Except as provided in this part, a trustee shall not seek or accept employment ~~with~~
8 ~~the system or its colleges or universities in any higher education institution and/or board service~~
9 while serving as a trustee. This provision does not prohibit any trustee from employment as an
10 adjunct faculty member or a student trustee from employment with a college or university in a
11 non-administrative, part-time position, such as the work study program.
12

13 **f**

14
15 **Part ~~65~~5. Prohibited Activities.**

16
17 **Subpart A. Use of position to secure benefits.** Except as otherwise provided by law or
18 policy of the ~~b~~Board, a trustee shall not use the position, authority, title, influence, or prestige
19 of trustee to secure special privileges or exemptions not available to the general public for the
20 benefit of the trustee, trustee's family members, or others.
21

22 **Subpart B. Confidential or protected communications.** Except as otherwise required by
23 law or authorized by the ~~b~~Board, a trustee shall not disclose to any unauthorized persons
24 information or communication subject to confidentiality by action of the ~~b~~Board or other
25 applicable law or policy, including privileged attorney/client communications.
26

27 **Subpart C. Use of influence.** Except for those decisions that are subject to the direct
28 authority of the ~~b~~Board, no trustee shall attempt to influence the hiring of system, college or
29 university employees, or the awarding of consulting or other contracts.
30

31 **Part ~~7~~66. Removal.** If the ~~b~~Board determines that the conduct of a trustee has violated the
32 trustee's professional or fiduciary responsibilities, ~~b~~Board policy or other governing law, the
33 Board may recommend that the Governor remove the trustee from the ~~b~~Board for cause under
34 Minnesota Statutes section 15.0575.
35
36

37
38 *Date of Adoption:* 05/21/03,

39 *Date of Implementation:* 05/21/03,

40
41 *Date and Subject of Revision:*

42 XX/XX/16 – Amended Part 3, Subparts A & B. Added a new Part 5 Candidacy for Public
43 Office.

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

Name: Academic and Student Affairs Committee

Date: March 16, 2016

Title: Proposed Amendment to Policy 2.1 Campus Student Associations (Second Reading)

Purpose (check one):

- | | | |
|--|---|---|
| <input checked="" 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 type="checkbox"/> Information | |

Brief Description:

ASA staff reviewed Policy 2.1 as part of its five year review cycle. The proposed amendments consist of technical edits resulting from the new formatting and writing standards being applied to the policy.

The proposed amendments were reviewed by the Office of General Counsel, cabinet, then sent out for formal consultation and received support from the presidents, employee representative groups, student associations, and campus leadership groups. All comments received from the consultation were taken into consideration.

Scheduled Presenter(s):

Ron Anderson, Vice Chancellor for Academic and Student Affairs
Toyia Younger, Associate Vice Chancellor for Student Affairs
Gary Hunter, System Director for Policy, Procedure, and Intellectual Property

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD ACTION
POLICY 2.1 CAMPUS STUDENT ASSOCIATIONS

1 **BACKGROUND**

2 Board Policy 2.1 Campus Student Associations was adopted by the Board of Trustees on April
3 18, 1995 and implemented on July 1, 1995. The policy was last reviewed in 2005 when technical
4 edits were made to the policy. Board Policy 1A.1, Part 6, requires periodic review of all board
5 policies.

6
7 **PROPOSED AMENDMENTS**

8 The proposed amendments to Policy 2.1 are identified by strikethrough and underlining in the
9 policy. The proposed amendments are technical edits that resulted from new formatting and
10 writing standards being applied to the policy.

11
12 **REVIEW PROCESS**

13 The proposed amendments were circulated to all presidents, employee representative groups,
14 student associations, and campus leadership groups. The Academic and Student Affairs review
15 and consultation process for proposed amendments to Policy 2.1 has been completed. All
16 comments received during the review process have been considered and responses sent to the
17 individual commentators.

18
19 **RECOMMENDED MOTION**

20 The Board of Trustees approve the proposed amendments to Policy 2.1.

21
22

23 *Date Presented to the Board of Trustees:* 03/16/16

24 *Date of Implementation:* xx/xx/xx

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD POLICY	2.1
Chapter 2. Students	
Section 1. Campus Student Associations	

2.1 Campus Student Associations

Part 1. Recognition.

Students at each ~~institution~~ college and university ~~shall~~ must have the right to establish a student government herein referred to as a campus student association. Students establishing a campus student association shall develop a constitution for the association. Only currently enrolled students ~~shall be~~ are eligible to serve as student representatives or officers. The college or university ~~institution~~ shall recognize the campus student association as the official representative of the students; upon receipt of evidence that the student body has approved the constitution. ~~Multi-campus institutions~~ Colleges and universities that have multiple campuses shall develop policies and procedures to assure representation and participation in a campus student association by students at their constituent campuses.

Part 2. Duties.

In addition to the duties listed in ~~institution~~ college, university, and board policies and in the campus student association constitution, the campus student association shall have the sole authority to recommend the chartering of student clubs and organizations for approval by the ~~institution~~ college or university president.

Part 3. Appeal.

The appeal of decisions made by the campus student association relative to chartering, funding, or providing service to student organizations when such decisions may be in violation of law, policy, or procedure ~~shall~~ must be conducted in accordance with the existing ~~institutional~~ college or university grievance policy.

Related Documents:

- [Policy 3.7 Statewide Student Association](#)

Policy History:

Date of Adoption: 4/18/95

Date of Implementation: 7/01/95

Date of Last Review: xx/xx/xx

Date & Subject of Amendment:

37 *xx/xx/xx – Applied new formatting and writing styles, replaced obsolete language; added*
38 *Policy 3.7 Statewide Student Associations in Related Documents section, and added*
39 *“Date of Last Review” in Policy History section.*
40 *01/20/05 - editorial changes; removal of obsolete language; definition of enrolled credit*
41 *added; delegated authority to chancellor for agreement approval.*
42
43 *Additional HISTORY*

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

Name: Academic and Student Affairs Committee

Date: March 16, 2016

Title: Proposed Amendment to Policy 3.7 Statewide Student Association (Second Reading)

Purpose (check one):

- | | | |
|--|---|---|
| <input checked="" 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 type="checkbox"/> Information | |

Brief Description:

ASA staff reviewed Policy 3.7 as part of its five year review cycle. The proposed amendments consist of technical edits resulting from new formatting and writing standards being applied to the policy.

The proposed amendments were reviewed by the Office of General Counsel, cabinet, then sent out for formal consultation and received support from the presidents, employee representative groups, student associations, and campus leadership groups. All comments received from the consultation were taken into consideration.

Scheduled Presenter(s):

Ron Anderson, Vice Chancellor for Academic and Student Affairs
Toyia Younger, Associate Vice Chancellor for Student Affairs
Gary Hunter, System Director for Policy, Procedure, and Intellectual Property

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD ACTION
POLICY 3.7 STATEWIDE STUDENT ASSOCIATION

1 **BACKGROUND**

2 Board Policy 3.7 Statewide Student Association was adopted by the Board of Trustees on
3 October 18, 1994 and implemented on the same date. The policy was last reviewed in 2005 when
4 technical edits were made to the policy. Board Policy 1A.1, Part 6, requires periodic review of all
5 board policies.

6

7 **PROPOSED AMENDMENTS**

8 The proposed amendments to Policy 3.7 are identified by strikethrough and underlining in the
9 policy. The proposed amendments are technical edits that resulted from new formatting and
10 writing standards being applied to the policy.

11

12 **REVIEW PROCESS**

13 The proposed amendments were circulated to all presidents, employee representative groups,
14 student associations, and campus leadership groups. The Academic and Student Affairs review
15 and consultation process for proposed amendments to Policy 3.7 has been completed. All
16 comments received during the review process have been considered and responses sent to the
17 individual commentators.

18

19 **RECOMMENDED MOTION**

20 The Board of Trustees approve the proposed amendments to Policy 3.7.

21

22

23 *Date Presented to the Board of Trustees:* 03/16/16

24 *Date of Implementation:* xx/xx/xx

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD POLICY	3.7
Chapter 3. Educational Policies	
Section 7. Statewide Student Association	

1 **3.7 Statewide Student Associations**

2
3 **Part 1. Statewide Student Association Recognition-**

4 The Minnesota State University Student Association, for state university students, and the
5 Minnesota State College Student Association, for state community and technical college
6 students, are each recognized as the one statewide student association for their respective student
7 associations and students.

8
9 **Part 2. Campus Student Association Affiliation-**

10 Each campus student association shall be affiliated with its statewide student association and all
11 students enrolled in credit courses ~~shall~~ will be members of their respective statewide
12 association.

13
14 **Part 3. Fees-**

15 Each statewide student association shall set its fees and shall submit any changes in its fees to the
16 ~~B~~board for review. The ~~B~~board may revise or reject the fee change during the two board
17 meetings immediately following the fee change submission. Fees must ~~shall~~ be collected for each
18 enrolled credit by each college and university and must ~~shall~~ be credited to each association's
19 account to be spent as determined by that association. For purposes of this policy, enrolled
20 credits include all credits in which a student has enrolled and not dropped before the ~~institution's~~
21 college or university drop deadlines. Fees must ~~shall~~ be forwarded by the ~~institution~~ the college
22 or university to the statewide student association whether or not the ~~institution~~ college or
23 university has received payment for fees.

24
25 **Part 4. Recognition Process-**

26
27 **Subpart A. Statewide student association recognition-**

28 Recognition of the associations listed in Part 1 ~~shall~~ must continue until such recognition is
29 repealed by the ~~B~~board and succeeded by an appropriately constituted association
30 representing the same group of students.

31
32 **Subpart B. Repeal of recognition-**

33 1. Repeal of recognition by the ~~B~~board ~~shall~~ must occur if the following actions occur:

- 34 a. ~~A~~Two-thirds vote, by the existing statewide student association indicating no
35 confidence, expressed by a petition to the ~~B~~board in accordance with the
36 procedures set forth in the association's governing documents; and
37 b. Two-thirds of existing campus student associations, in accordance with their
38 governing rules, submit petitions to the board indicating no confidence. ~~to the~~
39 ~~Board.~~
40
- 41 2. Dissolution of a statewide student association must shall be subject to each
42 association's internal procedures as indicated in their respective governing documents.
43 Recognition of a statewide student association is repealed automatically upon
44 dissolution of the student association. A notice of intent to dissolve must shall be sent
45 to the ~~B~~board.
46

47 **Subpart C. Recognition of new statewide student association-**

48 Following repeal of recognition of a statewide student association, recognition of a new
49 statewide student association must shall be granted after the presentation of a petition to the
50 ~~B~~board which expresses support of the new association and is approved by two-thirds of the
51 campus student associations.
52

53 **Part 5. Implementation-**

54 The chancellor shall develop an agreements between Minnesota State Colleges and Universities
55 and each statewide student association to implement this policy, including provisions addressing
56 payment of fees collected.
57

58 **Related Documents:**

- 59 • [Policy 2.1 Campus Student Associations](#)
 - 60 • [Minn. Stat. § 136F.22 Student Associations](#)
-

61 **Policy History:**

62
63
64
65 *Date of Adoption:* 10/18/94

66 *Date of Implementation:* 10/18/94

67 *Date of Last Review:* xx/xx/xx
68

69 *Date & Subject of Amendment:*

70 xx/xx/xx – Updated the formatting and writing styles, in Part 5 the word “agreements” was
71 made singular; added Policy 2.1 Campus Student Associations to the Related Documents
72 section; added “Date of Last Review” to the Policy History section, and inserted the
73 11/20/2009 date and information below..

74 11/20/09 – reviewed, no changes.

75 01/20/05 - editorial changes; removal of obsolete language; definition of enrolled credit
76 added; delegated authority to chancellor for agreement approval.
77

78 Additional [HISTORY](#)

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

Name: Academic and Student Affairs Committee

Date: March 16, 2016

Title: Proposed Amendment to Policy 3.29 College and University Transcripts (Second Reading)

Purpose (check one):

- | | | |
|--|---|---|
| <input checked="" 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 type="checkbox"/> Information | |

Brief Description:

ASA staff reviewed Policy 3.29 as part of its five year review cycle. The proposed amendments consist of technical edits resulting from new formatting and writing standards being applied to the policy.

The proposed amendments were reviewed by the Office of General Counsel, cabinet, then sent out for formal consultation and received support from the presidents, employee representative groups, student associations, and campus leadership groups. All comments received from the consultation were taken into consideration.

Scheduled Presenter(s):

Ron Anderson, Vice Chancellor for Academic and Student Affairs
Toyia Younger, Associate Vice Chancellor for Student Affairs
Gary Hunter, System Director for Policy, Procedure, and Intellectual Property

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD ACTION

POLICY 3.29 COLLEGE AND UNIVERSITY TRANSCRIPTS

1 **BACKGROUND**

2 Board Policy 3.29 College and University Transcripts was adopted by the Board of Trustees on
3 January 20, 2005 and implemented on July 1, 2005. The policy was last reviewed in 2010 when
4 an amendment was made to add Part 3 the policy regarding electronic transcripts. Board Policy
5 1A.1, Part 6, requires periodic review of all board policies.

6
7 **PROPOSED AMENDMENTS**

8 The proposed amendments to Policy 3.29 are identified by strikethrough and underlining in the
9 policy. The proposed amendments are technical edits that resulted from new formatting and
10 writing standards being applied to the policy.

11
12 **REVIEW PROCESS**

13 The proposed amendments were circulated to all presidents, employee representative groups,
14 student associations, and campus leadership groups. The Academic and Student Affairs review
15 and consultation process for proposed amendments to Policy 3.29 has been completed. All
16 comments received during the review process have been considered and responses sent to the
17 individual commentators.

18
19 **RECOMMENDED MOTION**

20 The Board of Trustees approve the proposed amendments to Policy 3.29.

21
22
23 *Date Presented to the Board of Trustees:* 03/16/16

24 *Date of Implementation:* xx/xx/xx

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD POLICY	3.29
Chapter 3. Educational Policies	
Section 29. College and University Transcripts	

3.29 College and University Transcripts

Part 1. Uniform Paper Transcript-

In furtherance of a common system identification, Minnesota State Colleges and Universities shall use a uniform format for their official paper transcripts.

Part 2. Paper Transcript Format-

The Chancellor shall establish a procedure for a uniform paper transcript format for Minnesota State Colleges and Universities.

Part 3. Electronic Transcript (eTranscript)-

In lieu of an official paper transcript, ~~system~~ colleges and universities shall use the eTranscript within the Integrated Statewide Record System to document previous academic work completed by students transferring between ~~system~~ colleges and universities. ~~The Chancellor shall establish a procedure to guide the implementation and use of the eTranscript.~~

Related Documents:

- [Procedure 3.29.1](#) College and University Transcripts

Policy History

Date of Adoption: 01/20/05

Date of Implementation: 07/01/05

Date of Last Review: xx/xx/xx

Date & Subject of Amendment:

xx/xx/xx – Editorial and formatting changes made, deleted unnecessary language authorizing the chancellor to create a procedure, added Policy History heading and the Date of Last Review in the Policy History section.

04/21/10 - Part 3 added to designate the eTranscript within the Integrated Statewide Record System (ISRS) as an official transcript for students transferring within the system.

No additional HISTORY

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

Agenda Item Summary Sheet

Name: Finance and Facilities Committee

Date: March 15, 2016

Title: Proposed Amendments to Board Policy 5.9 Biennial Budget Planning (Second Reading)

Purpose (check one):

- | | | |
|--|---|---|
| <input checked="" 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 type="checkbox"/> Information | |

Brief Description:

The proposed changes are technical in nature and have been reviewed through the consultation process.

Scheduled Presenter(s):

Laura M. King Vice Chancellor - CFO

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

BOARD ACTION

**PROPOSED AMENDMENTS TO BOARD POLICY 5.9 BIENNIAL BUDGET
PLANNING AND APPROVAL (SECOND READING)**

BACKGROUND

Board Policy 1A.1, Part 6, *Minnesota State Colleges and Universities Organization and Administration*, requires periodic review of all board policies and procedures to “determine whether it is needed, that it is current and complete, not duplicative of other policies, does not contain unnecessary reporting requirements or approval processes, and is consistent with style and format requirements”.

Board Policy 5.9 *Biennial and Annual Operating Budget Planning and Approval*, was adopted by the Board of Trustees and became effective June 21, 2000. The policy was last before the board in March of 2011 at which time language clarifying roles and responsibilities was added, as well as student consultation language. Staff reviewed policy 5.9 in the fall of 2015.

PROPOSED AMENDMENTS

The proposed amendments to Policy 5.9 are, by strikethrough and underlining, reflected in the tracked-change copy of the policy on the following page (Attachment A), and are technical in nature - formatting, heading, and style changes. The revised policy with the recommended changes incorporated is found on attachment B.

REVIEW PROCESS

The proposed board policy revision was circulated to campus leadership groups, employee representative groups, and student associations. All comments received during the review process have been considered.

RECOMMENDED COMMITTEE ACTION:

The Finance and Facilities Committee recommends the Board of Trustees adopt the following motion:

The Board of Trustees approves the changes to Board Policy 5.9 Biennial and Annual Operating Budget Planning and Approval.

RECOMMENDED BOARD MOTION:

The Board of Trustees approves the changes to Board Policy 5.9 Biennial and Annual Operating Budget Planning and Approval.

Date Presented to the Board of Trustees: March 15, 2016

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

BOARD POLICY

Chapter 5 Administration

Section 5.9 Biennial and Annual Operating Budget Planning and Approval

Part 1. ~~Policy Statement~~Purpose.

The ~~Board board~~ is committed to ~~long-long~~-term stewardship of state fiscal resources. It is the policy of the ~~Board board~~ to approve ~~systemwide~~-biennial budget requests and ~~system-wide~~ annual all funds operating budget plans for colleges, ~~and~~ universities, and the ~~Office of the Chancellors~~system office.

Part 2. ~~Authority.~~

~~(see related documents below).~~ Minnesota Statutes ~~§ Ch.~~ 16A.10, ~~Budget Preparation,~~ states that in each even-numbered year, an agency must file its upcoming biennial budget request. Under ~~Minnesota Statutes § Ch.~~ 136F.06, ~~Powers and Duties,~~ the ~~Board board~~ has plenary authority to govern the colleges and universities and to adopt suitable policies for the institutions.;

Part 3. ~~Policy~~Responsibilities.

Subpart A. ~~Biennial Development of a biennial Budget budget Request~~request

The chancellor shall develop a ~~system-wide~~-biennial operating budget request for the system after consultation with constituency groups.

The ~~Board board~~ shall approve the biennial budget request.

Subpart B. ~~All Development of all Funds funds Operating operating Budgets~~budgets

The chancellor shall provide a financial outlook and issue guidelines for preparation of an operating budget -to be developed by each college or university.

The colleges, universities, and the ~~Office of the Chancellors~~system office shall prepare balanced budgets consistent with ~~Board board~~ policies and system procedures.

The Board shall approve the system-~~w~~-wide annual all funds operating budget.

32 **Part 4. Accountability/Reporting.**

33 The chancellor is responsible for monitoring the system, ~~Office of the Chancellors~~system
34 office, and college and university budgets. The chancellor shall provide ~~system-wide~~
35 budget updates for all funding sources on an exception reporting basis.

36
37 The president is responsible for monitoring the college or university budget to ensure
38 accuracy and a balanced budget.

39
40 **Part 5. Student Consultation.**

41 College and university budget development is subject to student consultation
42 requirements as defined by ~~Board Policy 2.3~~board policy, ~~Student Involvement in~~
43 Decision Making.

44
45
46 ***Related Documents:***

47 *Current Year Budget Plan*

48 *Minnesota Statute §~~Ch.~~ 16A.10*

49 *Minnesota Statute §~~Ch.~~ 136F.06*

50 *Minnesota Statute §~~Ch.~~ 136F.70*

51
52 *Date of Implementation: 06/21/00,*

53 *Date of Adoption: 06/21/00,*

54 *Date of Periodic Review: August 15, 2015*

55
56 *Date and Subject of ~~Revision~~Amendment:*

57 *xx/xx/16 – Periodic review resulting in technical changes only.*

58 *03/15/11 – Clarifies roles and responsibilities and adds student consultation language.*

59 *06/21/06 – Technical and syntax amendments made to policy.*

60 *06/18/03 - adds a new Part 1, authority, changes “system office” to “office of the*
61 *chancellor”, and provides for reporting on an exception basis in renumbered Part 4.*

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

BOARD POLICY
Chapter 5 Administration
Section 5.9 Biennial and Annual Operating Budget Planning and Approval

1 **Part 1. Purpose**

2 The board is committed to long-term stewardship of state fiscal resources. It is the policy
3 of the board to approve biennial budget requests and annual all funds operating budget
4 plans for colleges, universities, and the system office.

5

6 **Part 2. Authority**

7 Minnesota Statutes Ch. 16A, Section 16A.10 states that in each even-numbered year, an
8 agency must file its upcoming biennial budget request. Under Minnesota Statutes Ch.
9 136F, Section 136F.06, the board has plenary authority to govern the colleges and
10 universities and to adopt suitable policies for the institutions.

11

12 **Part 3. Policy**

13 **Subpart A. Development of a biennial budget request**

14 The chancellor shall develop a biennial operating budget request for the system after
15 consultation with constituency groups.

16

17 The board shall approve the biennial budget request.

18

19 **Subpart B. Development of all funds operating budgets**

20 The chancellor shall provide a financial outlook and issue guidelines for preparation
21 of an operating budget to be developed by each college or university.

22

23 The colleges, universities, and the system office shall prepare balanced budgets
24 consistent with board policies and system procedures.

25

26 The board shall approve the systemwide annual all funds operating budget.

27

28 **Part 4. Accountability/Reporting**

29 The chancellor is responsible for monitoring the system, system office, and college and
30 university budgets. The chancellor shall provide budget updates for all funding sources
31 on an exception reporting basis.

32

33 The president is responsible for monitoring the college or university budget to ensure
34 accuracy and a balanced budget.

35

36 **Part 5. Student Consultation.**

37 College and university budget development is subject to student consultation
38 requirements as defined by [board policy](#).

39

40

41 ***Related Documents:***

42 [Current Year Budget](#)

43 *Minnesota Statute Ch. 16A.10*

44 *Minnesota Statute Ch. 136F.06*

45 *Minnesota Statute Ch. 136F.70*

46

47 *Date of Implementation: 06/21/00*

48 *Date of Adoption: 06/21/00*

49 *Date of Periodic Review: August 15, 2015*

50

51 *Date and Subject of Amendment:*

52 *xx/xx/15 – Periodic review resulting in technical changes only.*

53 *03/15/11 – Clarifies roles and responsibilities and adds student consultation language.*

54 *06/21/06 – Technical and syntax amendments made to policy.*

55 *06/18/03 - adds a new Part 1, authority, changes “system office” to “office of the*

56 *chancellor”, and provides for reporting on an exception basis in renumbered Part 4.*

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