



**MINNESOTA STATE**

Board of Trustees

30 East 7th Street  
St. Paul, MN 55101

651-201-1705

# Board of Trustees Meetings April 17-18, 2018



*Minnesota State is an affirmative action, equal opportunity employer and educator.*



**Board of Trustees Meeting Schedule**  
Tuesday and Wednesday, April 17-18, 2018  
Minnesota State  
30 7th Street East  
St. Paul, Minnesota

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Unless noticed otherwise, all meetings are in the McCormick Room on the fourth floor. Committee and board meeting times are tentative. Meetings may begin up to 45 minutes earlier than the times listed if a committee meeting concludes its business before the end of its allotted time slot. In addition to the board or committee members attending in person, some members may participate by telephone.

**Tuesday, April 17, 2018**

- 2:30 pm     Audit Committee, Michael Vekich, Chair
- 1. Minutes of January 23, 2018**
  2. Internal Audit Update
    - Information Security Consultation – Phase One
    - Human Resources Transactional Service Model (HR-TSM) Consultation Update
    - Fiscal Year 2019 Planning Approach
- 3:00 pm     Finance and Facilities Committee, Jay Cowles, Chair
- 1. Minutes of March 20, 2018, Joint Academic and Student Affairs and Finance and Facilities Committees**
  - 2. Minutes of March 21, 2018**
  3. Framework for FY2020-2021 Legislative Operating Request Development
  - 4. Contract Exceeding \$1 Million: Insight Public Sector- Microsoft Purchases**
- 4:00 pm     Closed Session: Human Resources Committee, Dawn Erlandson, Chair  
*Pursuant to Minn. Stat. § 13D.03, (2017) Closed Meetings for Labor Negotiations Strategy (Minnesota Open Meeting Law)*
- Labor Negotiations Strategy
- 4:30 pm     Meeting ends
- 5:00 pm     Dinner (Social event, not a meeting)



**Wednesday, April 18, 2018**

- 8:00 am Human Resources Committee, Dawn Erlandson, Chair
- 1. Minutes of March 21, 2018**
  - 2. Approval of the Minnesota State College Faculty Bargaining Contract**
  - 3. Appointment of President of Ridgewater College**
  - 4. Appointment of President of Minnesota State Community and Technical College**
  - 5. Appointment of Interim President of Inver Hills Community College and Dakota County Technical College**
- 9:00 am Board of Trustees Meeting, Michael Vekich, Chair
- 11:00 am Meeting ends
- 11:30 am Board of Trustees Awards for Excellence in Teaching and in University Service Luncheon and Program  
DoubleTree by Hilton  
411 Minnesota St.  
St. Paul, Minnesota



**APPROVED FY2018 AND FY2019 MEETING CALENDARS**

The meeting calendar is subject to change with the approval of the board chair. Changes to the meeting calendar will be publicly noticed.

**FY2018 MEETING DATES**

<b>Meeting</b>	<b>Date</b>	<b>If agendas require less time, these dates will be cancelled.</b>
Orientation and Board Retreat	September 19-20, 2017	
Cancelled: Executive Committee	October 4, 2017	
Committee / Board Meetings	October 17-18, 2017	October 17, 2017
Executive Committee	November 1, 2017	
Committee / Board Meetings	November 14-15, 2017	November 14, 2017
Executive Committee	January 10, 2018	
Committee / Board Meetings	January 23-24, 2018	January 23, 2018
Added: Special Committee/Board Meetings	February 21, 2018	
Added: Special Board Meetings	February 27-28, 2018	
Added: Special Board Meetings	March 2, 2018	
Cancelled: Executive Committee	March 7, 2018	
Committee / Board Meetings	March 20-21, 2018	March 20, 2018
Cancelled: Executive Committee	April 4, 2018	
Committee / Board Meetings and Awards for Excellence in Teaching	April 17-18, 2018	
Executive Committee	May 2, 2018	
Committee / Board Meetings	May 15-16, 2018	May 15, 2018
Executive Committee	June 6, 2018	
Committee / Annual Board Meetings	June 19-20, 2018	June 19, 2018

**FY2019 MEETING DATES**

<b>Meeting</b>	<b>Date</b>	<b>If agendas require less time, these dates will be cancelled.</b>
Orientation and Board Retreat	September 18-19, 2018	
Executive Committee	October 3, 2018	
Committee / Board Meetings	October 16-17, 2018	October 16, 2018

Executive Committee	November 7, 2018	
Committee / Board Meetings	November 13-14, 2018	November 13, 2018
Executive Committee	January 2, 2019	
Committee / Board Meetings	January 15-16, 2019	January 15, 2019
Executive Committee	March 6, 2019	
Committee / Board Meetings	March 19-20, 2019	March 19, 2019
Executive Committee	April 3, 2019	
Committee / Board Meetings and Awards for Excellence in Teaching	April 16-17, 2019	
Executive Committee	May 1, 2019	
Committee / Board Meetings	May 21-22, 2019	May 21, 2019
Executive Committee	June 5, 2019	
Committee / Annual Board Meetings	June 18-19, 2019	June 18, 2019



## Committee Roster

2017-2018

### **Executive**

Michael Vekich, Chair  
Dawn Erlandson, Vice Chair  
Jay Cowles, Treasurer  
Ann Anaya  
Alex Cirillo  
Roger Moe  
Louise Sundin

### **Academic and Student Affairs**

Alex Cirillo, Chair  
Louise Sundin, Vice Chair  
Dawn Erlandson  
Amanda Fredlund  
Jerry Janezich  
Rudy Rodriguez  
Cheryl Tefer

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*President Liaisons:*

*Ginny Arthur*  
*Peggy Kennedy*

### **Audit**

Michael Vekich, Chair  
George Soule, Vice Chair  
Amanda Fredlund  
Bob Hoffman  
Jerry Janezich

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*President Liaisons:*

*Richard Davenport*  
*Pat Johns*

### **Diversity, Equity, and Inclusion**

Ann Anaya, Chair  
Cheryl Tefer, Vice Chair  
AbdulRahmane Abdul-Aziz  
Basil Ajuo  
Jay Cowles  
George Soule  
Louise Sundin

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*President Liaisons:*

*Scott Olson*  
*Sharon Pierce*

### **Finance and Facilities**

Jay Cowles, Chair  
Roger Moe, Vice Chair  
AbdulRahmane Abdul-Aziz  
Basil Ajuo  
Ann Anaya  
Bob Hoffman  
Jerry Janezich

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*President Liaisons:*

*Anne Blackhurst*  
*Barbara McDonald*

### **Human Resources**

Dawn Erlandson, Chair  
Rudy Rodriguez, Vice Chair  
Basil Ajuo  
Alex Cirillo  
Bob Hoffman  
Roger Moe  
Cheryl Tefer

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*President Liaisons:*

*Connie Gores*  
*Kent Hanson*

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MINNESOTA STATE

Audit Committee  
April 17, 2018  
2:30 p.m.  
McCormick Room

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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 23, 2018 (pages 1-2)**
2. Internal Audit Update (pages 3-11)
  - Information Security Consultation – Phase One Update
  - Human Resources Transactional Service Model (HR-TSM) Consultation Update
  - Fiscal Year 2019 Planning Approach

Committee Members:

Michael Vekich, Chair  
George Soule, Vice Chair  
Amanda Fredlund  
Bob Hoffman  
Jerry Janezich

**Bolded** items indicate action is required.



**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
BOARD OF TRUSTEES  
AUDIT COMMITTEE MEETING MINUTES  
January 23, 2018**

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**Audit Committee Members Present:** Trustees Michael Vekich, Robert Hoffman, Jerry Janezich, and George Soule

**Audit Committee Members Absent:** Amanda Fredlund

**Others Present:** Trustees Basil Ajuo, Alex Cirillo, Jay Cowles, Roger Moe, Louise Sundin, and Cheryl Tefer

The Minnesota State Colleges and Universities Audit Committee held its meeting on October 18, 2017, in the 4<sup>th</sup> Floor McCormick Room, 30 East 7<sup>th</sup> Street in St. Paul. Chair Vekich called the meeting to order at 4:13 p.m.

**1. Minutes of November 14, 2017**

The minutes of the November 14, 2017 audit committee were approved as published.

**2. FY2017 Federal Student Financial Aid Audit Results**

Mr. Eric Wion, Interim Executive Director for Internal Auditing, began by giving the committee a brief update on current projects. He introduced Mr. Don Loberg, Partner with CliftonLarsonAllen and Ms. Brenda Scherer, Manager with CliftonLarsonAllen.

Mr. Loberg shared his excitement over an improved process that allowed them to finish this audit earlier than ever before. He stated that the goal for next year was to finish the Federal Student Financial Aid audit in time to present the results in November when they present the financial statement audits. He reminded members that CliftonLarsonAllen's audit results will be included as part of the State of Minnesota Single Audit Report in March. Mr. Loberg continued by reviewing the audit process with the committee.

Ms. Scherer reported on the audit results. They issued an unmodified opinion on compliance. There were no material weaknesses, but there were two findings that were significant deficiencies.

The first finding was issued because one campus did not have a required reading tutor on staff. The second finding was a repeat finding related to the National Student Loan Database System (enrollment reporting). The finding is actually with the National Student Clearinghouse. Most of the colleges and universities have procedures in place to oversee the NSC, two campuses still do not have procedures in place. Ms. Scherer stated that the two findings were very minor. She added that the U.S. Department of Education always



states that one of their triggers for performing a program review is if a system has zero findings too many years in a row. They believe it is impossible to be perfect.

Mr. Loberg stated that they had also performed a financial statement audit of the KVSC Radio station 88.1 FM (St. Cloud State University Enterprise Fund) to satisfy Corporation for Public Broadcasting regulations and grant requirements. They issued an unmodified opinion and there were no findings.

Mr. Loberg congratulated the staff at Minnesota State for keeping the federal dollars and students safe.

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

**Name:** Audit Committee

**Date:** April 17, 2018

**Title:** Internal Audit Update

**Purpose (check one):**

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

**Brief Description:**

<p>Internal Audit Update</p> <ul style="list-style-type: none"><li>• Information Security Consultation – Phase One Update</li><li>• Human Resources Transactional Service Model (HR-TSM) Consultation Update</li><li>• Fiscal Year 2019 Planning Approach</li></ul>
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**Scheduled Presenter(s):**

Eric Wion, Interim Executive Director of Internal Auditing  
Chris Jeffrey, Baker Tilly Partner

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

<b>INFORMATION ITEM</b>
<b>Internal Audit Update</b>

**BACKGROUND**

**Internal Audit Update**

- Information Security Consultation – Phase One Update
- Human Resources Transactional Service Model (HR-TSM) Consultation Update
- Fiscal Year 2019 Planning Approach

*Date Presented to the Board of Trustees: April 17, 2018*



April 17, 2018

Office of Internal Auditing

## Internal Audit Report to the Audit Committee

### Today's Agenda

- Internal Audit Update
- Information Security Consultation – Phase I Update
- Human Resources Transactional Service Model (HR-TSM) Consultation Update
- FY19 Planning Approach

# Internal Audit Update

## Project Updates

Projects/Objective	Status
<b>Follow-up on 2014 purchasing card audit</b> – Surveyed all institutions, assessed the current state of action plans from the 2014 audit, reviewed the current processes at three institutions, and recommended best practice improvements that support financial sustainability. Benchmarking with peer institutions was performed to provide industry leading best practices.	Completed
<b>Institutional data reporting audit</b> – Assessed the processes and controls over data collected and reported to state and federal agencies.	Completed
<b>Payment card industry (PCI) risk assessment</b> Survey performed over all institutions and the System Office to determine the System’s PCI risk profile and identify risks to the System and institutions. Benchmarking with peer institution was performed to provide industry leading best practices.	Completed

## Project Updates

Projects/Objective	Status
<p><b>Human resources, transactional service model</b> Review the current HR Hub service model to assess the transition, progress to date, and the extent to which the desired project goals and objectives have been achieved. Identify key lessons learned to be applied on future initiatives. Perform an assessment of risks associated with the transition and how to mitigate these risks for future projects.</p>	In Progress – Finalizing report; additional assessment on the Faculty Workload Management (FWM) implementation to be included within the final report. Internal Audit will share results at the May Audit Committee meeting.
<p><b>Information security consultation – Phase I</b> Perform a review of the Information Security Plan Template Top 5 Initiatives Assessment to validate appropriateness and applicability to the environment for reducing risk. Internal Audit will advise on the drafted measures/metrics in the plan and advise on potential improvements to the Top 5. A high level approach for the next phase of work to develop a pilot will be presented.</p>	In Progress – Currently holding discussions with System stakeholders on revisions for the information security plan. Internal Audit will share results at the May Audit Committee meeting.
<p><b>ERM Steering Committee consultation and participation</b> Participate in the ERM Steering Committee and assist as requested.</p>	In Progress – Assisted the Steering Committee adopt a charter; helped the Steering Committee adopt a plan and framework for ERM; in process of helping the Steering Committee complete a risk assessment.

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## Project Updates

Projects/Objective	Status
<p><b>NextGen project risk review (PRR)</b> Establish Internal Audit's role in facilitating periodic checkpoints to provide assurance regarding risks of the NextGen project, designed to replace Minnesota State's primary enterprise systems.</p>	In Progress – Attending and participating in the monthly NextGen steering committee meetings. In process of scheduling fieldwork in April/May for PRR checkpoint 1.
<p><b>Information technology risk assessment – Phase I</b> Perform an initial review to identify the System's enterprise information technology risk profile and areas for further focus.</p>	Initiated – Performed initial interviews and discussions in coordination with the ERM risk assessment facilitated discussions. Fieldwork planned for April/May.
<p><b>Shared services governance framework review</b> Assess the current and planned shared services to provide assurance and confirm criteria for sustainable organizational governance relative to guiding principles and accreditation standards. Assist the System with aligning shared services to individual institutions.</p>	Initiated – Initial scoping discussion held. Fieldwork planned for April/May.
<p><b>Compliance practices assessment</b> Inventory key compliance responsibilities and risks for the System, the likelihood and impact of those risks, and parties' roles and responsibilities for compliance and oversight.</p>	Initiated – Fieldwork planned for May/June.

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## Project Updates

Projects/Objective	Status
<b>Enrollment initiatives review</b> Assess the institutions' initiatives to increase enrollment and evaluate how institutions recruit and retain successful students in relation to leading practices across higher education.	Currently in early planning phases - Fieldwork TBD.
<b>Procurement audit</b> As an extension of the purchasing card follow-up audit, perform a comprehensive review of the sourcing and procurement processes. Compare the System's procurement approach to industry leading practices and assess risks related to methods of contracting and procurement across the System.	Internal audit recommends the project is deferred for future consideration until the e-procurement process is implemented and complete.

## Information Security Consultation – Phase I Update

## Information Security Consultation – Phase I Update

- Review of the Information Security Plan Template Top 5 Initiatives Assessment.
- The review included an analysis of the Top 5 Plan to determine:
  - The appropriateness of the Plan and the metrics included therein.
  - Areas for improvement and to provide guidance to further reduce cybersecurity risk and establish levels of maturity.
  - The approach for Phase II.

## HR-TSM Consultation Update



## HR-TSM Consultation Update

- Review of Minnesota State's implementation of the HR-TSM shared service initiative.
- Assessment included a retrospective and prospective review of the project execution to gain an understanding of strengths and opportunities for further improvement.
- Institutions submitted feedback via a System Office survey and information was gathered from key stakeholders via interviews.
- Assessment of the FWM implementation by institution to be performed to support HR-TSM consultation report to identify opportunities and challenges.

## FY19 Planning Approach

## FY19 Planning Approach

- Internal Audit will utilize a variety of inputs into its FY 19 internal audit planning process, including the ERM risk assessment results.
  - Risk Assessment included onsite meetings with Chancellor, Vice Chancellors and Directors.
- Internal Audit would typically present an annual plan for approval at the June Audit Committee Meeting.
  - Would the Audit Committee prefer that Internal Audit wait to present a plan until a new Executive Director is in place?
  - Alternatively, would the Audit Committee like to see a plan in June?



MINNESOTA STATE

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## Finance and Facilities

April 17, 2018

3:00 P.M.

McCormick Room

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Finance and Facilities Committee, Jay Cowles, Chair

1. **Minutes of Joint ASA and Finance and Facilities Committee Meeting – March 20, 2018 (pp. 1-5)**
2. **Minutes of March 21, 2017 (pp. 6-10)**
3. Framework for FY2020-2021 Legislative Operating Request Development (pp. 11-20)
4. **Contract Exceeding \$1 Million: (pp. 21-22)**
  - a) **Insight Public Sector- Microsoft Purchases**

### Committee Members:

Jay Cowles, Chair  
AbdulRahmane Abdul-Aziz  
Basil Ajuo  
Ann Anaya  
Robert Hoffman  
Jerry Janezich  
Roger Moe

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### President Liaisons:

Anne Blackhurst  
Barbara McDonald

**Bolded** items indicate action is required.



**MINNESOTA STATE  
BOARD OF TRUSTEES  
JOINT ACADEMIC AND STUDENT AFFAIRS AND FINANCE AND FACILITIES COMMITTEES  
MARCH 20, 2018  
McCORMICK ROOM  
30 7TH STREET EAST  
ST. PAUL, MN**

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***Committee Members Present:*** Chair Michael Vekich and Trustees Ann Anaya, Basil Ajuo, Alex Cirillo, Jay Cowles, Dawn Erlandson, Amanda Fredlund, Bob Hoffman, Jerry Janezich, Roger Moe, Rudy Rodriguez, George Soule, Louise Sundin, and Cheryl Tefler, and Interim Chancellor Devinder Malhotra

***Committee Members Absent:*** None

***Leadership Council Members Present:*** Chancellor Devinder Mahotra, Senior Vice Chancellor Ron Anderson, Vice Chancellor Laura King

The Minnesota State Board of Trustees Academic and Student Affairs and Finance and Facilities committees held a joint meeting on March 20, 2018 in the McCormick Room, 30 East 7th Street in St. Paul, MN.

### **Collaborative Campus and Regional Planning Update**

Chair Alex Cirillo called the meeting to order at 2:45 p.m. stating the session was to provide an update on the work of the Collaborative Campus and Regional Planning project. The project workgroup is refining recommendations for regionally oriented strategic academic and facilities planning, capital planning and investment policies, and principles for sharing and re-purposing space.

Senior Vice Chancellor Ron Anderson was invited to begin the update.

Senior Vice Chancellor Anderson began by recalling Chancellor Malhotra's comments to the board in the fall of 2017. He sees the critical need to align our work to the changing needs of all learners, particularly new learners; align our work to new demographics and the workforce needed for the knowledge-based economy; and align ourselves to new budget realities. The Collaborative Campus and Regional Planning project is underway in southwestern Minnesota in a direct response these needs.

Senior Vice Chancellor Anderson noted Southwest Minnesota State University President Connie Gores and Minnesota West Community and Technical College President Terry Gaalswyk regret that they were unable to attend the meeting due to long-standing community obligations.

He reminded members that the project focuses on developing a number of tools and an overall approach for campuses to use in collaborative campus and regional planning. Project deliverables include:

1. Guidelines and principles for regionally oriented academic and facilities planning efforts;
2. Capital planning and investment policies and strategies for campuses, institutions, and regions based on associated academic plans;
3. Principles for space sharing/repurposing and strategies for advancement, and
4. Academic space use strategies to enhance utilization of needed space.

These outcomes remain unchanged from the initial presentation to the board in November 2017 and are fundamental to moving our colleges and universities forward and advancing our strategic goals and leveraging and enhancing partnerships between our colleges and universities, and between our colleges and universities and the communities they serve. The project design principles also presented in November to guide the project team in the work also remain unchanged. These principles include:

- Preserving and enhancing access to Minnesota State higher education opportunities across the state
- Providing for high quality/extraordinary educational programs and offerings, supported and enhanced by appropriate facilities
- Efficiently and effectively utilizing financial, human and capital resources
- Reducing costs to students and Minnesota taxpayers.

Southwest Minnesota State University and Minnesota West Community and Technical College in the states southwest region were selected because of the strong community and cross-institutional partnerships already in place. In addition, the university and the college, individually and together, have exciting work underway and continue to grow programs in this region. There is strong support from regional partners like the Southwest Initiative Foundation and deep partnerships with local high schools in support of rural career development initiatives.

Since launching this work, the Project Team has had a number of face-to-face meetings, augmented by a series of technology-enhanced meetings and planning sessions to support their ongoing research and collaboration. Through this work, a set of overarching principles for strategic academic planning have emerged.

First, we want to ensure that leaders and planners at all levels are focusing on enhancing the overall student experience. This student-centered perspective should be tied into program design and delivery, as well as engagement and student success strategies and implementation.

Planners should recognize that the viability and success of Minnesota State colleges and universities weaves into the viability and success of the communities and regions they serve. This means that campus planning needs to address both the short-term and the long-term needs of their communities and regions.

Next, campus strategic academic planning should build upon the Minnesota State Strategic Framework within the context of the unique missions of the institution and partners. The planning should be shared horizontally with regional Minnesota State institutions and vertically with system office leadership and the Board of Trustees. The plans should articulate well-designed outcomes, specific action tasks, and frameworks for on-going assessment, evaluation and adjustment.

Finally, the planning process and resulting plans must demonstrate value to students, local communities, and all Minnesotans by reflecting sound, disciplined stewardship of the finite human, technological, financial, and physical resources entrusted to Minnesota State. We can only deliver on this principle by maximizing cooperation, sharing, and collaboration between Minnesota State campuses and their regional partners.

Trustee Hoffman questioned the statement “planning should be shared horizontally...and vertically with system office leadership.” To him it conveyed an “us versus them” relationship and asked whether it should be rephrased to reflect we are all on the same team. Senior Vice Chancellor Anderson stated the purpose of the statement is to make sure we are all on the same page in understanding the plans and that the campuses are working together. Chancellor Malhotra added that the statement reflects that planning be done in the spirit and environment of trust, mutual respect, and collaboration.

Continuing the presentation, Senior Vice Chancellor Anderson stated that through this project the system is taking a formal and deliberate approach in developing integrated academic and facilities plans that advance the distinctive mission, culture and academic priorities of our colleges and universities, aligned with the needs of the regions they serve. This does not imply that it is not happening at the individual campus level. The difference is we are inserting a process that helps across campuses and communities.

Vice Chancellor King provided an update on the project’s progress. Four deliverables are expected from this work. While most of the project emphasis is on the academic planning material outlined by Senior Vice Chancellor Anderson, the project deliverables include capital planning and investment policies and strategies for campuses, institutions, and regions based on their academic plans, principles for space sharing and repurposing, as well as academic space use strategies to enhance utilization of needed campus space. These deliverables influence how institutions develop their individual Comprehensive Facilities Plans and call for specific space management plans outlining approaches for the effective and efficient use of campus space. Vice Chancellor King noted much of the emerging capital planning and investment recommendations are incorporated into the 2020 Capital Program Guidelines that the board would consider later in the March 2018 meeting. The underlying theme of the space management plans is that space is a campus resource and available to enable student success.

King concluded stating these are the high-level themes emerging from the workgroup and outlining the project timeline of the coming months. The expectation is that the project team

will provide recommendations to Vice Chancellors Anderson and King in the next 60 days. Project team recommendations will be reviewed and offered to the Minnesota State community, including Leadership Council, bargaining units, and student organizations for comment. The vice chancellors will review the feedback and prepare final implementation plans for the upcoming fiscal year. King added that it is not yet known whether this will lead to specific board policy changes or if the recommendations will be at the management level in terms of system procedures and operating instructions and general practices.

Chair Cowles asked that the scope of participants expand outside of vice chancellors, presidents, academic and student affairs and finance staff to include student services, wrap-around social services and consulting on a draft basis with political, civic and philanthropic leadership. Senior Vice Chancellor Anderson agreed with Trustee Cowles that internal and external contacts are important in the overall strategic academic planning context.

Chair Cowles also asked if the planned stakeholder review and feedback period of July to September provided enough opportunity for review by a broader audience and for them to offer recommendations and feedback. Vice Chancellor King stated this timeline would be re-assessed based on the actual report and recommendations and the period could certainly be expanded to allow for a full and robust review.

Chair Cirillo asked whether anyone had identified dis-incentives or incentives concerning regional planning in the current board policy construct. Vice Chancellor King responded that an ongoing process of evaluation is present and that one dis-incentive or impediment that comes to mind has to do with the student records system on enrollment. She would refer the question to the project team for inclusion in their work.

Trustee Hoffman asked about how the project work would change how the system operates; what would be different in 2025. Senior Vice Chancellor Anderson said he expects in the future to see a stronger alignment or linkage between academic programs and local and regional workforce needs and a move beyond unilateral relationships toward a collective approach. This work will benefit curriculum development and design standpoint enabling and expecting programs to get together to structure across divisions.

Trustee Sundin commented that this project appears to be regional except where it is stated that each college and university should develop a comprehensive academic plan. She asked the speakers to relate this effort to the Charting the Future call for working on collaborative campus relationships. Senior Vice Chancellor Anderson responded that there is not a separate workgroup right now that is looking at campus planning. There clearly is a need to take a look at charting the future. This suggestion will be pursued. The focus has been on the collaborative regional approach.

Trustee Moe commented that the Southwest West Central Service Cooperative was a resource to include in this effort. Trustee Sundin commented that out of the last legislative session there was funding in this area for K-12 technical programs.

Chair Coles asked when the board hear again on this topic. Vice Chancellor Senior Vice Chancellor Anderson responded individual policy recommendations could reach the board in the fall of 2018. Vice Chancellor King added that a formal presentation to the board of the project teams report was not yet planned but that a summary report could be provided.

Chair Cirillo thanked the presenters and the project team for the good work and thanked the committee members for their engagement.

The meeting adjourned at 3:45 p.m.  
Respectfully submitted  
Maureen Braswell, Recorder



**MINNESOTA STATE  
BOARD OF TRUSTEES  
FINANCE AND FACILITIES COMMITTEE  
March 21, 2018  
McCORMICK ROOM  
30 7TH STREET EAST  
ST. PAUL, MN**

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***Finance and Facilities Committee Members Present:*** Chair Jay Cowles, Vice-Chair Roger Moe, Trustees Basil Ajuo, Robert Hoffman, Jerry Janezich,

***Absent:*** Trustees AbdulRahmane Abdul-Aziz, Ann Anaya

***Other Board Members Present:*** Trustees Alexander Cirillo, Dawn Erlandson, George Soule, Louise Sundin, Cheryl Tefer, Michael Vekich

***Cabinet Members Present:*** Chancellor Devinder Malhotra, Vice Chancellors Laura King, Ramon Padilla

The Minnesota State Finance and Facilities Committee held its meeting on March 21, 2018 in the 4th Floor McCormick Room, 30 East 7th Street in St. Paul, MN.

Chair Cowles called the meeting to order at 8:31 a.m. There was a quorum.

**1. Minutes of January 24, 2018**

*Chair Cowles called for a motion to approve the minutes from the January 24, 2018. Trustee Ajuo made the motion, Trustee Janezich seconded. There were no changes to the minutes as presented. The motion carried.*

Vice Chancellor King was invited to provide updates.

- The shared services advisory group has been established and consists of CFOs, CHROs, CAOs and CIOs. The group is charged with making recommendations regarding enterprise services and will work with the campus community and system office colleagues in the months ahead.
- The Facilities Maintenance Operations Review project is well underway with half of the planned campus visits complete. This project is in the current workplan and designed to review policies and practices around facilities operations.
- Bonding tours are finished.
- The 2018 Capital Program has been presented to the key House and Senate committees.
- The Governor's recommendation on the supplemental budget included support for ISRS at \$8.5 million and \$10 million in one-time support for the campus support request.
- FY2018 Audit work has begun and will be in done in the fall.
- Phase I Next Gen kicked off – solicitation for volunteer teams has started.

- FY2019 campus operating budget development is underway and materials are due to the Vice Chancellor's office at the end of April. The results will be presented in May for a first reading and June for a second reading and adoption. Student consultations letters will be part of the package.
- The board office provided a link to the Facilities Capital Investment report.
- Brian Yolitz's team hosted the State Safety and Security Conference at St Cloud State University this month.
- The Facilities Conference will be held in mid-April at System Office.
- A settlement has been reached on the condemnation action at 393 Bates.
- The Wells property is proceeding with a "3-way match". The buyer and college will handle the transactions on the same day. This is expected to happen in early February 2019.

Chair Cowles asked whether any of the shared services workgroup is from outside of the system. Vice Chancellor King responded the work that was shared last fall was informed by research, Harvard Research, Gartner, Deloitte, Baker Tilly and review of shared services in Tennessee, New York and California higher education systems. There are no public members on the new group.

## **2. FY2020 Capital Program Guidelines for 2020 Capital Program and 2019 Revenue Bond Sale (Second Reading)**

Associate Vice Chancellor Yolitz presented. The guidelines are informed by the Long-term Financial Sustainability report and the chancellor's strategic roadmap. The five major elements of the recommended guidelines for FY2020 and the general obligation funded program are:

1. Update Academic Spaces
2. Ease Barriers to Student Success
3. Prioritize Energy Efficiency and Renewable Energy Infrastructure
4. Limiting New Square Footage
5. Program size - \$250 million request

Trustee Erlandson stated how important the 5 elements are, specifically #3 and asked whether steps are being taken to reduce energy consumption. Mr. Yolitz responded that we participate in the state's B3 program to reduce energy consumption by 2% annually. We are ahead of that expectation. Institutions that have made the most reduction over the past year and sustained them over three years have been identified.

Mr. Yolitz stated though hopeful based on the governor's 2018 recommendation, not all projects will be satisfied. The staff will come back to the committee in the fall to contemplate what should be presented in the capital request in the 2019 legislative session.

During January's first reading, there was discussion around the allocation of debt service. After reengagement and consultation with college and university presidents at the February Leadership Council, the recommendation is to proceed with a shared debt service management policy into the future.

In terms of revenue fund, the board has the authority to issue bonds to support the auxiliary programs i.e. revenue generating programs, residents life, student union parking ramps wellness facilities. Each campus is responsible for the full debt service of those projects. Key points to the revenue bond guidelines for college or universities, in addition to the financial performance, include making sure students are involved in the project, a project that balances affordability and reinvestment in the facilities, reducing deferred maintenance, being mindful of the changing demographics at campuses, and leveraging partnerships with other opportunities for investment in buildings.

Trustee Janezich asked the amount of the revenue bonds sale and the impact on statutory thresholds on outstanding revenue fund debt. Mr. Yolitz responded that the statutory threshold is \$405 million in outstanding revenue fund debt. Current outstanding debt is approximately \$281 million and contemplated future sales will be well within the threshold. (

Trustee Hoffman asked what is Plan B is when HEAPR isn't funded at the level requested. Mr. Yolitz responded that over the last three (3) two-year bonding cycles (2012 through 2017) HEAPR has been funded at around 27% of our requested amount. The only place to go when HEAPR funds are not available is to the operating budget. Vice Chancellor King added that it is not a strategy to turn to operating budgets for HEAPR requirements. Operating funds are used to mitigate any system failures and clean up afterwards, not to do an entire repair or replacement. That work is to be done through HEAPR. The 10-year asset preservation need is \$2 billion and there aren't enough in operating resources. The legislature's help is needed.

Chair Cowles asked whether the facilities operations review project would provide more clarity about the cost to campuses because of overdue HEAR funding. Mr. Yolitz responded yes and that the project would provide insights and a better understanding of how campus facility maintenance staffs are being utilized in terms of time and type of work and as well as the financial investment being put into the physical plant. How much is staff time and work reactive or emergency in nature as opposed to routine maintenance focused on extending the life of the physical plant.

Trustee Hoffman asked how to get the legislature's attention. Mr. Yolitz responded that he is hopeful that the conversations during the bonding tours regarding all state agencies is finally sinking in. The governor's recommendation is for \$180 million in asset preservation through HEAPR which is \$50 million more than the Board's request of \$130 million.

Chair Cowles commented that there was a good discussion in January on bonding debt management. There was extensive consultation with leadership and the recommended return to the historic formula for sharing bond repayment in the capital bonding budget reflects reasonable judgement and approach.

*Chair Cowles called for approval of the motion in the materials including the recommendation for the Capital Program Guidelines for 2020 Capital Program, the 2019 Revenue Bond Sale guidelines and the Debt management policy change effective with the 2018 program. Trustee Janezich made the motion, Trustee Hoffman seconded. The motion carried.*

### 3. **Contracts Exceeding \$1 Million:**

Vice Chancellor King was asked to present on the contracts exceeding \$1 million.

The first (2) contracts refer to enterprise wide services.

- a) **Oracle Cloud Services** – infrastructure provider in IT. The bid was drawn from the Midwest Higher Education compact vendor list. The contract is for four years with an option to renew for a total of six years at a total cost of \$7 million over the six years.
- b) **Individual Emergency Messaging System Software** – in 2015 an RFP was undertaken on behalf of all colleges and universities. A vendor was selected. This system is also used by system office. The term over the contract is approximately \$2.5 million and costs are paid for by campuses based on registered users.

The last 2 refer to transactions on individual campuses.

- c) **Normandale Community College, Parking Lot Reconstruction** – this construction would address pedestrian safety concerns, upgrade accessibility, and improve bus traffic routing. The contract will not exceed \$3.3 million to be paid for out of college general fund and revenue fund resources.
- d) **MSU, Mankato, Student Union HVAC Upgrade** – this building is operating on air handlers that were installed in the 1960s and have been kept operational and functional but are past their useful life. The recommendation would authorize \$1.2 million to be paid from revenue fund. The work would be done before fall semester.

Chair Cowles asked whether the Oracle contract is new. Vice Chancellor King responded the relationship is not new. Vice Chancellor Padilla explained that the Oracle Cloud service is the infrastructure that currently runs ISRS. It needs to be refreshed. This will be the last refresh

before moving to Next Gen. It is a combination of hardware and services that is partially managed through the cloud.

*Chair Cowles called for a motion to approve the recommendation all contracts as a single resolution. Trustee Hoffman made the motion, Trustee Ajuo seconded. The motion carried.*

**4. Proposed Amendment to Policy 8.3 College, University and System-Related Foundations (Second Reading)**

Vice Chancellor King stated there are mostly style changes to the policy. The notable change eliminates reference to a system foundation. The policy change also provides the ability for a small foundation to follow a different path for financial assurance rather than being required to engage in a full financial statement audit. Chair Cowles asked what the oversight requirements is in the absence of an audit. Vice Chancellor King responded oversight is not exercised on foundations. They are established in statute and have a contractual relationship with the college or university. Board policy provides is for the terms of the contractual relationship and the periodic reporting to inform the board. Chair Cowles followed up asking whether auditors were asked to review the consultation process. Vice Chancellor King responded yes.

Trustee Hoffman asked what is the responsibility of the board when the foundation wants to construct a building on one of the campuses. Vice Chancellor responded due diligence has to be exercised pertaining to a gift or improvements to one of the colleges and universities.

*Chair Cowles called for a motion to approve the proposed amendment to Policy 8.3. Trustee Hoffman made the motion, Trustee Janezich seconded. The motion carried.*

The meeting adjourned at 9:20 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:** April 17, 2018

**Title:** Framework for FY2020-2021 Legislative Operating Request Development

**Purpose (check one):**

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

**Brief Description:**

This agenda item will introduce the subject of the development of the system's FY2020-FY2021 legislative operating budget request.

**Scheduled Presenter(s):**

Laura M. King, Vice Chancellor- CFO  
Ann Blackhurst, President Minnesota State University Moorhead  
Barbara McDonald, President North Hennepin Community College



April 2018

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## Framework for FY2020-FY2021 Legislative Operating Request Development

Board of Trustees  
Finance and Facilities Committee

### Strategic planning aligns with national trends

- Student success, enrollment, and changing student demographics
- Innovation and quality in curriculum
- Campus climate
- Affordability and.....
- Value, purpose, and investment in public higher education

## **Long term financial roadmap principles should guide legislative request**

- Improve student success
- Reduce the educational outcome disparities
- Improve educational quality
- Increase access and affordability
- Deepen collaboration
- Respect academic freedom and the faculty's role in curriculum development and teaching
- Strengthen campus – community partnerships
- Honor the unique contributions and approaches of our colleges and universities

3



## **State is our partner in college's and university's long term outlook**

- Access to affordable higher education is a core value/mission
- Workforce and industry success depends on our efforts
- Reliable and predictable financial model depends on state partnership
- Long term financial sustainability of colleges and universities tied to state support

4





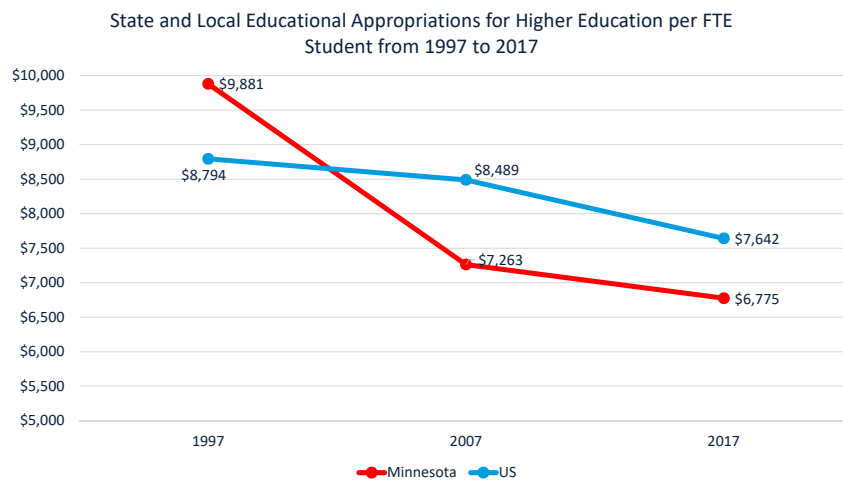
## State operating support is key

- State appropriation and student tuition are the two primary sources of funding for colleges and universities
- The Legislature may also set limits on tuition rates
- State appropriation sets constraints on available resources for:
  - Compensation
  - Program support and growth
  - Student support services
  - Technology and equipment
  - New partnerships, initiatives, and investments
  - Innovations

5



## Minnesota's higher education funding trails U.S. average



6

Source: SHEEO (2017). SHEF FY 17. Constant 2017 dollars adjusted by SHEEO Higher Education Cost Adjustment

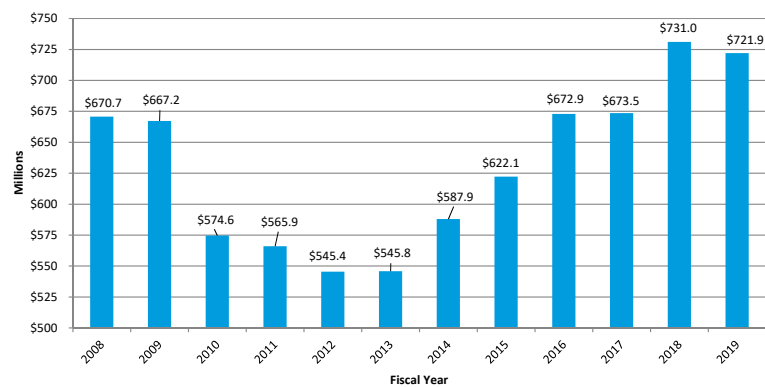


## Recent trends in state support mixed

- State support has increased, but structure of biennial appropriation has not supported ongoing costs
- State support and Board's commitment to affordability is holding down tuition increases

7

## State support for Minnesota State has increased...



8

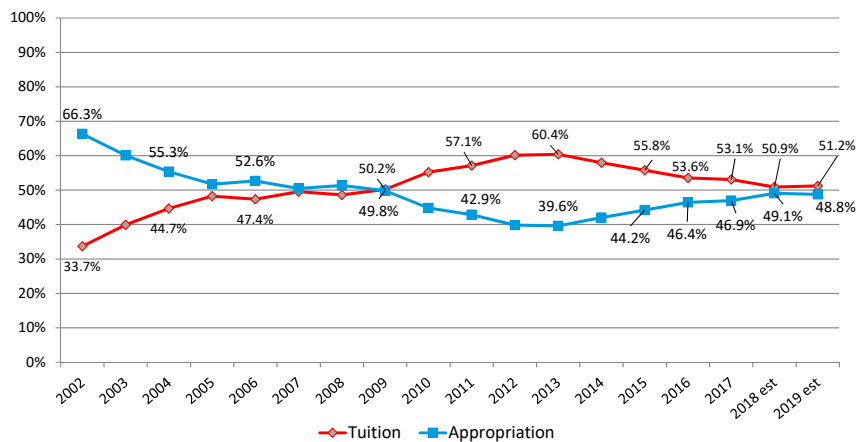
## But so have tuition restrictions

Fiscal Year	Colleges	Universities
2014	Frozen	Frozen
2015	Frozen	Frozen
2016	Frozen	Increase up to 3.7%
2017	Cut 1%	Frozen
2018	Increase up to 1%	Increase up to 4%
2019	Frozen	Frozen

9



## Results in an improved relationship between tuition and state appropriation



10



## Legislative planning cycle

- **2017 session (last session)** FY2018-FY2019 legislative operating request, 2018 supplemental capital program request
- **2018 session (this session)** 2018 capital program request, FY2019 supplemental operating request
- **2019 session (next session)** FY2020-FY2021 legislative operating request, possible 2019 supplemental capital program request

11



## The FY2020-FY2021 legislative request

The Board of Trustees' formal request to the governor and legislature for two years of state operating funds for Minnesota State.

The FY2020-FY2021 biennium begins July 1, 2019 and runs through June 30, 2021.

12



## **Legislative request should support measurable system objectives**

- Support affordability and the completion agenda
- Invest in capacity building initiatives (e.g. Next Gen, student success)
- Address structural deficit

13



## **Strategic organizing principles will shape legislative proposal**

- Student success
- Diversity, equity, and inclusion
- Financial sustainability

14



## Consultation timeline

April	Board and Leadership Council discussion of principles, objectives, and process
March – July	Consultation with all constituent groups; identify emerging themes
August – September	Preparation and continued consultation
October	Framing discussion for Board of Trustees
November	Approval by Board and submission to Governor and MMB

15



## Preliminary resource and cost outlook

	<u>Annual/biannual</u>
One percent state support increase =	\$7.2M/\$14.4M
Five percent state support increase =	\$36M/\$72M
Estimated compensation and operating cost inflation =	\$50M/\$150M
Next Gen Plan =	range of -0- to \$21M/\$42M

16



## Questions for discussion

- Any feedback on the framework for operating request development?
- Are there other strategic themes to consider?

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

**Name:** Finance and Facilities Committee

**Date:** April 17, 2018

**Title:** Contract: Exceeding \$1 Million:  
Insight Public Sector - Microsoft Purchases

**Purpose (check one):**

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

**Scheduled Presenter(s):**

Laura King, Vice Chancellor – Chief Financial Officer



**BOARD OF TRUSTEES  
MINNESOTA STATE**

<b>BOARD ACTION</b>
<b>CONTRACT EXCEEDING \$1 MILLION: INSIGHT PUBLIC SECTOR - MICROSOFT PURCHASES</b>

**BACKGROUND**

Board Policy 5.14, Procurement and Contracts, requires that contracts, including amendments, with values greater than \$1,000,000, must be approved in advance by the Board of Trustees. The action requested in this report concerns a contract with system wide benefit.

**Insight Public Sector - Microsoft Purchases** - The system office is seeking approval to extend the system-wide Microsoft Enrollment for Education Solutions agreement (EES), with Insight Public Sector. The extension would one (1) year, making the contract a total of four (4) years ending June 30, 2019. Insight Public Sector was selected for this agreement from a State of Minnesota master contract. The cost over the four (4) years will not exceed \$8,500,000.

The Microsoft EES provides all Minnesota State campuses and the system office with access to the latest versions of Microsoft software for faculty, staff and students. The Microsoft EES offers educational discounts, electronic distribution of software, and software asset management. System-wide participation assures licensing compliance for both new and legacy software versions. The entire Microsoft catalog of software products is available under this agreement. Products include operating systems, desktop productivity tools, client access licenses, server software, server licenses, and cloud services. Campuses and the system office pay directly to the third party reseller for all costs related to the Microsoft EES.

**RECOMMENDED COMMITTEE MOTION:**

The Board of Trustees authorizes the chancellor or the chancellor’s designee to extend the agreement with Insight Public Sector for a term of one (1) year ending June 30, 2019, for a total term of four (4) years and amount not to exceed \$8,500,000. The Board delegates execution of the contract and all necessary documents to the chancellor or the chancellor’s designee.

**RECOMMENDED BOARD MOTION:**

The Board of Trustees authorizes the chancellor or the chancellor’s designee to extend the agreement with Insight Public Sector for a term of one (1) year ending June 30, 2019, for a total term of four (4) years and amount not to exceed \$8,500,000. The Board delegates execution of the contract and all necessary documents to the chancellor or the chancellor’s designee.

*Date of Adoption:* 04/17/18

*Date of Implementation:* 04/17/18



MINNESOTA STATE

Human Resources Committee  
Closed Session  
April 17, 2018  
4: 00 PM  
McCormick Room

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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.

Closed Session Pursuant to Minn. Stat. § 13D.03 (2017) Closed Meetings for Labor Negotiations Strategy (Minnesota Open Meeting Law) (pp. 1-2)

- Labor Negotiations Strategy

Committee Members:

Dawn Erlandson, Chair  
Rudy Rodriguez, Vice Chair  
Basil Ajuo  
Alexander Cirillo  
Robert Hoffman  
Roger Moe  
Cheryl Tefer

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

**Name:** Human Resources Committee

**Date:** April 17, 2018

**Title:** Closed Session

**Purpose (check one):**

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

**Brief Description:**

The Human Resources Committee will meet in closed session to discuss labor negotiations strategy.

Sue Appelquist, Interim Vice Chancellor for Human Resources  
Chris Dale, Senior System Director for Labor Relations

1 **BOARD OF TRUSTEES**  
2 **MINNESOTA STATE COLLEGES AND UNIVERSITIES**  
3

INFORMATION ITEM
CLOSED SESSION

4  
5 **BACKGROUND**

6  
7 In closed session, the Human Resources Committee will hear the current status of  
8 negotiations and will discuss bargaining strategy.

9  
10 *Pursuant to Minnesota Statutes § 13D.03, Closed Meetings for Labor Negotiations*  
11 *Strategy (Minnesota Open Meeting Law) (2017)*  
12

13  
14 *Date: April 17, 2018*  
15



MINNESOTA STATE

Human Resources Committee  
April 18, 2018  
8:00 AM  
McCormick Room, Fourth Floor

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Note: Committee/board meeting times are tentative. Committee/board meetings may begin up to 45 minutes earlier than the times listed below if the previous committee meeting concludes its business before the end of its allotted time slot.

- 1. Minutes of March 21, 2018 (pp. 1-3)**
- 2. Approval of the Minnesota State College Faculty Bargaining Contract (pp. 4-6)**
- 3. Appointment of President of Ridgewater College (pp. 7-8)**
- 4. Appointment of President of Minnesota State Community and Technical College (pp. 9-10)**
- 5. Appointment of Interim President of Inver Hills Community College and Dakota County Technical College (pp. 11-12)**

Committee Members:

Dawn Erlandson, Chair  
Rudy Rodriguez, Vice Chair  
Basil Ajuo  
Alexander Cirillo  
Robert Hoffman  
Roger Moe  
Cheryl Tefer

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
BOARD OF TRUSTEES  
HUMAN RESOURCES COMMITTEE  
MEETING MINUTES  
March 21, 2018**

---

*Human Resources Committee Members Present: Dawn Erlandson, Chair; Trustees Basil Ajuo, Alexander Cirillo, Robert Hoffman, Roger Moe, and Cheryl Tefer.*

*Human Resources Committee Members Absent: Trustee Rudy Rodriquez*

*Other Board Members Present: AbdulRahmane Abdul-Aziz, Jay Cowles, Amanda Fredlund, Jerry Janezich, George Soule, Louise Sundin, and Michael Vekich.*

*Leadership Council Members Present: Devinder Malhotra, Chancellor; Sue Appelquist, Interim Vice Chancellor for Human Resources.*

The Minnesota State Colleges and Universities Human Resources Committee held its meeting on March 21, 2018, at Wells Fargo Place, 4<sup>th</sup> Floor, Board Room, 30 East 7<sup>th</sup> Street in St. Paul. Chair Erlandson called the meeting to order at 11:04 a.m.

**1. Minutes of January 24, 2018**

*Chair Erlandson called for the motion to approve the minutes of the Human Resources Committee on January 24, 2018. The minutes were moved, seconded and passed without dissent.*

**2. Minutes of February 21, 2018**

*Chair Erlandson called for the motion to approve the minutes of the Human Resources Committee on February 21, 2018. The minutes were moved, seconded and passed without dissent.*

**3. Approval of Minnesota State Colleges and Universities Personnel Plan for Administrators**

Interim Vice Chancellor Appelquist presented an overview of the proposed changes to the Plan, some of which included:

**FY 2018**

The Plan provides for a 2% merit pool for merit increases for Administrators who have been continuously employed in an administrative position for at least the six month period immediately preceding July 1, 2017. Merit increases may be paid as increases to base salary or as one-time lump-sum payments.

**FY 2019**

The Plan provides for a 2% merit pool for merit increases for Administrators who have been continuously employed in an administrative position for at least the six month period immediately preceding July 1, 2018. Merit increases may be paid as increases to base salary or as one-time lump-sum payments.

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

*The Board of Trustees approves the Minnesota State Colleges and Universities Personnel Plan for Administrators for 2017-19, and authorizes the chancellor and his designees to take all measures they deem appropriate to secure the legislative approval to implement the Plan.*

The motion passed without dissent.

**4. Appointment of President of Rochester Community and Technical College**

Chancellor Malhotra stated that Mary Davenport has been serving as interim president of Rochester Community and Technical College since July 1, 2016. In the fall 2017, a national search was initiated for a new president of Rochester Community and Technical College. The executive search firm Pauly Group was retained to assist with the recruitment for this position, and Pat Johns, president of Lake Superior College, served as search chair. After careful consideration of information received from each element of the interview process, Chancellor Malhotra recommended Dr. Jeffery Boyd to serve as the next president of Rochester Community and Technical College.

*The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoints Dr. Jeffery Boyd as president of Rochester Community and Technical College effective July 1, 2018, 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 Minnesota State Colleges and Universities Personnel Plan for Administrators.*

The motion passed without dissent.

**5. Appointment of President of St. Cloud Technical and Community College**

Chancellor Malhotra stated that Lori Kloos has been serving as interim president of St. Cloud Technical and Community College since July 1, 2017. In the fall 2017, a national search was initiated for a new president of St. Cloud Technical and Community College. The executive search firm RH Perry was retained to assist with the recruitment for this position, and Joe Mulford, president of Pine Technical College, served as search chair. After careful consideration of information received from each element of the interview process, Chancellor Malhotra recommended Dr. Annesa Cheek to serve as the next president of St. Cloud Technical and Community College.

*The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoints Dr. Annesa Cheek as president of St. Cloud Technical and Community College effective July 1, 2018, 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 Minnesota State Colleges and Universities Personnel Plan for Administrators.*

The motion passed without dissent.

The meeting adjourned at 11:40 a.m.

Respectfully submitted,  
Pa Yang, Recorder



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

**Name:** Human Resources Committee

**Date:** April 18, 2018

**Title:** Approval of the Minnesota State College Faculty Bargaining Contract

**Purpose (check one):**

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

**Brief Description:**

Board approval of the negotiated terms in the contract is required prior to presenting it for approval by the Subcommittee on Employee Relations.

Minnesota State and Minnesota State College Faculty reached a tentative agreement on March 20, 2018, on their 2017-2019 labor contract. It was approved by a vote of the MSCF membership on \_\_\_\_\_, 2018.

**Scheduled Presenter(s):**

Sue Appelquist, Interim Vice Chancellor for Human Resources  
Chris Dale, Senior System Director for Labor Relations

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

<b>BOARD ACTION</b>
<b>APPROVAL OF THE MINNESOTA STATE COLLEGE FACULTY BARGAINING CONTRACT</b>

1 **BACKGROUND**

2 Minnesota State Colleges and Universities and Minnesota State College Faculty (MSCF)  
3 reached a tentative agreement on March 20, 2018 on their 2017-2019 labor contract. It was  
4 approved by a vote of the MSCF membership on \_\_\_\_\_, 2018. It is now being brought forward  
5 to the Board of Trustees for approval before moving on for legislative approval.  
6

7 **RECOMMENDED COMMITTEE ACTION**

8 The Human Resources Committee recommends that the Board of Trustees adopt the following  
9 motion.  
10

11 **RECOMMENDED MOTION**

12 The Board of Trustees approves the terms of the 2017-2019 labor agreement between  
13 Minnesota State Colleges and Universities and Minnesota State College Faculty (MSCF)  
14 and authorizes Chancellor Devinder Malhotra to sign the agreement on behalf of the Board  
15 of Trustees.  
16

17 *Date of Approval:*  
18

# Minnesota State Colleges and Universities / Minnesota State College Faculty (MSCF)

## Summary of Changes to 2017-19 Agreement

The MSCF and Minnesota State bargaining teams reached a tentative contract settlement for the 2017-2019 Master Agreement at approximately 4:30 p.m. on Tuesday, March 20, 2018.

### Economics:

#### **FY 2018**

- July 1, 2017 – 1.6% ATB for all faculty employed during AY 16-17 and still on the payroll as of July 1, 2017.
- Insurance benefits as negotiated by MMB with the state's classified bargaining units.

#### **FY 2019**

- July 1, 2018 – 2.4% ATB for all faculty employed during AY 17-18 and still on the payroll as of July 1, 2018.
- Faculty who have achieved an equivalent of fifteen (15) continuous years of service will receive a career step increase equal to one step on the salary schedule. Eligible faculty who are at the top of the salary schedule will receive the lump sum equivalent to one step.
- Insurance benefits as negotiated by MMB with the state's classified bargaining units.

**Initial biennial base:** \$803,176,057

**New money in current biennium (without turnover savings):** \$27,196,473

**Percentage increase of new money in current biennium over initial base:** 3.39%

**Percentage increase of new money in next (FY 2018, 2019) biennium:** 5.22%

### **Language:**

- **Added language that recognized the parties' commitment to diversity.**
  - A statement was included in the Preamble of the contract. The new language is not grievable.
- **Language was added to colleges to average a faculty member's assignment over two (2) consecutive years without payment of overload.**
  - The language helps colleges prevent under loading faculty in some situations.
- **Paid Parental Leave language was added to the contract.**
  - Done in a manner similar to the classified contracts.
- **Language was added to provide an incentive for faculty to provided early notification to college administration of their intent to retire.**
  - A faculty member who provides irrevocable early notice of retirement would receive a sum of \$2,000.
- **The language of the Lay-off article was modified to treat both former UTCE and former MCCFA faculty in similar manner.**
  - Under the new language the former UTCE who teach general education courses and former MCCFA faculty members will have the same rights to re-training and claiming of part-time work.

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

**Name:** Human Resources Committee

**Date:** April 18, 2018

**Title:** Appointment of President of Ridgewater College

**Purpose (check one):**

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

**Brief Description:**

It is anticipated that Chancellor Malhotra will recommend an individual for the presidency at Ridgewater College.

**Scheduled Presenter(s):**

Devinder Malhotra, Chancellor

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

<b>BOARD ACTION</b>
<b>APPOINTMENT OF PRESIDENT OF RIDGEWATER COLLEGE</b>

1    **BACKGROUND**

2    It is anticipated that Chancellor Malhotra will recommend an individual for the presidency at  
3    Ridgewater College.

4

5    **RECOMMENDED COMMITTEE MOTION**

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

8

9    **RECOMMENDED BOARD MOTION**

10   The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoints  
11   \_\_\_\_\_ as president of Ridgewater College effective \_\_\_\_\_, 2018, subject to the completion  
12   of an employment agreement. The board authorizes the chancellor, in consultation with the chair  
13   of the board and chair of the Human Resources Committee, to negotiate and execute an  
14   employment agreement in accordance with the terms and conditions of the Minnesota State  
15   Colleges and Universities Personnel Plan for Administrators.

16

17   *Date of Adoption:*                    *April 18, 2018*

18   *Date of Implementation:*

19

20

21

22

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

**Name:** Human Resources Committee

**Date:** April 18, 2018

**Title:** Appointment of President of Minnesota State Community and Technical College

**Purpose (check one):**

Proposed  
New Policy or  
Amendment to  
Existing Policy

Approvals  
Required by  
Policy

Other  
Approvals

Monitoring /  
Compliance

Information

**Brief Description:**

It is anticipated that Chancellor Malhotra will recommend an individual for the presidency at Minnesota State Community and Technical College.

**Scheduled Presenter(s):**

Devinder Malhotra, Chancellor

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

<b>BOARD ACTION</b>
APPOINTMENT OF PRESIDENT OF MINNSOTA STATE COMMUNITY AND TECHNICAL COLLEGE

1 **BACKGROUND**

2 It is anticipated that Chancellor Malhotra will recommend an individual for the presidency at  
3 Minnesota State Community and Technical College.

4  
5 **RECOMMENDED COMMITTEE MOTION**

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

8  
9 **RECOMMENDED BOARD MOTION**

10 The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoints  
11 \_\_\_\_\_ as president of Minnesota State Community and Technical College effective \_\_\_\_\_, 2018,  
12 subject to the completion of an employment agreement. The board authorizes the chancellor, in  
13 consultation with the chair of the board and chair of the Human Resources Committee, to  
14 negotiate and execute an employment agreement in accordance with the terms and conditions of  
15 the Minnesota State Colleges and Universities Personnel Plan for Administrators.

16  
17 *Date of Adoption:* April 18, 2018

18 *Date of Implementation:*

19  
20

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

**Name:** Human Resources Committee

**Date:** April 18, 2018

**Title:** Appointment of Interim President of Inver Hills Community College and Dakota County Technical College

**Purpose (check one):**

Proposed  
New Policy or  
Amendment to  
Existing Policy

Approvals  
Required by  
Policy

Other  
Approvals

Monitoring /  
Compliance

Information

**Brief Description:**

It is anticipated that Chancellor Malhotra will recommend an individual for the interim presidency at Inver Hills Community College and Dakota County Technical College.

**Scheduled Presenter(s):**

Devinder Malhotra, Chancellor



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

**BOARD ACTION**

| APPOINTMENT OF INTERIM PRESIDENT OF INVER HILLS  
COMMUNITY COLLEGE AND DAKOTA COUNTY TECHNICAL COLLEGE

**BACKGROUND**

It is anticipated that Chancellor Malhotra will recommend an individual for the interim presidency at Inver Hills Community College and Dakota County Technical College.

**RECOMMENDED COMMITTEE MOTION**

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

**RECOMMENDED BOARD MOTION**

The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoints \_\_\_\_\_ as interim president of Inver Hills Community College and Dakota County Technical College effective \_\_\_\_\_, 2018, 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 Minnesota State Colleges and Universities Personnel Plan for Administrators.

*Date of Adoption:*                      *April 18, 2018*

*Date of Implementation:*



## **Board of Trustees Meeting**

Wednesday, April 18, 2018

9:00 AM

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Note: Committee and board meeting times are tentative. Meetings may begin up to 45 minutes earlier than the times listed if a 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.

Call to Order

Chair's Report, Michael Vekich

Chancellor's Report, Devinder Malhotra

Consent Agenda

- 1. Minutes, Committee of the Whole, March 20, 2018**
- 2. Minutes, Board of Trustees Meeting, March 21, 2018**
- 3. Approval of the Minnesota State College Faculty Bargaining Contract**
- 4. Contract Exceeding \$1 Million: Insight Public Sector – Microsoft Purchases**

Board Standing Committee Reports

1. Human Resources Committee, Dawn Erlandson, Chair
  - a. Appointment of President of Ridgewater College**
  - b. Appointment of President of Minnesota State Community and Technical College**
  - c. Appointment of Interim President of Inver Hills Community College and Dakota County Technical College**

Student Associations

1. LeadMN
2. Students United

Minnesota State Colleges and Universities' Bargaining Units

1. American Federation of State, County, and Municipal Employees
2. Inter Faculty Organization
3. Middle Management Association
4. Minnesota Association of Professional Employees
5. Minnesota State College Faculty
6. Minnesota State University Association of Administrative and Service Faculty



Board Standing Committee Reports (continued)

2. Audit Committee, Michael Vekich, Chair

- Internal Audit Updates

3. Finance and Facilities Committee, Jay Cowles, Chair

- Framework for FY2020-2021 Legislative Operating Request Development

4. Human Resources Committee, Dawn Erlandson, Chair

Trustee Reports

Other Business

Adjournment

**Bolded items indicate action is required**



## **Board of Trustees Meeting**

### **Consent Agenda**

Wednesday, April 18, 2018

9:00 AM

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Note: Committee and board meeting times are tentative. Meetings may begin up to 45 minutes earlier than the times listed if a 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

- 1. Minutes, Committee of the Whole, March 20, 2018 (pp. 2-10)**
- 2. Minutes, Board of Trustees Meeting, March 21, 2018 (pp. 11-16)**
- 3. Approval of the Minnesota State College Faculty Bargaining Contract (pp. 4-6 of the Human Resources Committee meeting materials)**
- 4. Contract Exceeding \$1 Million: Insight Public Sector – Microsoft Purchases (pp. 21-22 of the Finance and Facilities Committee meeting materials)**

**Bolded items indicate action is required**



**MINNESOTA STATE  
BOARD OF TRUSTEES  
COMMITTEE OF THE WHOLE**  
March 20, 2018  
McCORMICK ROOM  
30 7TH STREET EAST  
ST. PAUL, MN

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***Finance and Facilities Committee Members Present:*** Chair Jay Cowles, Trustees Basil Ajuo, Robert Hoffman, Jerry Janezich, Roger Moe

***Absent:*** Trustees AbdulRahmane Abdul-Aziz, Ann Anaya

***Other Board Members Present:*** Trustees Alexander Cirillo, Dawn Erlandson, George Soule, Louise Sundin, Cheryl Tefer, Michael Vekich

***Cabinet Members Present:*** Chancellor Devinder Malhotra, Senior Vice Chancellor Ron Anderson, Vice Chancellor Laura King

The Minnesota State Committee of the Whole held its meeting on March 21, 2018 in the 4th Floor McCormick Room, 30 East 7th Street in St. Paul, MN.

Chair Vekich called the meeting to order at 1:10 p.m. There was a quorum.

## **1. National Trends in Higher Education**

Senior Vice Chancellor Ron Anderson presented.

At its retreat in September, the board engaged in discussion about the work of its committees during fiscal year 2018. During that discussion, the board stressed the need to ensure that committees and the board as a whole are focusing on the most important local and national strategic issues that are impacting higher education and the work of Minnesota State's colleges and universities. There were similar discussions at the Leadership Council retreat in September. The organizing principles that guide the system's work were reaffirmed. They are: 1) the success to students, 2) commitment to diversity, equity, and inclusion, and 3) the financial sustainability of the colleges and universities.

Subsequent planning and discussion underscored the need for a broad scanning of the national education landscape in order to identify the current and emerging issues and themes, and to ensure that our system priorities continue to address the most salient issues facing our students, communities, and the state. This included:

- A January joint session for the Board of Trustees and Leadership Council led by George Mehaffy, Vice President for Academic Leadership and Change with the American

- Association of State Colleges and Universities (AASCU),
- As well as a review of more than a dozen higher education professional associations, advocacy organizations, and key publications to identify key policy issues and national initiatives.
  - This work will be augmented this spring with an additional joint session for the Board of Trustees and Leadership Council in May which will be led by Sylvia Stout, President of Achieving the Dream initiative.

As a result of this work over the last 6-7 months, the Academic and Student Affairs division identified key themes and an organizing framework for considering current and future board and committee work. An initial version of this organizing framework was shared with the Board of Trustees Executive Committee on January 10, 2018. During discussions at that meeting it was recommended that there be broader committee discussion of the framework, and that the scope of the initial review be broadened to include additional organizations and updated to reflect the emerging priorities for 2018.

The six national trends and issues that emerged from our initial scanning:

1. The value and purpose of higher education
2. Student success, enrollment, and changing student demographics
3. Innovation and quality in curriculum, programming, services, and operations
4. Campus climate
5. Disinvestment in public higher education
6. Affordability and student debt

Additional issues of national concern emerging in 2018 include:

1. Federal policy
  - Includes issues of regulation, accreditation reform, the reauthorization of the Higher Education Act, and
2. Leadership and change
  - Includes issues of leadership development, change leadership, and support for presidents

There were different sources that were reviewed and themes were identified. In some instances, these source organizations explicitly enumerate top trends and issues. Trustee Hoffman commented that reducing cost to post-secondary was not included in the national trends and issues list. Senior Vice Chancellor Anderson responded that they fall under #3 Innovation and quality in curriculum, programming, services, and operations.

The organizing framework offered in the board material is an example of how the board may consider the salient national issues in relation to its committee work moving into next year.

Within that context a few observations are:

1. There is significant overlap and interconnectivity between the work of the committees, there is an opportunity for greater integration and cross-committee planning and discussion.
2. Some of the themes are addressed more fully in this year's work than others. This framework provides greater visibility into that alignment, and suggests a discussion about whether or not additional work or emphasis within a specific area is warranted.

It helps at the system level for vice chancellors to think about how the divisions' align. The following questions were posed to the board for discussion:

1. Does this framework provide a useful structure for organizing current and future board and committee work?
2. Are there additional issues or themes that the board would like to see added to the framework?
3. How might this organizing framework engender new discussion and work planning for the coming year?

There were questions on the National Issues and Trending Themes in Higher Education chart that was provided in the board material:

Trustee Cirillo commented that the target could be used for the system in order to take a look at what is happening around the country, then bring solutions for consideration. This should teach new ways of behaving and should be giving new ideas for innovation.

Trustee Hoffman commented that the two things which are two important issues across the country that should be included are: 1) reduce to cost and 2) driving competency driven outcomes.

Trustee Erlandson commented on the value and purpose of higher education. There was a survey that came out which shows the partisan difference in the view of the value of higher education. There is some overlap in areas that interact with students like developmental education redesign. If a better job is done it makes college more affordable and takes less time, therefore demonstrating greater value of higher education. Trustee Erlandson asked for an explanation on the column. Senior Vice Chancellor Anderson responded in placing the indicator (x) and aligning the agenda items to the columns, the theme is about the public narrative of higher education and the public's understanding of the value of higher education.

There are connections to different initiatives. There is a need for us to be explicit in the value of education that we bring beyond private education.

Trustee Erlandson agreed and asked about the response of the survey data and whether it is known that the respondents see a public and private good. If the students see it they will talk about the value. On the public narrative, what is the ROI for the State of Minnesota.

Vice Chancellor King responded that the economic impact analysis engagement is about to get launched. The information will be updated and refreshed from five years ago at the system and campus level for the next legislative session. Chair Vekich asked what the previous number used was and whether an economist was engaged. Vice Chancellor King responded that she recalled \$7 or \$8 to one. Noelle Hawton, Laura Urban, Jaime Simonsen and Vice Chancellor King reviewed proposals from a variety of firms that use the same basic econometric instrument and are all able to provide desired data.

Trustee Erlandson asked whether the report is looking at the multiplier at short-term. Vice Chancellor King responded the consultants are being asked to provide an activity value. It won't be just a short-run. Chancellor Malhotra responded to Trustee Erlandson's question about methodology and the multiplier effect that is used. The study will measure both the dollar that is spent for education by the students and the spending of our employees. The student's expected life cycle earnings are compared to the educational costs for the student. These are fairly highly returns; there is nearly a 30% premium in earnings for individuals who obtain an associate's degree as compared to high school graduates, and up to a 50-60% premium for those who earn a bachelor's degree. This explains in part why the value of higher education traditionally has been viewed as a catalyst for upward social and economic mobility. In recent years there has been significant national attention given to quantifying this mobility. Under Senior Vice Chancellor Anderson's leadership, we are participating in a national study being undertaken by economists at Brown University, examining the impact of degree attainment on the economic mobility of Minnesota State students.

Chair Vekich asked whether there is a ranking that will illustrate the economic impact of our system compared to others. Vice Chancellor King indicated that she would search for that information but is not aware of it.

Returning to the main presentation, Trustee Tefer asked whether the Minnesota Alliance for Nursing Education can be listed under the sub sections under academic and student affairs for review. Senior Vice Chancellor Anderson responded yes. A presentation around the nursing education model can be provided to the board, in relation to the ongoing discussion about



collaborative campus and regional planning. This project is producing guidelines/principles and tools for collaborative academic and facility planning, program development, and delivery.

Trustee Cirillo asked whether or not there were other issues of importance to the system that are not captured in the themes identified in the board materials. Senior Vice President Anderson responded the topics are broad and cover the most salient issues facing higher education nationally. The important upcoming work for the system is determining how to best address the changes necessary to respond to these issues. This work is closely tied to issues of culture, leadership and change management, understanding our history and culture relative to these themes, and determining how to effectively pivot and move to the next stage of maturation as a system.

Trustee Moe commented that greater attention is needed in the area of meeting the state's needs for a trained workforce. Doing so will address financial sustainability, student success, and inclusion and diversity in the workforce. The business community, which benefits from an educated workforce, needs to be more involved and integrated into the process. Chancellor Malhotra agreed with Trustee Moe and noted that as institution of higher learning, the focus has been on regular programming but not always on its relevance to work life efforts. That is the kind of work that is needed as we think of innovation and quality in curriculum design and programming.

Trustee Hoffman asked how we will work into the framework issues of competition and the legislature, which will play a significant role our future. Senior Vice Chancellor Anderson responded that there are a number of strands that cut across these topics, and that we will work to identify those strands within the proposed framework.

Trustee Cirillo commented when this was discussed at the retreat, the purpose was to get aligned with recognizing what's happening on a global basis. Economic development, workforce development are important aspects of our work, but are not themselves emerging issues or themes as defined in this context.

In examining the theme areas, Trustee Cowles questioned whether or not board should reconsider its current committee structures, noting that current committees are aligned with operational functions and compliance rather than critical issues in higher education. He noted that the columns of the proposed framework represent the most salient issues facing leadership and suggested that the board consider restructuring committees around the themes as a means of ensuring cross-functional conversation and considerations across each issue area.

Chancellor Malhotra made closing remarks that the premise of the work is to develop a framework to add focus and intentionality to the work and recognize the overlap which exists among the focus and work of the committees. The purpose of presenting this item is to see if the framework can be used as a guide to organize work for the upcoming year. Chancellor and Senior Vice Chancellor Anderson will follow up on the discuss ideas from this meeting.

Senior Vice Chancellor Anderson commented that this is very exciting conversation on how to get out of the traditional ways of functioning and thinking about our work. This offers a new way of looking at how we can best transform our work to better serve our students and communities across the state.

## **2. Next Gen Update**

Vice Chancellor Padilla was accompanied by Senior Vice Chancellor Anderson, Vice Chancellor King, and Presidents Angelia Millender, Century College and Scott Olson, Winona State University.

Vice Chancellor Padilla introduced the topic focusing the discussion on Next Gen project management and board oversight. The discussion will cover:

- Project Objective – to provide and enhance student experience, and future-proof technology investment
- Project Design summary
- Review of dashboard template
- Communication plan/ frequency of communication

The project objective is to “Provide an enhanced student experience and “future proof” our technology investment. Vice Chancellor King spoke on the project budget. The project is in Phase 1 which is financed with assistance received from the legislature last session. They provided \$4 million a year in base funds beginning in FY2018It is anticipated that Phase 1 will be finished next May. Phase 2 involves installing the new product. That will start in FY2020 when the full finance plan is in place.

The Governor recommended \$8.5M for Next Gen in FY2019 to be added to the \$4M approved as of FY2018. The staff will come back to the board in the fall to discuss FY2020 and FY2021 funding.

Senior Vice Chancellor Anderson provided highlights on the discussion at the board level over the last several years. New since the last board presentation is the formation and initiation of the campus based working teams. The teams will kick off in May and are focused on defining current practices. It is anticipated that 200 campus people will be involved in the Phase 1 business process review over the next nine months.

The Phase 1 project organizational structure was reviewed with the committee including the special attention to the reporting and analytics role which is becoming increasingly important. The project will provide reporting and feedback to the board with a monthly status report.

Trustee Erlandson asked whether the reference to student success and admissions and recruitment on the organizational structure include retention. Vice Chancellor Padilla responded yes. They tend to align with the modules in a typical ERM package. Each area will get more granular.

Trustee Cowles commented that the board should remain apprised on how the reporting and analytics and information technology might drive functional change in the system office and on the campuses. This is a critical skill set. It is hoped that data access and privacy will also be reviewed.

Chancellor Malhotra commented that there is a broader discussion around data and analytics. Strategy was informed by data. Vice Chancellor King commented that there will be changes across the organizational structure. Jobs, skill sets and the way the work gets done will change.

Chair Cowles commented on the status report. Time compression was recognized. Maybe there is an opportunity for building cross-functional team coordination and education. Vice Chancellor Padilla responded that is part of the change management strategy and the coordinating committee is made up of leads so that as decisions are made, they are heard across the organization.

Trustee Tefer asked whether there is multi-campus participation and whether the project management team are faculty and staff. Vice Chancellor Padilla responded that the team leads will be made up of subject matter experts from across institutions.

Trustee Soule asked how many commercial software vendors are in the market that would fit our needs. Vice Chancellor Padilla responded that we have not started looking at software. That will be at the end of Phase 1. He expects there may be six or less software vendors capable of supporting an organization our size.

Senior Vice Chancellor Anderson provided the key milestones that will be updated regularly.

Vice Chancellor King commented that there will be quarterly board presentations and monthly email communications of updates. There will be a participant SharePoint site as well as a SharePoint site for employees with information as the project advances.

The project's next milestones are:

- June 2018: Current State definitions complete
- September 2018: Future State Workshops underway
- January 2019: Future State definitions complete

Chair Vekich commented that it would be helpful if the SharePoint site was made available to the trustees and asked for a clear definition of what will be reported to the trustees on a monthly basis.

Trustee Cowles asked about the work continuing during the summer and what aspects will continue throughout the year. Vice Chancellor King responded that there will be continuous work being done between June and September.

Chair Vekich asked about the timeline on the system office and campus project contribution and asked for more explanation of how that allocation will work. Vice Chancellor King responded that the campus contribution will occur in FY2019 if the 2018 legislative request is not successful and the allocation information has been provided to the campuses. The allocation methodology will be detailed in the May board report when the system's 2019 operating budget is brought forward to the board.

Trustee Vekich asked whether there are accountability details that haven't been addressed at the meeting. Vice Chancellor Padilla reminded the board that internal audit is also actively engaged in the Steering committee and will be reporting from a risk and ERM standpoint.

Trustee Cirillo asked whether there will be project cost accounting by function or campus. Vice Chancellor King responded the only campus cost will be loaned labor. The project cost will be carried at the project level.

The Presidents were asked to comment. President Olson commented the steering committee is advantaged because President Millender has been through a system implementation. The request for team members went to the campuses a few weeks ago. At the moment, people who work with student records are highly motivated to work on this change. This is the biggest thing that the system will do together over the next five years. There may be moments when processes have to change and people may get discouraged but there is no choice in order to avoid the collapse of the ISRS system.

President Millender concurred with President Olson. The high end users are welcoming the change. Some of the other college constituents who don't use it often will need to be bought into the change. Faculty will need to understand a lot more about the system and there will be some resistance to the time and costs of the project. It is hoped that there is a lot of momentum going into the project. There should be communication on value and need. In speaking from experience, the Minnesota State approach to this project is much better than her past experience

at two systems which were much smaller. The change management process or Phase 1 process was not engaged in her prior experience. It will be a challenge, but there has been many successful implementations of an ERP change at institutions across the nation.

Trustee Janezich referred to the charts and pointed out that the faculty wasn't part of the first group. Senior Vice Chancellor Anderson had a conversation with two of the state wide faculty leaders last week about the project.

There were no further comments.

The meeting adjourned at 2:10 p.m.

Respectfully submitted  
Maureen Braswell, Recorder

**Minnesota State Colleges and Universities**  
**Board of Trustees Meeting Minutes**  
**St. Paul, MN**  
Wednesday, March 21, 2018

Present: Chair Michael Vekich, Vice Chair Dawn Erlandson, Treasurer Jay Cowles, and Trustees Basil Ajuo, Ann Anaya, Alex Cirillo, Amanda Fredlund, Bob Hoffman, Jerry Janezich, Roger Moe, George Soule, Louise Sundin, Cheryl Tefer, and Chancellor Devinder Malhotra

Absent: Trustees AbdulRahmane Abdul-Aziz and Rudy Rodriguez

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**Call to Order**

Chair Michael Vekich called the meeting to order at 12:30 pm. He welcomed everyone and acknowledged Trustee Ann Anaya who participated by phone.

**Chair's Report, Michael Vekich**

- **Approval of Chancellor Devinder Malhotra's Employment Contract for 2018-2021**

Chair Vekich called the question and the following motion was approved unanimously.

*The Board of Trustees approves the terms and conditions of Chancellor Devinder Malhotra's employment contract for August 1, 2018 through July 31, 2021, and authorizes the board chair to execute the contract.*

Chair Vekich discussed the terms of the standard contract for Chancellor Devinder Malhotra.

**Chancellor's Report, Devinder Malhotra**

Thank you, Chair Vekich, Vice Chair Erlandson, and members of the board, for your continued confidence in me to lead Minnesota State as its chancellor. I have been humbled by the outpouring of encouragement and support I have received from across our system and from the community at large.

As I prepared my remarks for today, I did so fully recognizing that this is my first time addressing the board as its permanent chancellor. As permanent chancellor, there is a freedom and simultaneously a weight placed on one's shoulders.

As the interim chancellor, I primarily focused on the foundational work needed to be done to ready the system for the work ahead. What excites me about being Minnesota State's permanent chancellor is that I now have greater flexibility and space to move the system forward in an accelerated manner, and I have the timeframe to see this work through.

Students, faculty, staff, and all stakeholders can continue to count on true and authentic communication and consultation, and know that ultimately I stand ready to make the difficult decisions that are necessary to strategically position Minnesota State.

In a few short weeks, along with trustees, we will be joining campus leaders and students, faculty, staff, and families at the most important event of the year – the more than 50 graduation ceremonies across the state where more than 20,000 students will receive degrees, certificates, and diplomas.

That is a powerful symbol of the great work our colleges and universities are doing. It is one of the things that tells us that the system is not broken. However, we owe it – to those graduates and future graduates and the citizens of Minnesota who will need us more than ever – to be relevant and financially sustainable for generations to come.

For too long we have been trying to push a change agenda within the existing modes of operation, seriously impairing the ability of our change initiatives to be successful. This is the very reason that I have engaged in conversations with the faculty this year to begin the examination of different modes of teaching and learning that we – together – can be working towards.

I was once told that if you stay in the same lane going too slow, you will get run over. In drawing from my own experiences as a professor, dean, provost, and president, I can tell you first hand that if you stand in the middle of the road you will get run over from both directions. The speed and nimbleness by which we embrace the challenges ahead, keeping quality front and center, will determine our success.

Over the next few weeks, I will have conversations with presidents and cabinet, and I will continue to engage and seek direction from this board about the important work ahead and the steps that we need to undertake together to build the foundation and capacity to address our challenges and opportunities.

A critical component of those conversations is what it means to be part of a system, because our success is and will be measured as a system. In order to be successful, on the one hand, we need to work through where we are and where we need to aggressively scale up our operations; while on the other hand, we need to personalize and customize the experience of each and every student.

Hence, our conversation on the systemwide strategic repositioning must start with reflection on the role the system office plays in facilitating and supporting systemwide success. Our colleges and universities are the ones responsible for the education of our students by providing them with quality experiences in and out of the classroom. As I've shared in many conversations over the last eight months, the historic purpose of a centralized office was to provide accountability frameworks and assurances to governing structures and to the state that public resources were being used efficiently and effectively.

Along with accountability and assurances of functionality, the system office needs to enhance and deepen its leadership capacity to better coordinate the work that will make

our institutional boundaries porous and augment the capacity of our colleges and universities to manage and accelerate the change that must occur.

However, I should note that it's not just the leadership that the system office provides that needs to be examined. The very type of leadership that I am talking about needs to be present in the operational and organizational structures at our colleges and universities. In this regard, there are two areas that we need to begin addressing: first, data mining and data analysis, and second, embedding innovative and strategic approaches in all we do.

As I have shared with you, the Leadership Council has focused our work on student success, honing in on the information and data we use to measure that success. By the end of summer, our intention is to complete a new metrics framework that will provide our colleges and universities with the information they need to advance student success on their campuses. That framework will be part of our evaluation process the following year.

In our innovative and strategic planning work, we need to recognize that we are at a critical moment in higher education. How we use data not only informs strategy but often become strategy in and of itself. It is imperative that we build a comprehensive data strategy for the system, and support unique data strategies for individual campuses.

I am not by any means suggesting that we have not engaged in strategic planning. The truth is we all get buried in the day-to-day just trying to keep up with meetings, budgets, and being active members of our communities.

My point is, strategic planning is not embedded in our day-to-day operations. We simply cannot have a series of retreats and think that we have a plan and that we have mapped a path for our campuses and the system. The landscape of higher education is littered with such strategic plans that didn't go anywhere. We must have individuals who wake up every morning and think about these important issues, where change and innovation is not episodic but integral to our culture and operational structures. This kind of thinking needs to permeate everywhere in our organization. We need to encourage risk taking, learn from our failures, and incorporate risk assessment and management in all our strategies.

In consultation with the board and the board chair, I will be moving quickly to enhance that work and put the team in place. I look forward to working with you all to build this enterprise out, because either we lead or we follow.

None of this will be easy. I hear loud and clear from the board that this work must be done and it must be done quickly. I completely get your sense of immediacy and urgency. Our success will depend on everyone at our colleges and universities and the system office engaging in this work.

There will be tough decisions that we need to be ready to make. I, for one, am ready to lead this work.



On a personal note, over the last two weeks, as I was sorting out my thoughts, I had reached back to the writings of John Maynard Keynes, who was not only an economist of note, but also a political philosopher, and did some writings in the philosophy of science. I was struck by a sentence I read the other day: "The difficulty lies not so much in developing new ideas as in escaping from old ones."

### **Consent Agenda**

Chair Vekich called for a motion to approve the Consent Agenda.

*The consent agenda carried unanimously.*

- 1. Minutes, Executive Committee Meeting, January 10, 2018**
- 2. Minutes, Committee of the Whole, January 23, 2018**
- 3. Minutes of Board of Trustees Meeting, January 24, 2018**
- 4. Minutes, Special Board of Trustees Meeting, February 21, 2018**
- 5. Minutes, Special Board of Trustees Meetings, February 27, 28 and March 2, 2018**
- 6. Mission Statement: Central Lakes College**
- 7. FY2020 Capital Program Guidelines for 2020 Capital Program and 2019 Revenue Fund Bond Sale (Second Reading)**
- 8. Approval of Minnesota State Colleges and Universities Personnel Plan for Administrators**
- 9. Contracts Exceeding \$1 Million**
  - a) Oracle Cloud Services**
  - b) Individual Emergency Messaging System Software**
  - c) Normandale Community College, Parking Lot Reconstruction**
  - d) MSU, Mankato, Student Union HVAC Upgrade**

### **Board Policy Decisions (Second Reading)**

#### **Proposed Amendment to Policy 8.3 College, University and System Related Foundations**

*Chair Vekich called for a motion to approve the Proposed Amendment to Policy 8.3 College, University and System Related Foundations. The motion carried unanimously.*

### **Board Standing Committee Reports**

1. Human Resources Committee, Dawn Erlandson, Chair
  - a. Appointment of President of Rochester Community and Technical College**

The following motion was approved unanimously:  
*The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoints Dr. Jeffery Boyd as president of Rochester Community and Technical College effective July 1, 2018, 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 Minnesota State Colleges and Universities Personnel Plan for Administrators.*

Dr. Boyd thanked the board and the chancellor.

**b. Appointment of President of St. Cloud Technical and Community College**

The following motion was approved unanimously:

*The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoints Dr. Annesa Cheek as president of St. Cloud Technical and Community College effective July 1, 2018, 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 Minnesota State Colleges and Universities Personnel Plan for Administrators.*

Dr. Cheek thanked the board and the chancellor.

**Student Associations**

Students United; Faiçal Rayani, state chair and Kayla Shelley, member, St. Cloud State University Student Association, addressed the Board of Trustees.

**Minnesota State Colleges and Universities' Bargaining Units**

There were no comments from any of the bargaining units.

**Board Standing Committee Reports (continued)**

2. Joint Academic and Student Affairs and Finance and Facilities Committees  
Alex Cirillo and Jay Cowles, Co-chairs
  - Collaborative Campus and Regional Planning Update  
Committee Co-chair Alex Cirillo reported that President Connie Gores, Southwest Minnesota State University, and President Terry Gaalswyk, Minnesota West Community and Technical College, are collaborating to create regional planning to present to the board level.
3. Finance and Facilities Committee, Jay Cowles, Chair  
Committee Chair Cowles reported that the committee had a valuable discussion regarding the HEAPR funding.
4. Academic and Student Affairs Committee, Alex Cirillo, Chair  
Committee Chair Cirillo reported that Senior Vice Chancellor Ron Anderson gave a presentation on closing the gap between different racial, ethnic, and socioeconomic student groups for student success. We received the mission and vision statement from Central Lakes College and the tag line is: "We Build Futures."
  - a. Student Success Update
  - b. Proposed Amendment to Policy 2.8 Student Life (First Reading)
  - c. Proposed Amendment to Policy 3.7 Statewide Student Association (First Reading)
  - d. Proposed Amendment to Policy 3.24 Institution Type and Mission, and System Mission (First Reading)

**Trustee Reports**

Trustee Louise Sundin invited everyone to the Nellie Stone Johnson Scholarship auction and dinner on March 22, 2018.

Trustee Amanda Fredlund reported that LeadMN just returned from their student advocacy trip in Washington, D.C with about 50 students.

Chair Vekich mentioned the list of commencement ceremonies will be distributed soon and encouraged everyone to sign up for as many as you like.

The chancellor has been working with his team to invite Dr. Karen Stout, president and CEO of Achieving the Dream, to our May meeting with board and leadership council.

The next board meeting is April 17-18, 2018, and several trustees are up for confirmation on April 19, 2018.

The meeting adjourned at 1:25 pm.

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Ingeborg K. Chapin, Secretary to the Board

## Minnesota State Acronyms

AACC	American Association of Community Colleges
AASCU	American Association of State Colleges and Universities
ACCT	Association of Community College Trustees
ACE	American Council on Education
AFSCME	American Federation of State/County/Municipal Employees
AGB	Association of Governing Boards of Universities and Colleges
API	Application Programming Interface
AQIP	Academic Quality Improvement Program
ASA	Academic and Student Affairs
BPAC	Business Practices Alignment Committee
CAG	Cross-functional Advisory Group
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
COE	Centers of Excellence <ul style="list-style-type: none"><li>• Advance IT Minnesota</li><li>• 360° Manufacturing and Applied Engineering Center of Excellence</li><li>• HealthForce Minnesota</li><li>• Minnesota Center for Engineering and Manufacturing Excellence (MNCEME)</li><li>• Center for Agriculture - Southern Minnesota</li><li>• Minnesota Agriculture Center for Excellence – North – AgCentric</li><li>• Minnesota Energy Center</li><li>• Minnesota Transportation Center</li></ul>

CRM	Constituent Relationship Management
CSC	Campus Service Cooperative
CST	Collaborative Sourcing Team
CTF	Charting the Future
CTL	Center for Teaching and Learning
CUPA	College and University Personnel Association
DARS	Degree Audit Reporting System
DEED	Department of Employment and Economic Development
DOA	Department of Administration
DOER	Department of Employee Relations (merged with MN Management and Budget)
EEOC	Equal Employment Opportunity Commission
EIC	Enterprise Investment Committee
ERP	Enterprise Resource Planning
FERPA	Family and Educational Rights and Privacy Act
FIN	Finance
FTE	Full Time Equivalent
FUG	Financial User Group
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
HR-TSM	Human Resources Transactional Service Model

IAM	Identity and Access Management
IDM	Identity Management (Old term)
IFO	Inter Faculty Organization
iPASS	Integrated Planning and Advising for Student Success
IPEDS	Integrated Postsecondary Education Data System
ISEEK	CareerWise Education
ISRS	Integrated Statewide Records System
IT	Information Technology
ITS	Information Technology Services
LTFS	Long-term Financial Sustainability
MAPE	Minnesota Association of Professional Employees
MDOE	Minnesota Department of Education
MDVA	Minnesota Department of Veterans Affairs
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	Students United (previously known as MSUSA or 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
SAG	Services Advisory Group
SCUPPS	State College and University Personnel/Payroll System
SEMA4	Statewide Employee Management System
SER	Subcommittee on Employee Relations
SHEEO	State Higher Education Executive Officers
SME	Subject Matter Experts
USDOE	United States Department of Education
USDOL	United State Department of Labor