



MINNESOTA STATE

Board of Trustees

30 East 7th Street
St. Paul, MN 55101

651-201-1705

Board of Trustees Meetings June 18-19, 2019



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



Revised June 7, 2019

Board of Trustees Meeting

June 18-19 2019

Minnesota State

30 East 7th Street

St. Paul, Minnesota

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, June 18, 2019

8:00 am Board of Trustees Study Session, Michael Vekich, Chair

- Reimagining Minnesota State

11:00 am Audit Committee, Michael Vekich, Chair

- 1. Minutes of March 19, 2019**
- 2. Approval of FY2020 Internal Audit/Project Plan**
- 3. Contract Over \$1 Million: Annual Baker Tilly Contract Amendment**
4. Compliance Practices Assessment Advisory Project Report
5. Enrollment Forecasting Advisory Project Report

12:30 pm Lunch, Conference Rooms 3304/3306

1:00 pm Diversity, Equity, and Inclusion Committee, Rudy Rodriguez, Chair

- Campus Climate Update

1:30 pm Joint Human Resources and Diversity, Equity, and Inclusion Committees,
Jay Cowles and Rudy Rodriguez, Co-chairs

- Minnesota State Faculty and Staff Diversity: Current Demographics and Strategies

2:15 pm Outreach and Engagement Committee, Dawn Erlandson, Chair

- 1. Minutes of April 16, 2019**
2. Strategic Recruitment of High School Graduates: Normandale Community College and Minnesota State University, Mankato
3. Engagement with Philanthropic Partners: Pine Technical and Community College and SPIRE Credit Union and Riverland Community College and The Hormel Foundation

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- 3:45 pm Academic and Student Affairs Committee, Alex Cirillo, Chair
1. **Minutes of May 22, 2019**
 2. **Approval of Mission Statement: Northwest Technical College**
 3. **Proposed Amendments to Board Policies (Second Readings)**
 - a. **2.3 Student Involvement in Decision-Making**
 - b. **3.36 Academic Programs**
 - c. **3.8: Students Complaints & Grievances**
 4. Guided Learning Pathways – Part II: Transfer Pathways and Credit for Prior Learning
- 5:00 pm Meeting Ends
- 5:30 pm Dinner (Social event, not a meeting)

Wednesday, June 19, 2019

- 9:00 am Facilities Committee, Jerry Janezich, Chair
1. **Minutes of May 21, 2019**
 2. **FY2020 Capital Program Recommendations (Second Reading)**
- 10:00 am Finance Committee, Roger Moe, Chair
1. **Minutes of May 21, 2019**
 2. **Contracts Exceeding \$1 Million:**
 - a. **Guaranteed Energy Savings Program, Hennepin Technical College, Brooklyn Park and Eden Prairie**
 - b. **Admissions Recruitment Software Contract, Minnesota State University, Mankato**
 - c. **Library Information Software and Services (PALS)**
 3. **Students United Fee Renewal (Second Reading)**
 4. **FY2020 Annual Operating Budget (Second Reading)**
 5. **FY2020 Capital Program Recommendations (Second Reading)**
 6. **Revenue Fund Current Refunding Bond Sale (Second Reading)**
- 11:00 am Committee of the Whole, Michael Vekich, Chair
1. **NextGen Phase 2, Including Finance Plan (Second Reading)**
 2. NextGen Project Risk Review #4
- 12:00 pm Lunch, Conference Rooms 3304/3306
- 12:45 pm Human Resources Committee, Jay Cowles, Chair
1. **Minutes of May 22, 2019**
 2. Proposed Amendment to Board Policy 4.2: Appointment of Presidents (First Reading)
 3. **Appointment of Interim President of Saint Paul College**
 4. **Appointment of Interim President of Northeast Higher Education District**
 5. **Appointment of Interim President of North Hennepin Community College**

1:30 pm Board Meeting, Michael Vekich, Chair

3:30 pm Meeting Ends

Bolded items indicate action is required



Committee Roster
2018-2019

Executive

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

Academic and Student Affairs

Alex Cirillo, Chair
Cheryl Tefer, Vice Chair
Ashlyn Anderson
Dawn Erlandson
Jerry Janezich
Rudy Rodriguez
Louise Sundin

President Liaisons:

*Hara Charlier
Connie Gores*

Audit

Michael Vekich, Chair
April Nishimura, Vice Chair
Bob Hoffman
Jerry Janezich
George Soule

President Liaisons:

*Richard Davenport
Pat Johns*

Diversity, Equity, and Inclusion

Rudy Rodriguez, Chair
Louise Sundin, Vice Chair
AbdulRahmane Abdul-Aziz
Ashlyn Anderson
Jay Cowles
April Nishimura
George Soule

President Liaisons:

*Anne Blackhurst
Sharon Pierce*

Facilities

Jerry Janezich, Chair
George Soule, Vice Chair
Roger Moe
Louise Sundin
Samson Williams

President Liaisons:

*Faith Hensrud
Barbara McDonald*

Finance

Roger Moe, Chair
Bob Hoffman, Vice Chair
AbdulRahmane Abdul-Aziz
Ashlyn Anderson
Jerry Janezich
April Nishimura
Samson Williams

President Liaisons:

*Richard Davenport
Joe Mulford*

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Human Resources

Jay Cowles, Chair
Cheryl Tefer, Vice Chair
Alex Cirillo
Dawn Erlandson
Bob Hoffman
Roger Moe
Samson Williams

President Liaisons:

*Ginny Arthur
Adenuga Atewologun*

Nominating Committee

Members will be named later

Ad Hoc Committee on Outreach and Advocacy

Dawn Erlandson, Chair
Louise Sundin, Vice Chair
AbdulRahmane Abdul-Aziz
George Soule
Rudy Rodriguez

President Liaisons:

*Rassoul Dastmozd
Scott Olson*

Chancellor Review

Michael Vekich, Chair
Jay Cowles, Vice Chair
Dawn Erlandson
Bob Hoffman



Approved FY2019 and FY2020 Board Meeting Dates

The FY2019 and FY2020 meeting dates are listed below. The calendar is subject to change. Changes to the calendar will be publicly noticed.

FY2019 Meeting Calendar

Meeting	Date	If agendas require less time, these dates will be cancelled.
Board Meeting/Joint Meeting with Leadership Council	July 25-26, 2018	July, 26, 2018
Added: Special Meeting - Executive Committee	August 21, 2018	
Added: Special Meeting – Board Meeting	August 31, 2018	
Orientation and Board Retreat	September 18-19, 2018	
Cancelled: Executive Committee	October 3, 2018	
Committee / Board Meetings	October 16-17, 2018	October 16, 2018
Cancelled: Executive Committee	November 7, 2018	
Committee / Board Meetings	November 13-14, 2018	November 13, 2018
Added: Special Meeting – Chancellor Performance Review Committee (Closed Session)	November 19, 2018	
Cancelled: Executive Committee	January 2, 2019	
Rescheduled: Executive Committee	January 9, 2019	
Committee / Board Meetings Joint Meeting with Leadership Council	January 29-30, 2019	January 29, 2019

Meeting	Date	If agendas require less time, these dates will be cancelled.
Cancelled: Committee/Board Meetings due to weather	January 30, 2019	
Rescheduled: Executive Committee	March 6, 2019 <u>March 5, 2019</u>	
Committee / Board Meetings	March 19-20, 2019	March 19, 2019
Cancelled: Executive Committee	April 3, 2019	
Committee / Board Meetings/ Awards for Excellence in Teaching	April 16-17, 2019	
Executive Committee	May 1, 2019	
Committee / Board Meetings	May 21-22, 2019	May 21, 2019
Cancelled: Executive Committee	June 5, 2019	
Committee / Annual Board Meetings	June 18-19, 2019	June 18, 2019

FY2020 Meeting Calendar

Meeting	Date	If agendas require less time, these dates will be cancelled.
Board Meeting/Joint Meeting with Leadership Council	July 23-24, 2019	
Orientation and Board Retreat	September 17-18, 2019	
Executive Committee	October 2, 2019	
Committee / Board Meetings	October 15-16, 2019	October 15, 2019
Executive Committee	November 6, 2019	
Committee / Board Meetings	November 19-20, 2019	November 19, 2019
Executive Committee	January 8, 2020	
Committee / Board Meetings Joint Meeting with Leadership Council	January 28-29, 2020	

Meeting	Date	If agendas require less time, these dates will be cancelled.
Executive Committee	March 4, 2020	
Committee / Board Meetings	March 17-18, 2020	March 17, 2020
Executive Committee	April 1, 2020	
Committee / Board Meetings Awards for Excellence in Teaching	April 21-22, 2020	
Executive Committee	May 6, 2020	
Committee / Board Meetings	May 19-20, 2020	May 19, 2020
Executive Committee	June 3, 2020	
Committee / Annual Board Meetings	June 16-17, 2020	June 16, 2020



MINNESOTA STATE

Board of Trustees

30 East 7th Street
St. Paul, MN 55101

651-201-1705

Board of Trustees

Study Session

June 18, 2019

8:00 am

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.

Tuesday, June 18, 2019, McCormick Room

8:00 am Study Session, Michael Vekich, Chair

- Reimagining Minnesota State



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**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Board of Trustees Study Session

Date: June 18, 2019

Title: Reimagining Minnesota State

Purpose (check one):

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

Brief Description:

In September 2018, the Board of Trustees launched Reimagining Minnesota State as a process of discovery and discussion about the trends impacting the future of higher education and how Minnesota State colleges and universities might address those trends through strategic innovation. A Forum Advisory Group was created and over the course of the winter and spring five forums were convened on Minnesota State campuses to hear from national and local experts who shared their experiences and insights as catalysts for systemwide conversations. Thousands of individuals took part in the Forum Sessions either in person or on-line. In addition, feedback was received from campus-based conversations and an online survey.

The Report on Reimagining Minnesota State summarizes the themes that developed over the course of the project and it is the topic of the study session.

Scheduled Presenters:

Dr. Terry MacTaggart

Dr. Lisa Foss

Chair Michael Vekich

Chancellor Devinder Malhotra

President Ginny Arthur

President Joe Mulford

Forum Advisory Group Members: Kenneth Holmen and MayKao Hang



REIMAGINING MINNESOTA STATE



Report on Reimagining Minnesota State

Board of Trustees

June 2019

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A Letter from Chair Michael Vekich and Chancellor Devinder Malhotra

The Board of Trustees of the Minnesota State Colleges and Universities began Reimagining Minnesota State as an effort to understand the external forces that are impacting our ability to educate our students and how we might work more collaboratively and innovatively as a system to respond to these challenges.



REIMAGINING
MINNESOTA STATE

The *Report on Reimagining Minnesota State* summarizes the themes that developed from our conversations across five public forums that investigated in-depth specific topics impacting our future. It highlights areas of innovation that are occurring across the country and within our own system that we might expand as we position Minnesota State to play an active role in shaping the future of higher education in Minnesota and the nation.

More importantly, the report attempts to capture the ideas, values, and aspirations of the many stakeholders within our system and to reflect our commitment to provide a transformative education that empowers people to build better lives and more sustainable communities.

Through this process, we have clarified and reinforced that in a reimagined Minnesota State:

- » Our students are at the center of our system and have access to a high quality, relevant education in their community and the full resources of the Minnesota State system.
- » Our diverse set of interdependent institutions form a rich ecosystem of educational opportunities that meet students where they are and create multiple pathways to move seamlessly to their next level of education and their next level of career.



Report on Reimagining Minnesota State

- » Our expanded partnerships with statewide and community organizations and industries ensure we are preparing individuals to be successful members of the workforce and leaders and contributing members of their communities.
- » We strengthen our communities through the knowledge, creativity, and civic engagement of our faculty, staff and students.

We would like to thank the many individuals who engaged in the Reimagining Minnesota State process – college and university presidents, statewide and campus bargaining and student leaders, the Forum Advisory Group, the national speakers who shared their wisdom and experience, and the thousands of individuals who took the time to participate in the Forum Sessions, campus-based conversations, and the online survey. Each in their own way, challenged the ideas that were emerging through the Reimagining process to ensure that as we layout our priorities and next steps, we do so in a way that is consistent with our core values and places the success of our students and communities at the center of our work.

As you read the *Report on Reimagining Minnesota State*, remember this is the first step in a continual and ongoing process of transformation with a goal of positioning Minnesota State as the highest performing system of higher education in the country, not for our own sake but because it is what our students and the people of Minnesota need and deserve.

The ideas in the Reimagining Minnesota State report must be discussed and debated by the board and further refined by the leadership across our system. This is where the real work begins and will require the engagement and commitment of our entire Minnesota State community.

We look forward to our continued work together.

Sincerely,



Michael Vekich, Chair
*Minnesota State Colleges and
Universities Board of Trustees*



Devinder Malhotra, Chancellor
*Minnesota State Colleges and
Universities*

Executive Summary

In September 2018, the Minnesota State Board of Trustees launched Reimagining Minnesota State as a process of discovery and discussion about the trends impacting the future of higher education and how Minnesota State might proactively address those trends through strategic innovation. The process included the Forum on Reimagining Minnesota State, which brought national and local speakers to Minnesota State campuses to share their experiences and insights as catalysts for systemwide conversation.

The following *Report on Reimagining Minnesota State* captures key themes and ideas that emerged from the five topical Forums and the conversations that occurred as a result of the Emerging Themes report that was distributed in April 2019. The report is organized in four sections.

Section 1: Background on Reimagining Minnesota State provides a brief overview of the original purpose of Reimagining Minnesota State and the organizing questions that drove the conversations. The section also includes descriptions of each Forum session and the bios of the Reimagining Minnesota State Forum Advisory Group (pages 4-11).

Section 2: Major Themes from the Forums on Reimagining Minnesota State summarizes the major ideas presented at the Forum sessions, including the external drivers and forces that are impacting higher education and Minnesota State and examples of innovations and emerging practices that were highlighted throughout the forums (pages 12-25).

Section 3: Student Ideas for the Future of Higher Education captures the result of conversations with student leaders in LeadMN and Students United in which they provided their thoughts on the future of higher education and the needs and expectations of students in the next 10 years (pages 26-29).

Section 4: Reactions to Emerging Themes Report summarizes the comments and feedback received from members of the Minnesota State community to the major ideas expressed through the Reimagining Minnesota State Emerging Themes Report. Feedback was collected through campus-based discussions, conversations with campus presidents and faculty and staff leadership, and through an online survey. Section 4 includes comments and suggestions specific to the ideas presented in the Emerging Themes, a summary of the values and commitments that our educational community believes is central to our work as educators, and a set of general observations and recommendations for the next steps of Reimagining Minnesota State (pages 30-38).

Section 1: Background on Reimagining Minnesota State

Reimagining Minnesota State: Envisioning our Next 20 years

The law creating Minnesota State was passed by the Minnesota Legislature in 1991 and went into effect July 1, 1995. Fast-forward 20 years. Minnesota State’s campuses and programs have grown and changed to meet the local and regional needs of our students and communities. At this important milestone, we are pausing to reflect on the purpose of Minnesota State as a system of public higher education and how it should best serve our students and the people of Minnesota now and in the future.

Through Reimagining Minnesota State, we are asking essential questions about what it means to be a public higher education system and what its role ought to be in an environment of rapid and accelerating change. We are taking stock of the progress we have made in our first 20 years as a comprehensive system, and we are identifying what future students and Minnesotans need from Minnesota State for the next 20. We are rethinking our system office operations to understand how to facilitate an interdependent network of colleges and universities focused on the success of all students and communities in Minnesota, regardless of home institution.

We are Reimagining Minnesota State because even as the world around us changes, we must ensure that we are true to our core values and delivering on our unique value proposition to the State of Minnesota and that all of our students benefit from high quality education that positions them for future success.



MINNESOTA STATE

“Minnesota State is an interdependent network of vibrant colleges and universities committed to collectively nurturing and enhancing a civically engaged, socially mobile, and economically productive Minnesota. As a system, we foster the success of all students, no matter where they are enrolled, and support the vitality of all Minnesota communities, no matter where they are located.”

– Chancellor Devinder Malhotra, Minnesota State

Reimagining Minnesota State: Three Big Questions

Through the Forum on Reimagining Minnesota State, we learned together and responded to the three big questions presented by the chair of the Minnesota State Board of Trustees that would inform the future of the system.

1. *What is Minnesota State's unique value proposition to the State of Minnesota?*

What are the key educational, economic, and social goals that Minnesota State must address to create a better way of life for all people of Minnesota?

2. *How does Minnesota State foster a culture of innovation, collaboration, and partnership as we share responsibility for the achievement of our key goals?*

How do we empower our employees and students to experiment with and collaborate on innovative approaches to move the needle on our key goals?

3. *How do we leverage our "systemness" to the benefit of our students and the state?*

What is the unique role of our public higher education system that makes the system more than the sum of our parts? How does Minnesota State act more like an interdependent network that fosters the success of all students no matter where they are enrolled and supports the vitality of all Minnesota communities no matter where they are located? How will we offer diverse educational delivery methods and continue to attract and serve a more diverse student population.

Reimagining Minnesota State Forum Advisory Group

Reimagining Minnesota State was guided by a Forum Advisory Group consisting of Minnesota leaders known for their success in leading change in complex organizations. The Forum Advisory Group participated in each of the Forum sessions and provided guidance and reflection on Minnesota State's role in the larger Minnesota society and economy.



Kathleen Annette, M.D., a lifelong resident of rural Minnesota, has served as Blandin Foundation president and CEO since 2011. Prior to joining Blandin Foundation, she worked for 26 years with the nation's Indian Health Service at many levels. As Deputy Director of Field Operations, she led the healthcare field operation overseeing 15,000 federal employees at 48 hospitals and 238 health clinics serving 1.9 million American Indian patients. During this time, she received two Presidential Meritorious Awards and a Presidential Distinguished Service Award. Dr. Annette holds a M.D. from the University of Minnesota and is her tribe's first Ojibwe woman to become a physician.

Report on Reimagining Minnesota State



MayKao Hang, president and CEO of the Amherst H. Wilder Foundation in Saint Paul. She has extensive experience in the public and nonprofit sectors serving low income and disadvantaged populations, and is committed to courageous action to promote and create an equitable society where everyone can prosper. Dr. Hang is a trustee with the Saint Paul and Minnesota Community Foundations, a board member of the Minnesota Historical Society, a founding member of the Coalition of Asian American Leaders (CAAL) in Minnesota, and former board chair of the Minneapolis Federal Reserve Bank. She holds a bachelor's degree from Brown University, a master's degree from the Hubert H. Humphrey School of Public Affairs, and a doctorate from Hamline University.



Kenneth Holmen, M.D. has served as the president and chief executive officer of CentraCare Health since January 1, 2015. He is responsible for providing leadership and strategic direction of CentraCare Health and its 12,000 employees for the establishment, maintenance, and enhancement of quality health services in accordance with the mission, philosophy, and values of the organization. CentraCare Health includes six hospitals, seven long term care facilities, and 18 clinics in 11 communities in Central Minnesota, and a Family Practice Residency Program affiliated with the University of Minnesota. Dr. Holmen holds a M.D. from the University of Minnesota Medical School.



Neel Kashkari, president and chief executive officer of the Federal Reserve Bank of Minneapolis. He was instrumental in establishing the Minneapolis Fed's Opportunity & Inclusive Growth Institute, whose mission is to improve the economic well-being of all Americans. In previous roles, Kashkari served at the U.S. Department of the Treasury, including overseeing the Troubled Asset Relief Program (TARP) during the financial crisis, and earlier in his career as an aerospace engineer, he developed technology for NASA missions. He holds a bachelor's and a master's degree from the University of Illinois at Urbana-Champaign and an MBA from the Wharton School at the University of Pennsylvania.

“Reimagining Minnesota State is being informed by a Forum Advisory Group consisting of Minnesota leaders known for their success in driving strategic innovation. We are very grateful to have developed such a diverse and accomplished group of advisors to help guide this work.”

– Chair Michael Vekich

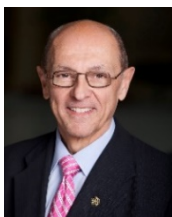
Report on Reimagining Minnesota State



David Mortenson is chairman of M. A. Mortenson Company, a privately-held international design and construction company headquartered in Minneapolis. He leads a business that specializes in everything from renewable energy to sports stadiums and hospitals to data centers. David served as the Combat Information Center Officer on board the USS Hewitt. He is a graduate of Colgate University and the U.S. Navy Surface Warfare Officer's School. Outside of the office, David serves as a trustee on the University of Minnesota Foundation board, as a board member on Minnesota Business Partnership, as a member of the Itasca Project (former chair), and as a corporate director with Bedford Technologies. He also served as a founding board member of GreaterMSP and as a trustee with the Minneapolis Foundation.



R.T. Rybak, president and CEO of The Minneapolis Foundation, a role in which he oversees the management of nearly \$800 million in assets; the administration of more than 1,200 charitable funds created by individuals, families, and businesses; and the average annual distribution of more than \$70 million in grants. He spent almost 30 years working in journalism, the commercial real estate business, publishing, and the Internet before being elected mayor of Minneapolis (2002-2013). Most recently, he served as Executive Director of Generation Next, a coalition of civic, business and school leaders focused on closing the racial achievement gap in Minneapolis and Saint Paul. Rybak holds a bachelor's degree from Boston College.



Michael Vekich (Chair) served on the Minnesota State Colleges and Universities Board of Trustees since 2010, and has served as chair since 2015. He also previously served from 1996 to 2002, during which he served as Chair from 1997 to 2001. He is the CEO of Vekich Chartered, chairman of the Minnesota Sports Facilities Authority, and director of BNC National Bank. He serves as president and board member of the Bank Holding Company Association, president of the National Association of Corporate Directors, and as a member of the Hennepin County Capital Budgeting Task Force. Previously, he served as acting director of the Minnesota Lottery; chairman of HF Financial Corp, and Home Federal Bank; executive chairman, president, and COO of Skyline Exhibits; CEO of Vekich Arkema and Company; chair of the Minnesota Board of Accountancy; a member of the Rochester Higher Education Development Committee; and as a founding member and vice chair of the Minnesota Higher Education Services Council. He holds an associate degree from Hibbing Community College and a bachelor's degree from the University of Minnesota.

Report on Reimagining Minnesota State



Roger Moe served on the Board of Trustees of Minnesota State since 2016, and is the current president of National Strategies, Inc. He previously served 32 years in the Minnesota Legislature, including 22 years as Senate Majority Leader. His legislative accomplishments include the creation of Minnesota State Colleges and Universities, the Minnesota Job Skills Partnership, the Midwest Higher Education Commission, and the Environmental Trust Fund. He also served as vice president of Coleman/Christison, Inc., and as a mathematics teacher and coach at Ada High School. He is a former member of the Policy Consensus Initiative Board of Directors, Debate Minnesota, the Minnesota Twins Community Fund Governance Committee, and the Minnesota Job Skills Partnership Board. He earned his bachelor's degree from Mayville State University and an Honorary Doctor of Laws Degree from the University of Minnesota for his years of public service.



Alex Cirillo has served on the Board of Trustees of Minnesota State Colleges and Universities since 2012. He was the vice president of community affairs for 3M prior to his retirement in 2010. He had worked in different roles at 3M since he joined the company in 1979. He currently serves on the Board of Directors for the Wilder Foundation and MinnCAN, and has been a member of the Itasca Project's working team since 2007. Previously, he served on the Board of Directors for the BioBusiness Alliance of Minnesota. Cirillo holds a bachelor's degree in chemistry from Catholic University of America and a master's degree and doctorate in chemistry, both from the University of Wisconsin-Milwaukee.



Devinder Malhotra was named Minnesota State chancellor in 2018 after first serving as interim chancellor. Previously, Dr. Malhotra was interim president of Metropolitan State University and provost and vice president of academic affairs at St. Cloud State University. He served as dean of the College of Arts and Sciences at University of Southern Maine and as associate dean of the Buchtel College of Arts and Sciences, chair of the Department of Economics, and chair of the Faculty Senate at the University of Akron. He holds a doctorate in economics from Kansas State University and bachelor's and master's degrees in economics from the University of Delhi in India.

Forum on Reimagining Minnesota State Topics and Speakers

From December 2018-April 2019, Minnesota State hosted five topical forums as an opportunity to complete an in-depth study and discussion about the big questions and the significant external forces impacting the future of Minnesota State. Through the forum sessions, guest presenters were invited to share their research and perspectives on the session topic to spur discussion among the Forum Advisory Group and across the Minnesota State system. Through the Forum on Reimagining Minnesota State, we investigated the "three big questions" through the unique lens of the discussion topic. The forum reports captured the perspectives and insights on these questions. Together, these discussions created a rich information set that will inform the Minnesota State board and chancellor as they create a strategic agenda for the future of Minnesota State.

Briefing papers, recordings, and summaries of each Forum on Reimagining session are found on the [Reimagining Minnesota State website](#).

Session 1 Speakers

Nathan Grawe

Author of *Demographics and the Demand for Higher Education*

Chris Miller

Senior Vice President,
Educational Advisory Board

Jon McGee

Author of *Breakpoint: The Changing Marketplace for Higher Education*

Session 1: The Forces Impacting U.S. Higher Education

The first forum session provided an overview of the forces that are shaping and disrupting higher education across the country and Minnesota. Through presentations by higher education researchers on topics related to changing demographics, competition, funding models, and student needs and expectations, *Session 1: The Forces Impacting Higher Education* served as a common framework by which the Minnesota State community and Forum Advisory Group members discussed the critical questions about how Minnesota State will deliver on our unique value proposition to the students and the State of Minnesota now and in the future.

Session 2: The Digital Age: The Impact and Future Possibilities Offered by Data and Technology

The second forum session explored the impact data and technology on the future of higher education. Presenters shared how emerging technologies, data analytics, and artificial intelligence are reshaping learning, student support, and operations and are changing expectations for delivery among students and employers. Session 2 explored the ways the higher education industry is reacting, adapting, and thriving through technology-driven innovation in a rapidly changing environment.

Session 3: The Nature of Work: Changing Careers, Competencies, and Credentials in the Future

The third forum session considered the changing nature of work and the workforce of the future as the realities and opportunities of technology, automation, and globalization impact different industries and professions. Session 3 provided opportunities to discuss how organizations are innovating and building capacity among their workforce in order to meet these changing skills and expectations.

Session 2 Speakers

John O'Brien

President and CEO of EDUCAUSE

Tiffany Mfume

Assistant Vice President for Student Success and Retention at Morgan State University

Peter Smith

Orkand Endowed Chair and Professor of Innovative Practices in Higher Education at University of Maryland University College

Session 3 Speakers

Heidi Rai Kraemer

Senior Manager for Corporate Citizenship, IBM Corporation

Chauncy Lennon, Ph.D.

Vice President for the Future of Learning and Work, Lumina Foundation

Terry Rhodes

Vice President, Office of Quality, Curriculum, and Assessment, Association of American Colleges and Universities

Session 4 Speakers

Timothy Renick

Senior Vice President for Student Success and Professor at Georgia State University and Recipient of the 2018 McGraw Prize in Higher Education

Kristen Hodge-Clark

Vice President of Best Practice and Innovation, Association of Governing Boards

Richard A. DeMillo

Executive Director, Center for 21st Century Universities at Georgia Tech

Session 5 Speakers

Bridget Burns

Executive Director, University Innovation Alliance

Louis Soares

Chief Learning and Innovation Officer, American Council on Education

Session 4: The Student: Emerging Populations and Changing Needs and Expectations

The fourth forum session dove into the changing nature of students and the demographic, generational, social, and economic forces that are impacting student needs and enrollment patterns in the future. Session 4 created opportunities to discuss how differing student populations bring different needs and learning and service expectations to higher education settings and how institutions are responding to serve those needs in innovative and impactful ways.

Session 5: Innovative Models: Improving Quality, Increasing Access and Reducing Costs through Systemwide Innovation

The fifth forum session focused on how organizations and industries are balancing the necessary but at times competing goals of serving new student needs, improving quality and outcomes, and reducing costs. Session 5 explored how higher education institutions are approaching the creation of new and innovative educational and business models that support student success.

Section 2: Major Themes from the Forums on Reimagining Minnesota State

External Drivers of Change

Throughout the forum sessions, a set of themes emerged that represent significant external forces that are likely to impact Minnesota State and around which we will need to address in the future.



The students served by Minnesota State are changing and competition is increasing.

- » Institutions should anticipate a 10-15% decline in traditional enrollments by 2026
- » Enrollment growth will be in diverse and post-traditional student populations and in continuing lifelong career education that will require new approaches to delivery and support
- » Achieving equity in access and outcomes and reducing the opportunity gap is an imperative
- » The diversity of students served will require multiple and differentiated types of delivery options and academic and personal support
- » Competition for traditional and non-traditional students will increase in the next five years as more institutions compete for a shrinking traditional student, and more non-traditional providers enter the market and compete for students pursuing non-traditional and alternative credentials

Cost is impacting access and completion.

- » Students are funding greater portions of their education as public funding models have shifted
- » Financial challenges and ability to pay for tuition, learning materials, housing, food, and transportation are significant factors in non-completion
- » This issue will only grow as Minnesota State serves increasing numbers of students from low income and first-generation households
- » Addressing costs using traditional methods will be difficult given educational delivery is people dependent with fixed infrastructure

- » More holistic student support will need to include approaches to addressing housing and food insecurity, mental health support, and extended services such as child care

Students have complex educational and support needs that require personalized approaches.

- » Students enter at common entry points but with varying levels of experience and preparedness
- » The system is complex and students may not understand how to access the full resources of the system to achieve their own personal and professional goals
- » Changing student and employer expectations have impacted the types of credentials that are in demand and how they are developed
- » Delivering high quality, consistent outcomes and student experiences will be more difficult as higher education delivery becomes more complex and differentiated
- » Becoming student-ready institutions will require additional work with high schools to improve college readiness

Technology is changing expectations for educational delivery and student support.

- » Technology has changed how curriculum and programs are delivered and how and where learning occurs
- » Technology has lowered the barrier to entry and has brought new, non-traditional competitors into the market
- » Students are increasingly immersed in online and application-based services which are changing their expectations about access and service delivery

Technology provides opportunities to improve the student experience and meet changing student expectations. According to a recent EDUCAUSE survey of students:

- » 46% say they get more actively involved in courses that use technology
- » 78% agree that the use of technology contributes to the successful completion of courses
- » 79% say technology helps them ask instructors questions
- » 71% say technology helps them engage in the learning process
- » 69% say technology helps them work with other students on class projects
- » 65% say technology helps them participate in group activities
- » 82% of students want a blended learning environment (only 10% want all or nothing)
- » 60% of students want early alerts, lecture capture, and free, web-based supplemental content

- » Artificial intelligence and machine learning are changing both delivery of programs and services and the skills needed in the workplace

Students will need access to ongoing education throughout their careers.

- » Lifelong learning will become a necessity for ongoing career success
- » More rapidly changing environments will require continuous realignment between educational outcomes and careers and the development of new forms of credentials
- » Industries, professions, and community organizations will need educational partners as they strive to adapt to their own changing environments
- » All learners will need an education grounded in both data and technology literacy and more advanced competencies, such as communication, critical thinking, creativity, problem-solving, teamwork, intercultural knowledge and civic engagement

Innovation Themes and Examples of Emerging Practices

Throughout the Forum on Reimagining Minnesota State, presenters shared examples of emerging practices that are occurring at institutions of higher education across the country. These emerging practices, combined with the innovations that are already occurring at Minnesota State institutions, provide opportunities for collaborative initiatives to impact student success and respond to the external forces impacting our institutions and system.

Predictive Analytics and Technology-enabled Student Support

Institutions are experimenting with providing an integrated network of easily accessible, technology-enabled academic and support services to support student success and completion. These systems are built on advanced predictive analytics and communications platforms that allow for personalized advising and targeted interventions.

Georgia State University's Student Success Programs

Georgia State University has developed a comprehensive student success strategy that leverages technology, predictive analytics, and targeted interventions to positively impact retention and graduation rates.

These include:

- » A Student Portal to guide students through steps of admission and registration
- » AI-based Chatbots to provide 24/7 responses to frequently asked questions to provide students access to more routine information. Student questions and interactions are analyzed to identify opportunities for improved processes and services

Report on Reimagining Minnesota State

- » GPS Advising with EAB using predictive analytics and a system of more than 800 alerts to track all undergraduates daily, to identify at-risk behaviors and to have advisers respond to alerts by intervening in a timely manner to get students back on track
- » Registration Tracking and Academic Maps to aid registration and timely completion
- » Block schedules to provide simplified choice for students
- » Real-time Academic Guides with Live Jobs Data to inform career and major choices
- » Panther Retention Grants to help cover modest financial shortfalls affecting the students' ability to pay tuition and fees to prevent students from stopping their studies or dropping out

For additional information, visit [Georgia State Student Success Programs](#).

“Instead of pointing fingers at others, we did something that was initially uncomfortable but then ultimately liberating. We put the mirror on ourselves and asked if we were the problem. If 7 out of 10 students were leaving with debt and no degree to show for it, what are we doing to contribute to these very high dropout rates?”

- Tim Renick, Georgia State University

Morgan State University Technology-enabled Case Management

Morgan State has created a technology-enabled case management approach to support student persistence and completion. Through this effort, they experienced an 11 pt. gain in retention and graduation rates. Through the case management approach, staff members act more like social workers to provide personalized support and responses to their students. They have developed mini-grants to support students who have stopped out as a way to encourage them to come back and complete. Through their Office of Student Success and Retention (OSSR) they are focusing on advising and degree planning, faculty development and course redesign, and financial strategies to support student completion. For additional information, visit the [Morgan State University Office of Student Success and Retention](#) site.

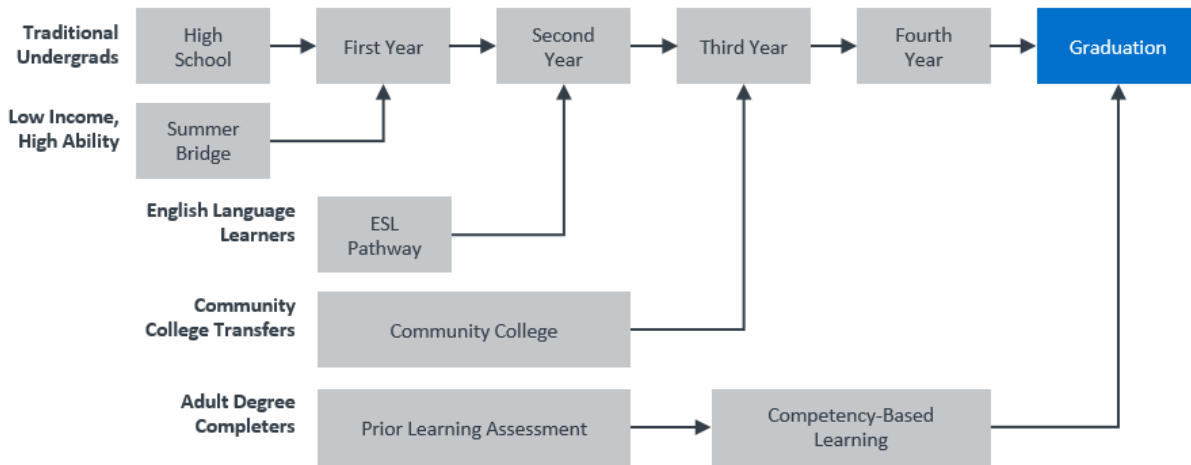
St. Cloud State University Navigate

St. Cloud State University joined EAB's Navigate platform (formerly Student Success Collaborative) to improve campus engagement, retention, and graduation rates of students by empowering faculty and staff to better support all of our students. Through Navigate, SCSU faculty and staff can identify and engage at-risk students before their time to degree is significantly increased, before they can no longer afford to attend, and before they decide to leave St. Cloud State. Improving communication strategies and expanding use of predictive analytics helps ensure that students who enroll at St. Cloud State stay enrolled, make timely progress toward a degree, and graduate with a strong sense of purpose. For additional information, visit the [St. Cloud State Navigate](#) site.

Personalized Navigation and Degree Completion

Increasingly, students are moving through degree completion with different goals, needing different type of support, and accumulating learning experiences at different institutions. As individual pathways to degrees become more complex, creating transparent, personalized navigation for students will be critical to assist them in degree completion.

A Model for Recruiting and Graduation Non-Traditional Students



A Wealth of Public Policy Advantages

- Widen recruiting funnel
- Assess readiness
- Maintain selectivity
- Increase diversity
- Improve success rates
- Generate revenue

Franklin University Transfer Portal

Franklin University has developed an app-based, self-service transfer portal that provides students personalized information on their transfer status, including transferrable credits, progress toward general education, major, and elective requirements, estimated time-to-degree, estimated cost-to-degree, and suggested course corrections to save time and money. For additional information, visit the [Franklin University Transfer Portal](#) site.

University of Central Florida's Direct Connect Program

UCF has created a regional density strategy. They have an anchor campus and have created 11 other center facilities on partner two-year college campuses. They provide services such as advising, library, financial aid, and testing services. These are lower cost facilities with rich technology that offer hybrid and online program opportunities for 4-yr completers. For UCF, Direct Connect begins in high schools where counselors provide advising to high school students about course selection to support 2-yr college success. Students complete select AA degrees that are mapped to eight meta-majors at UCF, which maximize credit transfer and progress toward 4-yr degree. For additional information, visit the [University of Central Florida's Direct Connect Program](#) site.

LinkedIn College and Career Explorer App

LinkedIn is developing a "College and Career Explorer App" that will provide personalized career advice and provide suggestions for the best institutions for you based on your interests and profile and the career paths and experiences of other LinkedIn members. For additional information, read the 2010 LinkedIn blog post, [LinkedIn Career Explorer: Helping College Graduates Find Their Career Path](#).

Minnesota State Transfer Pathways

Minnesota State Transfer Pathways are designed so students can complete a specific associate degree at a Minnesota State college and transfer to a Minnesota State university to earn a bachelor's degree without losing credits or taking extra courses. Teams of faculty, staff and administrators have developed disciplinary pathways for 27 different subject areas ranging from business to psychology to mechanical engineering that smoothly transition students from colleges to university in the Minnesota State system. Pathways now exist for 27 different subject areas ranging from business to psychology to mechanical engineering. For additional information, visit the [Minnesota State Transfer Pathways](#) site.



Differentiated Delivery and Alternative Credentials

Responding to the changes brought about by technology and artificial intelligence, especially the need for individuals to reskill over the life of their career, is putting pressure on higher education institutions to develop new ways to validate learning. Alternative credentials are seen as one way for individuals to provide clearer signals to employers about specific skills and to provide greater flexibility and customization by the individual learner.

“Today 2 out of 3 jobs require at least some post-secondary training and that trend will continue. Fewer and fewer entry-level jobs will be available to people with just a high school diploma. Without education beyond high school, individuals are having a harder time getting what we call ‘good jobs.’”

– Chauncey Lennon, Lumina Foundation

Industry Verticals

The Educational Advisory Board reports that “Industry Verticals” are an emerging practice by institutions to respond to changing workforce needs. Industry Verticals provide modularized content by industry that can be customized for specific organizations and industry sectors. The combination of “mix-and-match” modules and specialized curriculum allow for customized programs that match the needs of diverse industry sectors.

Amazon Higher Education

Amazon is reportedly exploring the higher education industry by providing a large catalog of on-demand and online courses. They are developing alternative payment options, including subscription and loyalty programs, and are using their vast data resources to provide personalized recommendations based on an individual’s past history, types of courses based on similar profiles, to create career-track modeling that creates learning maps based on educational paths of professionals in the field, and to build courses and credentials that are endorsed by employers.

Ashland University “Try Before You Buy” Approach

Ashland University is experimenting with creating a low-risk entry point for potential students in the form of a “try before you buy” model for graduate education. Through “TeachingAmericanHistory.org”, Ashland provides free online resources, webinars, lesson plans, and study guides for teachers and students. Individuals can earn one credit for lesson plans they develop from TAH content and are eligible to take a free face-to-face course after enrolling in the program. After the free course, students complete a hybrid master’s program in 15-25 months. For additional information, visit the [Teaching American History](#) site.

Riverland Community College and Minnesota State University, Mankato – FlexPace

FlexPace at Riverland Community College is a mastery-based online program that caters to the needs of working adults and their employers. FlexPace allows business students to work full-time while advancing through their business courses at a pace that accommodates their busy schedules. They interact with the curriculum and the instructor and do not advance from one lesson to the next until they have demonstrated mastery of concepts. Area businesses are enrolling up to 20 employees at a time. The program has expanded to the baccalaureate level at Minnesota State University, Mankato. For additional information, visit the [Riverland Community College FlexPace](#) site.

High-quality Learning Experiences

Even as industries change and new technical capacities are identified, there is a growing recognition that all graduates, regardless of credential, need an education that includes both liberal learning and practical skills. The both/and model that provides marketable skills and encourages intellectual resiliency and flexibility will be necessary in order to navigate the rate of change in American society and to enjoy a successful career and social and economic mobility over a lifetime. This will require a rethinking of how to infuse critical thinking, communication, writing, problem solving, and a comfort and facility in diverse environments across all educational experiences and how to purposefully integrate practical skills into our liberal arts degrees.

“Technology is driving the emergence of the “hybrid economy.” When we think about the impact of AI, we get worried about the artificial but need to focus more on the intelligence or the human element. Hybrid jobs are fast growing, high paying, and are hard to fill. If we do not think about how to create progressive educational pathways, hybrid economy jobs are not going to be available to an increasing number of individuals.”

- Terry Rhodes, AAC&U

AAC&U High Impact Practices

The Association of American Colleges and Universities (AAC&U) has conducted extensive research on the educational impact of integrating high impact practices (HIPs) into the learning experiences of students. HIPs, which include service learning, undergraduate research, internships and diversity/global experiences, create opportunities to connect learning and application. HIPs have been demonstrated to significantly improve learning and engagement. It is believed that HIPs results in the development of higher order thinking skills (analysis, synthesis, evaluation, application) because students spend significant time on task, engaged with peers and faculty, and receive more frequent feedback. For additional information, visit the [AACU High-Impact Educational Practices](#) site.

VALUE Institute

Institutions and systems are under increasing pressure to document and communicate the high quality learning that is occurring on their campuses. Through a collaboration between the State Higher Education Executive Officers (SHEEO) and AAC&U and institutions in multiple states, including Minnesota, the VALUE Institute was created as a mechanism for institutions and systems to measure, validate, and communicate student learning in a way that recognizes the importance of authentic student and faculty work. For additional information, visit the [VAACU VALUE Institute](#) site.

Northeastern University – Just for You Undergraduate Experience

Northeastern University is developing two innovative approaches to delivering a high quality, future-oriented education. The “Just-for-You Undergraduate Experience” provides flexibility for students to complete their education, including flexible timelines and course structures, embedding multiple opportunities for experiential learning, stackable credentials, and access to a mentor network. The Lifelong Learning Network is being built for graduates of the institution that include membership subscription pricing, an online knowledge sharing portal, a lifelong career support portal, and coursework embedded at partner companies. In order to make this move, they invested in student and employer CRM, smart scheduling, and credentialing and assessment tools. For additional information, visit the [Northeastern University Northeastern 2015](#) site.

Minnesota State University Moorhead – Engaged Learning

Minnesota State University Moorhead’s Bachelor in Business Administration offers flexibility but requires engaged learning. Students must choose at least one experiential learning component (e.g., internship, experiential learning program, study abroad, job shadowing) as part of their degree.

Advanced Data and Technology Applications

Technology and data have the potential to impact all administrative and academic functions and transform the experience of students and employees. There is great excitement that technology will finally allow institutions to break the “iron triangle” of affordability, quality, and access – three critical factors that institutions have struggled to simultaneously address.

Open Educational Resources/E-textbooks:

The textbook is undergoing a remarkable change, including the fact that texts are not necessarily books or text-based information. According to a recent EDUCAUSE survey, 48% of students wish faculty would use more e-texts and 65% of students sometimes don't buy books for their classes because they can't afford them.

Central Lakes College – OER Accelerator

Central Lakes College has created the first Z-Degree (zero textbook cost degree) in Minnesota State. As a result, students can attain an AA without ever paying for a textbook. This program has positioned CLC as a system-leader in open educational resources (OER), and from the OER Accelerator sprung a teaching circle program that is now scaled up to the system level, providing structured faculty development for any campus instructor who would like to adopt and incorporate OER into her or his curriculum. Altogether, this program has saved students hundreds of thousands of dollars.



Adaptive Learning

Adaptive learning involves software tools that automatically adjust content to align with the learning level of the student. It allows some students to focus on foundational concepts and others to engage in more advanced content based on their needs. Initial results are promising. Early adopters of adaptive learning are showing promising results. At Carnegie Mellon students using adaptive learning technologies completed courses 50% faster. California State-Northridge experienced a change in math pass rates from 45% to 75%. Arizona State University saw course withdrawals drop by nearly 50%.

Artificial Intelligence, Virtual and Augmented Reality

EDUCAUSE predicts that as many as 40% of institutions in the U.S. will have institution-wide deployment of augmented and virtual reality for teaching and learning by 2023.

St. Louis University – Ask SLU

St. Louis University provides virtual personal assistants to every student residence on its campus through utilizing SLU-specific skills through Alexa for Business. “Ask SLU” provides information about events and campus experiences and student information like class schedules and grades.

Students also want personalization and technology enabled advising to assist them learn and navigate our complex institutions.

At least 8 in 10 students are interested in:

- » Personalized support and information on degree progress (92%)
- » Personalized dashboards that give you real-time feedback about your progress (89%)
- » Suggestions for how to improve performance (88%)
- » Personalized quizzes or practice questions (88%)
- » Real-time feedback from your instructor about your performance or progress (88%)
- » Guidance about courses you might consider taking (87%)
- » Alerts if it appears your progress in a course is declining (86%)
- » Suggestions about new or different academic resources (84%)
- » Feedback about performance compared to that of other students (82%)

Information provided by EDUCAUSE

Deacon University – Virtual Student Assistant

Deacon University is an example of the use of artificial intelligence to provide technology-enhanced student support. Using a Smartphone-based application, students can access their Virtual Student Assistant, which gives them direct connection to support staff help desk, learning resources, calendar prompts, predictive registration analytics, AI Chatbots, and mental health and engagement surveys.

Strategic Partnerships

Responding to rapidly changing work environments will require an increase in the quality and frequency of connections between higher education institutions and industries and communities. Increasing the formal and informal bridges with industries and communities will create ongoing opportunities for innovation in both. Strategic partnerships include the K-12 system, key statewide industries, community and professional organizations, foundations, state government, and national higher education organizations and systems.

IBM - P-Tech Program

The P-Tech School Model is a public school model providing a seamless pathway from high school to college and career. Students graduate with a no-cost, industry-recognized associate's degree that enable them to secure a competitive entry-level position in a growing STEM industry or to continue and complete study in a four-year higher education institution. P-Tech is built on a partnership between school districts, higher education partners, and industries. It is a six-year model integrating high school and college coursework that are linked to industry skills maps. The program includes workplace mentoring, including worksite visits and paid internships. The program is cost-free and focuses on historically underserved students. Students have preferred access to jobs with industry partners. P-Tech currently involved 550+ industry partners and 70+ community college partners. The first cohort completed their degree at 4x the on-time national community college graduation rate and 5x the rate for low-income students. For additional information, visit the [P-Tech](#) site.

Minnesota State College Southeast – Student Learner Hub

Advanced manufacturers in Minnesota are experiencing a worker shortage, and under current state regulations, many manufacturers are unable to hire 16 or 17 year olds except through the state created Student-Learners in Manufacturing Program. To help address this workforce need, Minnesota State College Southeast has created the Student Learner Hub, a one-stop shop for schools and employers to connect. Students can register through the Hub, be paired with an employer in a school-work relationship, and then continue on with a certificate or degree upon graduation from high school.

Approaches to Innovation

Innovation has become widely recognized as both a major goal of economic activity and one of the most important instruments through which organizations gain and sustain competitive advantage. While it may not be possible to control and manage innovations, it is possible to design and control the contextual and organizational conditions that enhance the probability of innovation occurring.

Georgia Tech – Deliberate Innovation, Lifetime Education

Georgia Tech embarked on a long-range planning effort that includes a focus on deliberately expanding their capacity to engage in ongoing innovation. Georgia Tech's Commission on Creating the Next in Education identified five initiatives to position Georgia Tech for the future.

These include:

1. **Whole Person Education:** Experiential Learning, Globalization at Home, Professional Development for Graduate Students, Whole Person Curriculum
2. **New Products and Services:** Micro-credentials, Mini-mester Classes, Credit for Accomplishment, Blockchain Credential Project
3. **Advising for a New Era:** Prescriptive Advising, Intrusive Advising, Developmental Advising, Personal Board of Directors
4. **Artificial Intelligence & Personalization:** AI-enabled personalized learning system, AI-based, adaptive learning platforms for mastery learning, Human-centered AI
5. **Distributed Worldwide Presence:** Georgia Tech atrium, Living Library for Learning (L3)

To advance Georgia Tech's goal of building deliberate innovation at the institution, they have identified three areas of focus:

- » **Enhancing the innovation ecosystem**
- » **Enhancing teaming by bridging organizational silos**
- » **Motivating individuals in the innovation process.**

This work is managed through The Center for 21st Century Universities (C21U), which they describe as a living laboratory for fundamental change in higher education. Working in tandem with campus administrators and faculty, the Center develops and tests new educational platforms and techniques that will define the next generation of educational practices and technologies. For additional information, visit the [Georgia Tech homepage](#) or the [Georgia Tech About the Commission on Creating the Next in Education](#) site.

University Innovation Alliance

The University Innovation Alliance is a national coalition of public research universities committed to increasing the number and diversity of college graduates in the United States, with a goal of innovating the diffusion of higher education innovation.

Members include:

- » Oregon State University
- » UC Riverside
- » Arizona State University
- » University of Texas at Austin
- » University of Kansas
- » Iowa State University
- » Purdue University
- » Michigan State University
- » Ohio State University
- » Georgia State University
- » University of Central Florida

These institutions are committed to working collaboratively to improve graduation rates of students across the socioeconomic spectrum, particularly low-income students, first-generation students, and students of color, using collective impact methods to identify and scale promising practices. For additional information, visit the [University Innovation Alliance](#) site.

Anoka-Ramsey Community College – MN Reflect

The MN REFLECT program at Anoka-Ramsey Community College is an incubator for faculty teaching & learning research. Entering its second year, this program is providing a mechanism whereby faculty can research best practices in teaching and learning, test them within courses on their campus, and report their findings across the system constructively and efficiently. MN REFLECT is a response to the changing techno-pedagogical environment 21st Century institutions of higher education.

“New ideas for innovation grow out of the minds of each new generation. Having an institution of higher learning that can help young people put those ideas into action is critical.”

- Jay Samit, Independent Vice Chairman of Deloitte

Section 3: Student Ideas for the Future of Higher Education

During April 2019, student leaders from LeadMN and Students United engaged in conversations about Reimagining as part of their annual delegate assemblies. The Reimagining process and Emerging Themes report were discussed and then students were asked to work in groups to develop responses to the following visioning questions:

- » **What does the student experience look like for students 10 years from now?**
- » **What are the essential characteristics of that experience?**
- » **How will students in the future be similar or different than today?**

Groups spent 20-30 minutes discussing the questions and then presented their responses to the larger group. The following is a summary of those responses.

Discussion Summary: LeadMN (approximately 25 participants)

1. What does the student experience look like for students 10 years from now?

- » **Hands-on curriculum:** Students expect that the learning experience will be more hands on and experiential, including opportunities to apply what they have learned outside of the classroom through on-campus work training, mentorships and internships, and community-based learning.
- » **Technology:** Students anticipate that advanced technology will play an increasing role in the education of the future, including virtual reality learning, open access to live streaming lectures, and an increase in online learning but with online courses that are more engaging. They believe that quality of technology access may be an issue that will need to be addressed.
- » **Diversity:** Students anticipate increasing levels of diversity in both students and faculty and staff.



- » **Resource support:** Students believe that students will continue to struggle with funding their education and will need expanded access to resources and support, including better access to quality food, free transportation, textbook free degrees, and state-funded free tuition.
- » **Community and connections:** Students see a need for campuses to create more opportunities for students to make connections and build relationships, including technology-enabled communications platforms, first-year experience classes, dedicated campus spaces, and increased student involvement opportunities.

2. What are the essential characteristics of that experience?

- » **Diverse:** Diversity, equity, and inclusion will be embedded throughout their experience. This will require an increased need for addressing diversity, systemic implicit bias, and belonging.
- » **Flexible:** Easier access for all students will be part of the educational experience, including being able to e-commute and live stream lectures from multiple colleges and have greater flexibility in program choice.
- » **Accessible:** Students will be able to attend college debt free and have their basic needs met while attending college so they can finish programs faster and increase rates of completion.
- » **Engaged:** Students will be more involved and engaged in their own learning through greater support for collaboration resources, community-based learning resources, and more engaged learning practices.
- » **Technology-enabled:** Students will have equal access to up-to-date technology that supports multiple learning styles.

3. How will students in the future be similar or different than today?

- » **Greater support for community college students:** This includes viewing students as greater stakeholders, reducing the stigma around attending community college, and improving transferability of credits.



- » **Greater outside demands:** Students in the future will experience even greater demands on their life outside of college, which will impact their ability to be involved on campus and complete their education. These include more fluid living situations and additional family commitments.
- » **Cost:** Students in the future will be even more sensitive to the costs of higher education and will be less willing to take on debt to fund their education. They will also have greater concerns about food and housing access.
- » **Learning choices:** Students will be interested in more interconnected programs and different learning choices to support their educational goals. This will include more use of technology in learning and expanding their academic and personal networks through technology.

Discussion Summary: Students United (approximately 35 participants)

1. What does the student experience look like for students 10 years from now?

- » **More academic options:** Students are expecting greater curricular options, including more online classes and degrees, more graduate programs, and more individualized degree programming options.
- » **Advanced technology:** Technology will play a greater role in education, including virtual classrooms that provide global education connection. Students will be expected to develop technological competency through their education and be able to utilize the latest technology in their fields. This will require more advanced training and development in technology among faculty and staff.
- » **Engaged learning:** In the future, engaged and active learning will be part of the educational experience of all students. This includes more engaging discussion-based classes, a more integrated curriculum, a deeper study of liberal arts, and more student-centered teaching and learning experiences delivered through enhanced technology. It also will include increasing focus on community partnerships to provide professional development and a focus on career preparedness.



- » **Diverse and accessible:** Diversity and accessibility will be an important component of the college experience, including more spaces to support inclusivity and achieving debt-free college for all students.

2. What are the essential characteristics of that experience?

- » **Student-tailored and accessible:** Education in the future will be student-centered in design, providing more personalized and individualized choices for students, including in-class and online learning and the ability to have access to all classes each semester.
- » **Career-ready education:** Students expect to have an educational experience that positions them for successful entry into careers upon graduation.
- » **Equitable:** Campuses will be more diverse with a greater focus on inclusivity and equitable outcomes. This includes providing access and opportunity for all students and creating campuses with no bias or discrimination.
- » **Technologically advanced:** Advanced technology will be important in both delivering a more holistic learning experience and as an outcome of the educational experience.
- » **Glocal:** Tomorrow's education will be more globally focused, including the connection between local and global.

3. How will students in the future be similar or different than today?

- » **Tech savvy:** Students will have a greater understanding of technology and be more connected.
- » **Academically focused:** Students will be more goal-oriented and focused on the outcomes of their education, including higher completion rates.
- » **Cost-sensitive:** Students will be more price sensitive and debt-averse. They will expect free or cheaper textbooks and amenities, including parking.
- » **Diverse:** The student body will be more diverse and open to diversity. They will be more open about mental health and disability needs and expect greater levels of support and facilitation.



Section 4: Feedback on the Reimagining Emerging Themes Report

Forum discussions and feedback received through the Reimagining Minnesota State Emerging Themes campus-based conversations, employee survey, and consultations with bargaining units and student leaders identified a number of themes to be considered as we develop specific initiatives and actions related to implementing the goals of Reimagining Minnesota State. A summary of the Reimagining Minnesota State Emerging Themes Report can be found in Appendix A.

Values and Commitments

Comments from our internal stakeholders reveal key themes that represent possible values to be used to guide innovation and change efforts related to the goals of Reimagining.

- » **Higher education is a public good.** Our society depends on and benefits from an educated populace. We are dedicated to nurturing engaged and capable citizens that give back in service to the state.
- » **Our highest priority is preparing students for a full life and to realize their full potential.** We have a responsibility to educate the whole person, including providing access to a broad, liberal arts education. The vitality of our future communities will be best supported by a well-educated citizenry who have a wide array of abilities and skills.
- » **Diversity, equity and inclusion must be central to all we do.** We have a responsibility to address historic inequities in education by removing barriers for disenfranchised and marginalized populations.
- » **We must expand access and completion and do so without compromising quality.** As we strive to expand access and increase rates of completion through new approaches to delivery and support, we must do so with a commitment to ensure students leave our institutions well prepared for success. High quality education happens as a result of engaged and experiential learning practices and building relationships between learners and teachers, regardless of delivery mode.
- » **We are committed to educational access throughout the state, including rural and remote communities.** Our institutions are embedded in our communities and add cultural richness and economic development in the communities we serve.
- » **Our people are the Minnesota State system.** Their expertise, creativity, and commitment to our students and communities are what makes the difference every day.

General Responses

The Minnesota State Community was asked to provide feedback on each segment of the Emerging Themes Report. Following are themes and suggestions for improvement.

Minnesota State's Value Proposition and 2030 Goals

This dual mission of enhancing access and student success and supporting community economic, civic, and cultural vitality is the unique value proposition of Minnesota State -- connecting the future strength and prosperity of Minnesota to a vibrant and sustainable Minnesota State.

By the end of the next decade Minnesota State will be a leader in the country in the educational and economic outcomes that are critical to the future success of our students and state.

- » **Affordability:** Reduce average debt load; Reduce loan default rate
- » **Student success:** Increase completion rates; Close the achievement gap; Increase career placement rate
- » **Learning Quality:** Improve core learning outcomes
- » **Workforce alignment:** Increase percentage of Minnesotans with a post-secondary credential
- » **Community Vitality:** Reduce regional unemployment; enhance regional economic development; improve regional health index

Minnesota State Community Feedback

Overall, there was support for the core elements of the value statement articulated in the Emerging Themes Report. Many felt the responsibility to both student and community success were important and accurately described our mission as a system, but others believed the balance needed to be adjusted to make clear our primary commitment was to providing a transformative education to our students. Many expressed a need for stronger and clearer language that was more aspirational and that better communicated our value to our external stakeholders.

Similarly, there was general support for the draft goals with a number of suggestions for improvement. A number of respondents felt we should frame these goals in a way that our external stakeholders could understand and support. These included:

- » Making a stronger commitment to equity and inclusion
- » Supporting and engaging our own employees

- » More clearly communicating our commitment to the quality and integrity of the academic experience and our responsibility for educating citizens and goals of a liberal education
- » Highlighting our responsibility for research
- » Creating a clearer measurement of workforce alignment beyond degree completion
- » Identifying community vitality measures that include civic engagement and cultural contributions

Systemwide Innovation Themes

The systemwide innovation themes identified three possible areas of focus for collaborative innovation. These themes attempt to answer the Big Question: “How do we leverage our ‘systemness’ to the benefit of our students and the state?”

Personalized, Lifelong Learning: *Learner-centered, flexible, and personalized*

Minnesota State will partner with our communities and industries to develop clear, flexible and seamless educational pathways across the system, so our students are able to complete credentials over the course of their lifetime to achieve their professional and personal goals.

“How do we leverage our ‘systemness’ to the benefit of our students and the state?”

Equitable Outcomes for all Stakeholders: *Intentional, equity-minded, and inclusive*

Minnesota State will enhance the success of all students including those who have been historically underrepresented and marginalized by embedding diversity and inclusion practices across the system, eliminating barriers to access, opportunity and completion, and prioritizing equitable outcomes for all strategic areas.

Integrated Learning Models for the Future: *Experiential, professional, and transferrable*

Minnesota State will support our faculty in the development of new pedagogical and delivery models and learning outcomes that are well aligned with workforce needs and will prepare our graduates for success in the dynamic and changing communities and workplaces of the future.

Minnesota State Community Feedback

Much of the feedback indicated overall agreement on the proposed innovation themes but many provided additional ideas or edits for consideration. These included:

- » Educational innovation should go beyond workforce outcomes to educating the whole person over their lifetime

Report on Reimagining Minnesota State

- » Implementation should support institutional creativity, balance the good of the whole with the good of the individual institutions, and differentiate between different categories of institutions
- » Focus on making processes lean and building capacity for operational excellence
- » Ensure that we maintain academic rigor as we pursue access
- » Clarify system and institutional processes and accountabilities
- » Support efforts that change the public narrative around higher education

Systemwide Innovation Support Themes

The draft set of capacities described below attempt to answer the Big Question: *“How does Minnesota State foster a culture of innovation, collaboration, and partnership, as we share responsibility for the achievement of key goals?”*

Innovation as a Core Competency: *Entrepreneurial, risk-tolerant, and evidence-based*

Minnesota State will expand our capacity to develop and identify promising internal and external innovations, test their impact, and scale them across the system. We will develop capacities for market research, user-centered design, testing and measurement, and knowledge transfer, and create alternative funding models that supports and rewards our institutions and faculty and staff for both continuous improvement and exploratory innovation.

“How does Minnesota State foster a culture of innovation, collaboration, and partnership, as we share responsibility for the achievement of key goals?”

Advanced Data and Technology Backbone: *Strategic, integrated, and adaptable*

Minnesota State will create the capacity for advanced data analytics and a technology backbone that will drive systemwide innovation, support local campus strategies, deliver and document high-quality learning and holistic student support systems, and rationalize and inform our quality assurance framework.

Culture of Continuous Learning: *Empowering, engaging, and career-long*

Minnesota State will create and support a culture of continuous learning and professional development among Minnesota State faculty and staff so they are well-prepared and supported to meet our systemwide strategic directions and deliver on our value proposition to our students and communities of Minnesota.

Report on Reimagining Minnesota State

Minnesota State Community Feedback

Feedback on the proposed innovation support themes was generally positive but a number of additional suggestions were shared. These included:

- » Leverage Reimagining to create an advocacy agenda to influence legislative priorities
- » Develop an accountability system to ensure we are continuing to improve and exploring innovation based on data and researched evidence
- » Provide guidance and direction on how to achieve operational excellence in our core work
- » Understand what is not working and make it better before pursuing new models
- » More clearly address breaking down barriers for students
- » Commit to governance that empowers faculty, staff, and students to contribute to the vitality and responsiveness of the system
- » Encourage faculty and staff to publish research on best practices
- » Create a welcoming climate for a diverse workforce

Recommendations from the Minnesota State Community

In addition to responding to the specific elements of the Reimagining Minnesota State Emerging Themes Report, members of the Minnesota State community provided additional recommendations for consideration as we work toward delivering on the goals of Reimagining Minnesota State.

Be a strong voice for the value of higher education.

- » Lead the charge to reframe the narrative about the value of higher education in the state, country and world
- » Play a proactive leadership role in the larger national conversation, including influencing higher education associations, accrediting bodies, and state and federal policy
- » Build healthy relationships with key stakeholders to influence priorities and investment
- » Position Minnesota State as a leader within our national and global context

Communicate a more pluralistic view of Minnesota State.

- » Recognize and celebrate our different types of institutions and their unique educational purposes, including type, location, educational experience, and programmatic focus
- » Create approaches to marketing and recruitment that celebrates the uniqueness of our institutions and supports informed student choice
- » Universities focus on liberal arts and professional education, graduate education, and research
- » Community colleges provide access to both technical and transfer education
- » Technical education promotes trades as a viable, respectable, and meaningful vocation and certifications as an important pathway to career
- » Adopt a clear but flexible definition of student success that recognizes we have diverse students with different goals
- » Position and support our rural campuses to continue to serve the unique educational, cultural and economic needs of their students and communities
- » Support students on their continuous learning journey but in a way that validates their current educational choice

Strike the right balance between institutional autonomy and collective action.

- » Pursue innovation and operational excellence in a way that recognizes that not all things should be applied equally across the system
- » Address the current systems that incentivize keeping innovations local and create competition among colleges and universities for enrollment and financial resources
- » Recognize that experimentation happens on our campuses and our approaches should leverage the strengths of individual institutions
- » Provide a framework that clarifies what are shared functions and processes and what are individual campus functions and processes

Report on Reimagining Minnesota State

- » Focus on those areas of commonality that serve the best interest of students.

Suggestions include:

- Improve transfer pathway opportunities and ease of use
- Standardize policies and procedures
- Identify and remove process barriers
- Reduce redundancy between institutions
- Adopt common course numbering and curriculum
- Centralize marketing and market research
- Create collaborative academic program planning
- Create the ability to share data across colleges

Understand and create programs and services to address the specific needs of distinct student populations

- » Advocate within our communities around issues of equity and inclusion, income gap, and living wage so we demonstrate our value by helping to create more inclusive, just communities
- » Leverage the system to share best practices around high school bridge programs, early college credit, workforce collaborations, and serving underserved or underemployed populations
- » Innovate to provide intervention and support strategies to address specific needs but do so in a way that gives voice to and empowers these populations:
 - Traditionally underrepresented and marginalized students
 - Mental health, housing and food insecurity
 - Resources to support English language learners
 - Veterans
 - Minnesota's American Indian population
 - Adult/non-traditional learners
 - First generation and low income students
 - International students
 - Underprepared students

Find out what really works and how can we make it better before looking for new solutions.

- » Develop guidance and direction on how to get better at the classical functions of higher education, including achieving excellence in our current procedures and operations
- » Make decisions based on data and researched evidence by building measurable outcomes into every program to understand efficacy of existing and new delivery models
- » Understand the impact of work that is already occurring before pursuing new models in order to build on our existing strengths
- » Streamline and reduce the bureaucracy, including interpretations of policies and procedures, with the goal of increased efficiency across administrative functions

Cultivate relationships with communities, industries, and educational partners.

- » Build relationships with stakeholders (private, corporate, public), develop their understanding of the value of higher education, and partner with those who are committed to collaborative, ongoing work
- » Expand reciprocal partnerships with communities of color in order to give them voice in the future of Minnesota State
- » Emphasize the positive impacts of campuses on their local communities and support campus connections to the local community based on their unique needs
- » Enmesh our system into other government, industrial, political, and religious systems, especially K-12 in order to help our communities become more vital and to make the system better and more responsive

Attract and maintain a high-quality, engaged Minnesota State workforce.

- » Achieve equitable outcomes for employees and work toward a welcoming climate for a diverse workforce, including increasing diversity within senior decision-making positions across the system
- » Enhance support for faculty, staff, and administrators so they are prepared to achieve the goals of Reimagining, including best practice training and the development of new models
- » Support faculty and staff in conducting and publishing research on best practices
- » View employees as your first-line customers and be invested in their experience

Report on Reimagining Minnesota State

- » Find and support the truly innovative groups and people and empower them to engage their colleagues

Support the implementation of Reimagining Minnesota State in ways different than in the past.

- » **Change management** – A theory of change and a roadmap for achieving these goals that creates opportunities for everyone to participate, regardless of campus
- » **Measurement** – Measureable outcomes and benchmarks with good data to support achievement of goals and track progress
- » **Data access** – Ability to identify, gather, maintain, curate, and disseminate key data and information that aid the colleges and universities in decision-making within the system
- » **Accountability** – Transparent frames of accountability based on a shared vision and shared responsibility that supports goal achievement and builds trust
- » **Space** – Physical and virtual spaces to support collaborative work
- » **Focus** – Identify a limited sub-set of initiatives at a time
- » **Engagement** – Implementation that is not hierarchical and creates opportunities for engagement across the system and institutions by creating multiple to develop ideas instead of one central group
- » **Leadership** – Strong leadership from the board and chancellor, which may necessitate education for board and leadership to become more responsive and innovative
- » **System Office** – Focus on how the system office will change to become more nimble, responsive, and efficient in order to successfully enact Reimagining Minnesota State
- » **Funding** – An investment model that rewards collaboration and provides targeted investments and incentives to improve but not in ways that draws resources from campuses

Appendix A: Reimagining Minnesota State Emerging Themes Report

Minnesota State's 2030 Futures Framework

An Emerging Vision for the Future of Minnesota State

Minnesota State and its 37 colleges and universities sit at the critical nexus between expanding the economic and social mobility of our students AND the economic prosperity and cultural and civic vitality of the Minnesota communities where they live and work.

This dual mission of enhancing access and student success and supporting community economic, civic, and cultural vitality is the unique value proposition of Minnesota State -- connecting the future strength and prosperity of Minnesota to a vibrant and sustainable Minnesota State.

In a reimagined Minnesota State, our diverse set of interdependent institutions will form a rich ecosystem of educational opportunities that create multiple pathways for our students to move seamlessly to their next level of education and their next level of career, regardless of location. Our students have access to a high quality, relevant education in their community and access to the full resources of the Minnesota State system.

In a reimagined Minnesota State, we will expand partnerships with statewide and community organizations and industries to ensure that we are preparing individuals to be successful members of the workforce and leaders and contributing members of their communities. We will support innovation and entrepreneurship in our communities through the knowledge, creativity, and civic engagement of our faculty, staff and students.

Reimagining Minnesota State 2030 Goals

Through **Reimagining Minnesota State**, we are creating a new social compact between Minnesota State, the state of Minnesota, and our industry and community leaders. Working together through strategic partnership and investment, we will achieve a set of ambitious educational, economic, and social goals that will support a healthy, sustainable and prosperous Minnesota.

By the end of the next decade Minnesota State will be a leader in the country in the educational and economic outcomes that are critical to the future success of our students and state.

- » **Affordability:** Reduce average debt load; Reduce loan default rate
- » **Student success:** Increase completion rates; Close the achievement gap; Increase career placement rate
- » **Learning Quality:** Improve core learning outcomes
- » **Workforce alignment:** Increase % of Minnesotans with a post-secondary credential
- » **Community Vitality:** Reduce regional unemployment; enhance regional economic development; improve regional health index

After the Minnesota State Board of Trustees determines the final Reimagining Minnesota State 2030 Goals, specific measures and targets can be determined.

Part 1: Systemwide Innovation Themes

In order to achieve these goals and deliver on the unique value proposition of Minnesota State, the system will focus on collaborative innovation on three major areas. Our colleges and universities will continue to be the source of creative ideas and experimentation. The system-office will support these efforts through advocacy, coordination, capacity-building, investment, and measurement, while supporting the scaling of promising practices across the system. *These themes attempt to answer the Big Question: “How do we leverage our “systemness” to the benefit of our students and the state?”*

1. Personalized, Lifelong Learning: *Learner-centered, flexible, and personalized*

Minnesota State will partner with our communities and industries to develop clear, flexible and seamless educational pathways across the system, so our students are able to complete credentials over the course of their lifetime to achieve their professional and personal goals.

2. Equitable Outcomes for all Stakeholders: *Intentional, equity-minded, and inclusive*

Minnesota State will enhance the success of all students including those who have been historically underrepresented and marginalized by embedding diversity and inclusion practices across the system, eliminating barriers to access, opportunity and completion, and prioritizing equitable outcomes for all strategic areas.

3. Integrated Learning Models for the Future: *Experiential, professional, and transferrable*

Minnesota State will support our faculty in the development of new pedagogical and delivery models and learning outcomes that are well aligned with workforce needs, preparing our graduates for success in the dynamic and changing communities and workplaces of the future.

Specific Areas for Exploration

1. Differentiated Programs and Delivery Models: *Learner-centered, flexible, and personalized*

Minnesota State serves a diversity of students across the state with different goals, expectations, experiences, and service and support needs. Minnesota State will enhance our systemwide program portfolio to ensure there are program delivery models that meet the needs of all learners, including face-to-face, online, hybrid-delivery, self-paced, and competency-based. Minnesota State could explore providing differentiated delivery modes, clear and flexible entry and exit points, an expanded ability to recognize learning that occurs outside of the formal classroom, and opportunities for students to learn at their own pace through adaptive learning technologies.

2. Networked Career Pathways: *Just-in-time, career-long, and stackable*

In a future where lifelong learning will become a necessity for ongoing career success, Minnesota State will provide access to on-demand learning opportunities that support upskilling and reskilling and align with evolving competencies across professions and industries. Through strategic partnerships with industries and professional associations, Minnesota State will need to rapidly develop new credentials that are responsive to the changing demands of different professions and to serve as a resource to industries and community organizations as they strive to adapt to their own changing environments. Minnesota State could provide clear career pathways that allow students to move from entry-level credentials to advanced degrees that can be acquired over the course of a career or set of careers at any Minnesota State institution. This would position Minnesota State as the preferred partner for on-site workforce training and talent development that allow individuals from across Minnesota the opportunity to translate workplace learning into credentials recognized at Minnesota State institutions.

3. New Academic Core for ‘New Collar’ Careers: *Experiential, professional, and transferrable*

As the integration of artificial intelligence and automation into the workplace expands, the need for an education grounded in *both* data and technology literacy *and* more advanced professional competencies, such as communication, critical thinking, creativity, problem-solving, teamwork, intercultural knowledge and civic engagement, will be critical to ensure students are prepared to thrive in rapidly changing environments. Minnesota State could transform its academic core to ensure all graduates have the literacies and competencies to be successful in the future. Through its approach to lifelong learning, Minnesota State will need to create opportunities for learners to develop their capacities and competencies in these critical dimensions throughout their career path.

4. Culturally Relevant and Responsive Pedagogy and Structures: *Anti-deficit, inclusive, and equitable*

Minnesota’s population is changing, and a more diverse and non-traditional student population will be looking to Minnesota State to support their educational goals and aspirations. Achieving high levels of success for all students must be an outcome of a reimagined Minnesota State. But serving our changing student populations with our existing support structures and pedagogical models that were designed for previous generations of learners will not be sufficient. Minnesota State will need to investigate and remove barriers to access and completion that have challenged segments of our student population and redesign our program delivery, teaching and learning practices, and student support structures to ensure inclusive excellence is embedded in our institutions and across all of our practices.

5. Personalized Navigation for All Learners: *Consistent, responsive, and integrated*

The success of all students is central to the mission of Minnesota State and providing an integrated network of easily accessible, technology-enabled academic and support services will be key to student success in the future. All Minnesota State students should receive personalized guidance and support, including academic, financial, and lifelong career advising. Minnesota State could provide systemwide navigation that is customized to a student’s specific needs and goals. The navigation system could begin prior to enrollment and continue throughout an individual’s educational path, creating a sense of belonging with purpose for our students and supporting their lifelong educational aspirations.

6. Centers of Community Research and Innovation: *Open, innovative, and community-focused*

Minnesota State and its colleges and universities play a critical role in supporting strong and vibrant communities and economies and are critical places of learning and skill development for students. Students are increasingly looking for opportunities to develop their own skills as entrepreneurs, and supporting new businesses and industries will be key to the economic prosperity in communities across Minnesota. Minnesota State could pursue ways to expand the availability of our campuses and infrastructure to support student and community entrepreneurship, such as makerspaces and incubators, and create expanded opportunities for community- and industry-based applied research and innovation.

7. Network of Strategic Partners: *Collaborative, aligned, and purpose-driven*

In order to achieve the underlying objectives embedded in the themes, Minnesota State will need to expand the number of strategic partners that share our commitment to expanding student success through inclusive excellence and to the future prosperity of Minnesota. These systemwide strategic partnerships will support experimentation and expand the connections between Minnesota State and state-wide industries and professions. Strategic partnerships would include the K-12 system, key statewide industries, community and professional organizations, foundations, state government, and national higher education organizations and systems.

Part 2: Systemwide Innovation Support Themes

The Minnesota State system will expand its own capacities to support innovation, responsiveness and adaptability among our people and institutions. The draft set of capacities described below attempt to answer the Big Question: *“How does Minnesota State foster a culture of innovation, collaboration, and partnership, as we share responsibility for the achievement of key goals?”*

1. Innovation as a Core Competency: *Entrepreneurial, risk-tolerant, and evidence-based*

Minnesota State will expand our capacity to develop and identify promising internal and external innovations, test their impact, and scale them across the system. We will develop capacities for market research, user-centered design, testing and measurement, and knowledge transfer, and create alternative funding models that support and reward our institutions and faculty and staff for both continuous improvement and exploratory innovation.

2. Advanced Data and Technology Backbone: *Strategic, integrated, and adaptable*

Minnesota State will create the capacity for advanced data analytics and a technology backbone that will drive systemwide innovation, support local campus strategies, deliver and document high-quality learning and holistic student support systems, and rationalize and inform our quality assurance framework.

3. Culture of Continuous Learning: *Empowering, engaging, and career-long*

Minnesota State will create and support a culture of continuous learning and professional development among Minnesota State faculty and staff so they are well-prepared and supported to meet our systemwide strategic directions and deliver on our value proposition to our students and communities of Minnesota.

4. Board and Institutional Governance Models: *Strategic, transformational, and, future-oriented*

Transforming a large, complex, and risk- and change-averse system of higher education into a more nimble, responsive, and dynamic enterprise centered on enhancing student success will require a new leadership and governance model - one that balances a culture of empowered, bottom-up creativity and innovation with the achievement of shared goals of accountability. Minnesota State will explore how governance and leadership models can drive and sustain an environment of learner-centered innovation and transforms the oversight, policy, and financial models that support our shared goals.

Areas for Exploration

1. Cross-Institutional Collaboration and Experimentation: *Responsive, cooperative, and networked*

Successfully responding to the systemwide strategic directions will require Minnesota State's institutions to build on their already strong track record of multi-institutional collaboration in order to achieve the level of "systemness" that is required to serve all of Minnesota and its communities. Minnesota State could explore how to create more porous institutional boundaries so students, employees, business and industry partners, and learning experiences can move more freely between campuses and promising innovations can be supported and tested by multiple institutions to support more rapid development.

2. Common Framework for the Validation of Learning: *High-quality, transparent, and portable*

Delivering high-quality educational experiences through multiple modes and across a lifetime of careers will necessitate the consistent and transparent documentation of learning. The learning documentation system must allow students to communicate their own learning and support their successful transition into and across careers and to support the achievement of more advanced levels of learning, including transfer, graduate and ongoing professional education. Minnesota State could explore the establishment of a systemwide approach to measuring and documenting the high-quality learning achieved by our students and create the infrastructure to document stackable credentials and lifetime learning experiences.



MINNESOTA STATE

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REIMAGINING MINNESOTA STATE

Open Letter to the Minnesota State Board of Trustees

As members of the Reimagining Minnesota State Forum Advisory Group, we believe that Minnesota State is the single most important investment Minnesota can make to redesign how we learn and work together to generate a strong and vibrant Minnesota. The last six months have been spent alongside members of the Minnesota State community learning about the anticipated disruptions in higher education and possible paths that Minnesota State might consider to remain vibrant and relevant to the educational needs of Minnesota.

Over the course of the Forum Sessions, we observed a few key facts about Minnesota State.

- *Scale:* One of the powerful features of Minnesota State is that it is a massive state system with the ability to be highly localized and customized to the needs of students and communities. The system can be big when bigger is better and small when smaller is better. This means students have access to specialized programs and faculty, technology tools that can only be leveraged by a system of this size, economies of scale to address cost containment, and partnerships that can impact education across the state. However, students have access to the resources of the system through highly localized campuses, especially in Greater Minnesota, where instruction is targeted to the specific needs of students and communities.
- *Diversity:* The diversity of Minnesota State's campuses and student body is an important aspect of its value proposition. Minnesota State is the single best tool the state has to help a rapidly diversifying population become more engaged citizens and a globally fluent workforce with skills targeted toward tomorrow's needs.
- *Community:* Minnesota State plays an important role in supporting communities throughout the state. Through their presence in our communities, Minnesota State's institutions serve as anchor organizations that contribute to the social, economic and cultural health of their regions and create a stronger Minnesota.

From our shared learning, we offer the following comments and advice as a companion to the *Report on Reimagining Minnesota State* for your consideration as you steer the future of the Minnesota State system.

Redesign and align Minnesota State to improve student outcomes

In times of change, progress is impeded by a cacophony of voices. Change is best accomplished by developing a primary, unifying voice. For Minnesota State, that voice should be of the student, recognizing that other stakeholders add to the richness of the results.

Through the primary decision criteria of student success, we encourage the Board of Trustees to:

1. Create common vision and a unifying culture of student success across the breadth and depth of Minnesota State, including governance, leadership, staff and faculty, and students.
2. Develop and adopt metrics for system-wide outcomes and support their attainment through human resource and other management tools.
3. Incentivize and reward achievement of system-wide outcomes.

4. Design high quality, evidence-based standardized student experiences driven by the needs and expectations of different student populations.
5. Determine which functions and programs hold potential for common implementation and those that require differentiation from either a programmatic or institutional perspective, recognizing that this may require investment and/or reprioritization of programs or institutions.

As the system considers efforts to improve outcomes, we highlight the following:

1. The consequence of the systemic underfunding of Minnesota State from the state legislature is significant. While the potential for impacting the success of first and future generations is enormous, it will be difficult for Minnesota State to develop into what it needs to become given these cuts over time.
2. Historically we have been unwilling to address root cause problems or we adopt societal narratives which do not propel us forward. The system must stay solution-focused on systemic and structural support with targeted interventions and away from perpetuating dominant societal narratives which reinforce negative stereotypes of immigrants, people of color, and low income students. The system should facilitate problem solving so that it revolves around systems, policies, and practices, and not “fixing” the students for whom Minnesota State should be benefitting.
3. Outcomes matter. While access and completion are important, success is tied to the opportunities that are made available to students and communities as a result of their interactions with Minnesota State.

Deliver high-quality learning and support while adapting to technological opportunities (high tech and high touch)

Continuing advances in technology provide opportunities to improve and personalize the learning and support experiences of Minnesota State students, but the application of technology should augment instruction and support and not replace it.

1. Timely and effective data-driven solutions that provide evidence of learning and mastery of knowledge is required in order for Minnesota State to turn into a powerful engine for current workforce shortages, and so that Minnesota can stay competitive as a great place to live and prosper. Only through feedback and results-oriented systems can we intervene to improve student success.
2. Geography should not restrict growth or opportunity since technology has enabled content to be delivered beyond geographical boundaries. Learning campuses without walls where people of all ages can come to Minnesota State to learn and enhance their knowledge are needed.
3. Minnesota State is complex so a transparent and easy-to-use navigation system for students should be created that simplifies entry points and supports the student through a lifetime of learning.
4. Continuous adoption of technology-aided education and continuous improvement will be key, including standardization of platforms so learning is not dependent on physical location or structure of content delivery.
5. We cannot underestimate the value of personal relationships in the educational experience of students. Personalized learning and longitudinal student engagement will be necessary to support each student across a lifetime. Minnesota State should support ongoing connections between students and their faculty and mentors to support ongoing success.

Build bridges with industry, social sectors, and other educational institutions

At the outset we commented on the need to focus on the student. We cannot forget that the successful outcome for students is participation in the workforce and the social, cultural and civic environments of our state. In order to support the successful transition of graduates, Minnesota State must:

1. Ensure that the educational opportunities and experiences that it provides is in tune with the needs of external stakeholders.
2. Create partnerships and clear pathways to ensure successful student transition into gainful employment.
3. Balance centralized governance processes with local engagement, including expanding statewide and local advisory capacities.
4. Create the capacity to continuously monitor the changing expectations of stakeholders and ensure that Minnesota State remains in sync with these changes.
5. Recognize and support the unique role that applied research and the expertise of faculty and students play in partnering to solve Minnesota's challenges of today and tomorrow.

By succeeding in these endeavors, it also will be possible to grow and identify non-traditional revenue opportunities (joint ventures, partnerships), and support traditional funding opportunities (foundation, sponsored research, and grants).

Make visible and support pathways for innovation and operational excellence within the system, institutions, and communities and build a shared culture within Minnesota State

1. Courageous leadership, risk taking, and incentive systems based on scalable and effective change is needed. To do this, we suggest focusing on the following:
 - a. Change the rules, conditions, and practices most harmful to building a system-wide culture of student success
 - b. Engage in an system-wide conversation about the role of each employee in developing a shared culture across Minnesota State that delivers on the shared outcomes
 - c. Tailor a performance management system that aligns to the shared culture and provides incentives for achievement of system-wide outcomes. For example:
 - i. Reorient every employee to the new way of working
 - ii. Reward early adopters and appoint them as leaders
 - iii. Visibly reward failure and risk-taking when insights are generated
 - iv. Set up a growth and innovation fund to reward institutions, faculty, and staff
 - d. Identify and eliminate duplicative processes, structures, and conditional barriers that prevent achieving system-wide outcomes
2. Develop an approach to change management that looks different from the past. Possible powerful roles include:
 - a. As aggregator of innovative practices that can be shared across the entire system (map and define the ecosystem –what is present, missing, and needed)
 - b. A strategic function that can work to implement collective, shared, and measurable impact across the 37 institutions along with the infrastructure required to do it
 - c. Collaborative agent and facilitative leader of the culture and organizational changes necessary to position Minnesota State as one organization – not 37
 - d. A visible champion of redesigning Minnesota State to put student success as the top priority for lawmakers

3. As a public system, invest in leadership training across Minnesota State to equip those in authority positions to sharpen their leadership and change management skills with the tools required to affect systems change. This goes beyond performance management to adopting leadership capacities for trust building, influencing, community organizing, and managing competing public interests and conflict
4. Devise a strategic communications plan with simple messages and a vision that compels its stakeholders and constituents to act in favor of a student population that is changing rapidly and no longer has the characteristics of past generations of learners

Thank you for the opportunity to be part of the Reimagining Minnesota State process and to craft this commentary. Our comments are based on active listening, contemporaneous evaluation, and a robust conversation about tomorrow. Each member of our Forum Advisory Group comes from a different background. However the document reflects a unanimous consensus on the challenges and opportunities facing Minnesota State and the next steps we believe are necessary for a successful future. As the Board of Trustees, you have significant responsibilities for the future of the system, and we believe it is imperative that you provide bold leadership for this work. As this document is surveyed, parsed, criticized and/or supported, we would remind you of where we started. Significant change is messy and is best accomplished by developing a primary, unifying voice. For Minnesota State, that voice should be of the student. Their success should be the frame that drives your collective work.

Respectfully submitted,

Members of the Reimagining Minnesota State Forum Advisory Group

- *Kathleen Annette, M.D., president and CEO, Blandin Foundation*
- *MayKao Hang, president and CEO of the Amherst H. Wilder Foundation*
- *Kenneth Holmen, M.D., president and CEO CentraCare Health*
- *Neel Kashkari, president and CEO, Federal Reserve Bank of Minneapolis*
- *David Mortenson, chairman of M. A. Mortenson Company*
- *R.T. Rybak, president and CEO of The Minneapolis Foundation*
- *Michael Vekich, Chair, Board of Trustees, Minnesota State Colleges and Universities*
- *Roger Moe, Board of Trustees, Minnesota State Colleges and Universities*
- *Alex Cirillo, Board of Trustees, Minnesota State Colleges and Universities*
- *Devinder Malhotra, Chancellor, Minnesota State Colleges and Universities*



MINNESOTA STATE

Audit Committee
June 18, 2019
11:00 a.m.
McCormick Room

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 19, 2019 (pages 1-3)**
2. **Approval of FY2020 Internal Audit Project Plan (pages 4-15)**
3. **Contracts Exceeding \$1 Million: Annual Baker Tilly Contract Amendment (pages 16-20)**
4. Compliance Practices Assessment Advisory Report (pages 21-58)
5. Enrollment Forecasting Advisory Report (pages 59-86)

Committee Members:

Michael Vekich, Chair
April Nishimura, Vice Chair
Bob Hoffman
George Soule
Jerry Janezich

Bolded items indicate action is required.



**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
AUDIT COMMITTEE MEETING MINUTES
March 19, 2019**

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

Audit Committee Members Absent: None.

Other Trustees Present: Trustees Ashlyn Anderson, Alex Cirillo, Jay Cowles, Louise Sundin, and Cheryl Tefer.

The Minnesota State Colleges and Universities Audit Committee held its meeting on March 19, 2019, in the 4th Floor McCormick Room, 30 East 7th Street in St. Paul. Trustee Vekich called the meeting to order at 2:40 p.m.

1. Minutes of January 29, 2019

The minutes of the January 29, 2019 audit committee were approved as published.

2. Appointment of an Executive Director of the Office of Internal Auditing

Chair Michael Vekich began by announcing the change to the agenda to include an action item on the Appointment of an Executive Director of the Office of Internal Auditing.

Chair Vekich and Vice Chair Nishimura were pleased to bring forth to the audit committee a recommendation to appoint Mr. Eric Wion as the permanent director of the Office of Internal Auditing. Chair Vekich noted Mr. Wion's accomplishments, and stated that one of the things they looked for in a leader was the ability to transform the traditional view of internal audit into what it could be. To that end, Mr. Wion has served as a strategic partner. He has been a resource to the board, the chancellor and the presidents on a wide range of strategic, operational, financial, reputational, and compliance issues and risks. Mr. Wion has played a role with the Leadership Council, with the Cabinet, as well as with NextGen and a number of important initiatives. Mr. Wion has a Bachelor of Science from the Bemidji State University. He is a Certified Public Accountant, a Certified Information Systems Auditor, and a Certified Information Systems Security Professional. Chair Vekich noted that each of these certifications was great accomplishments and Mr. Wion brings these expertise to the office.

Trustee Vekich made a motion to appoint Mr. Eric Wion as the executive director of the Office of Internal Auditing. Trustee Hoffman seconded. There was no dissent and the motion carried.

RECOMMENDED COMMITTEE MOTION

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

RECOMMENDED BOARD MOTION

The Board of Trustees, upon the recommendation of the Audit Committee, appoints Mr. Eric Wion as executive director of the Office of Internal Auditing effective, March 20, 2019. The terms and conditions of the appointment shall be governed by the Personnel Plan for MnSCU Administrators.

Mr. Eric Wion thanked the board for their continued support and confidence. He thanked his team in the Office of Internal Auditing for their hard work and the thanked his partners at Baker Tilly.

3. Internal Audit Update

Mr. Wion Provided an update on 2019 audit plan. He stated that they had made great progress. A number of projects had been completed, and he added that everything else was in the works and most projects were nearing completion. Trustee Vekich asked if everything was going as expected with each of the projects and Mr. Wion assured the committee that everything was going quite well.

4. e-Procurement Controls Audit Results

Mr. Wion introduced Mr. Chris Jeffrey and Ms. Mallory Thomas from Baker Tilly.

Mr. Jeffery explained that there had been two objectives. They audited Minnesota State's newly implemented e-procurement system, Marketplace, and they also did follow up work around the management action plans from the 2017 purchasing card audit. He stated that Minnesota State did design effective controls around processes and activities around Marketplace. There were a couple of opportunities for improvement but there were no high risk or critical areas.

Mr. Jeffery stated that they viewed this as a successful system wide implementation which encompassed technology and process changes, and although it was smaller in scale than the NextGen project, the committee might want to think about why his project was successful and what steps the system took to make this successful.

Ms. Thomas reviewed audit scope and strengths. Ms. Thomas reviewed some of the summary observations with the committee. There was one medium risk observation identified but the others were all low risk. She noted that as part of the process, they documented the observations and then worked with management to develop action plans.

Incompatible user security roles was identified as a medium risk. With the roll out of Marketplace, there were some limited prescribed tools and reports that were available to the colleges and universities for any assigned incompatible roles. Understand where there are incompatible roles allows colleges and universities to mitigate those risks by developing additional controls. The system office will also work with colleges and universities to make sure the mitigating controls are implemented.

Control improvement opportunities were identified. Ms. Thomas explained that in their review they were able to identify some additional control opportunities to enhance the control environment and work flow, and additional automated controls. As a part of this action plan, the system office is going to continue to work with the procurement unit and the provider of marketplace to identify and implement more automation.

Marketplace procurement monitoring and reporting opportunities were identified. Ms. Thomas explained that the Marketplace tool provides expanded reporting and capabilities beyond what previously existed for monitoring and providing oversight. There are predefined reports to review and analyze purchasing trends, identify inconsistencies or potential inappropriate activities as well. The management action plan will include working with the Marketplace user group to continue reviewing the reporting capabilities within the tool and develop best practices and key metrics as a part of that.

Finally Ms. Thomas talked about the review of the 2017 findings. The new technologies have created an evolving space around procurement. Implementing Marketplace was a new technology that addressed some of the previous findings. Due to the evolving space and strategies around procurement, some of the management action plans have changed or evolved as well. She explained that they had gone through the process to obtain updates around some of those actions plans, and identified areas that needed to be changed or altered based on the new technologies in place. They plan to continue reviewing those from a follow up perspective to make sure that those action plans are completed.

Trustee Soule asked for more of an explanation about what Marketplace really was. Mr. Wion stated that Marketplace was a cloud based, 3rd party software system, that was used for purchasing. In some cases staff are able to use catalogs within the software to make purchases directly, and that functionality is still increasing. Staff use Marketplace to create all requisitions and purchase orders, and to make all payments. In addition, Marketplace has a contracting module which is still being implemented, but will be a significant improvement from a compliance and a control perspective.

Finally Mr. Wion stated that he was very pleased with the audit results. There were no significant findings or risks associated with the opportunities that were identified.

The meeting adjourned at 3:07 p.m.
Respectfully submitted by Darla Senn

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

Name: Audit Committee

Date: June 18, 2019

Title: Approval of Fiscal Year 2020 Audit Plan

Purpose (check one):

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

Brief Description:

Board Policy 1D.1, part 6, requires the Executive Director of Internal Auditing to present and seek approval of an audit plan each fiscal year. Internal auditing standards require that the board approve the annual plan.

The audit plan presents an overview of how the Office of Internal Auditing plans to use its resources in fiscal year 2020.

Scheduled Presenter(s):

Eric Wion, Executive Director of Internal Auditing

Chris Jeffrey, Baker Tilly Partner

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

ACTION ITEM
APPROVAL OF FISCAL YEAR 2020 AUDIT PLAN

BACKGROUND

According to Board Policy 1.D., Part 6, the Office Internal Auditing must submit an annual audit plan to the Audit Committee. Internal auditing standards require that the Board approve the annual plan. The fiscal year 2020 audit plan will be reviewed at the meeting.

The audit plan presents an overview of how the Office of Internal Auditing plans to use its resources in fiscal year 2020.

RECOMMENDED COMMITTEE ACTION:

The audit committee recommends that the Board of Trustees adopt the following motion:

RECOMMENDED BOARD MOTION:

The Board of Trustees approves the Office of Internal Auditing annual audit plan for fiscal year 2020.

Date Presented to the Board of Trustees: June 18, 2019

Fiscal Year 2020 Proposed Audit Plan

The Office of Internal Auditing

We are an Independent, objective, and forward looking **assurance** and **advisory** function. We strive to:

- Serve as a **strategic partner** to system leadership in addressing a range of business, operational, compliance, and financial challenges and risks, providing assurance regarding processes and systems, and identifying opportunities to increase efficiency and effectiveness.
- Help the system anticipate and address risks **proactively**, enabling business and process improvements and supporting the viability of system operations.
- Partner with others to monitor and mitigate system risks.

Internal Auditing Team

Minnesota State

Baker Tilly

- Eric Wion, CPA, CISA, CISSP – Executive Director
 - Raina Rose Tagle, CPA, CISA, CIA - Partner, National Higher Education Consulting Practice Leader
- Melissa Primus, CPA, CIA – Deputy Director
 - Chris Jeffrey, CPA - Partner, Midwest Risk, Internal Audit and Cybersecurity Practice Leader
- Craig Fautsch, CFE - Audit Coordinator/Investigator
 - Mallory Thomas - Senior Manager-Risk & Internal Audit Consulting
- Darla Constable – Executive Assistant
 - 2700+ professionals and staff

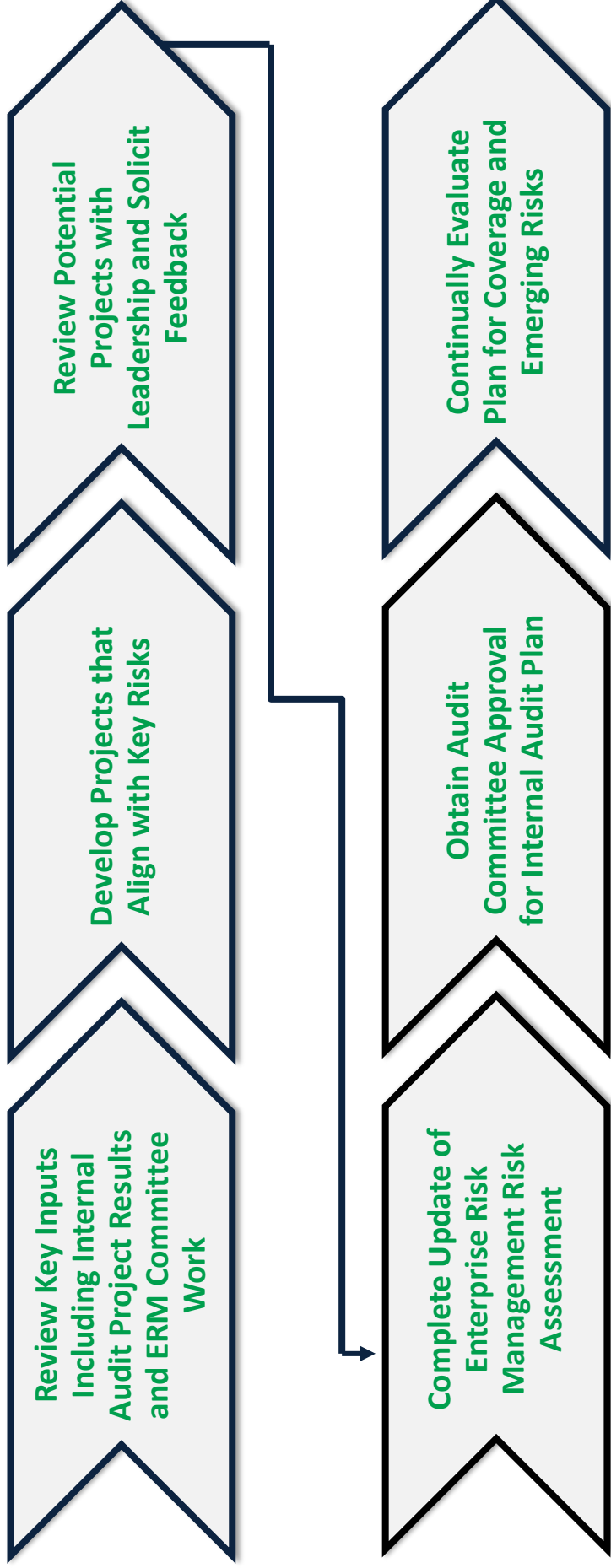
Fiscal Year 2019 in Review

- NextGen Project Risk Reviews #1, #2, #3, #4
- IT Risk Assessment
- HR-TSM Advisory Project Report & Updates (4)
- Facilitated enterprise risk discussions & other ERM activities
- Shared Services Governance Roadmap Advisory Project
- E-Procurement Controls Review
- Information Security Consultation – Phase 2
- Compliance Practices Assessment Advisory Project
- Enrollment Forecasting Advisory Project
- Quarterly Board of Trustee Expense Audits
- Received over 20 allegations, Issued 6 Investigation Reports
- Annual Financial Statement Audits
- Student Financial Aid Audit Work
- NCAA Agreed Upon Procedures

Audit Plan

- Board Policy (1D.1, part 6) requires the Executive Director of Internal Auditing to present and seek approval of an annual audit plan.
- Internal auditing standards require that the board approve the annual plan
- The audit plan presents an overview of how the Office of Internal Auditing plans to use its resources
 - Ongoing Routine Activities
 - Projects
- Plan updates, including suggested changes, will be brought to the Audit Committee throughout the year

FY20 Internal Audit Plan Development Process



Ongoing Routine Activities

- Committee Participation and Advisory Services
 - Enterprise Risk Management Committee
 - Chancellor’s Cabinet and Leadership Committee
 - NextGen Steering Committee
 - Other Committee and Work Group Participation: Information Security, ISRS, Finance User’s Group, Financial Aid Directors Group
 - Risk and Control Guidance for Key Business Processes
 - Ongoing Ad-Hoc Inquiries and Advice
- Assurance Services
 - Audit of Board Expenses and Trustee Expense Reimbursements
 - Monitoring Progress on Outstanding Audit Findings
- External Audit Coordination
 - Annual Financial Statement Audits
 - Annual Federal Student Financial Aid Compliance Audit
 - NCAA Compliance Audits (every 3 years)
 - Other External Party Audits
- Fraud Inquiry and Investigation Services

Proposed Continuing Multi-Year Projects

Project	Type (Advisory or Assurance)	Related Risk Domain(s)	Objective
Multi-Year Projects from FY19 Plan			
ERM Advisory	Advisory	All	Participate in the ERM Steering Committee and assist as requested. Assist the committee in facilitating an annual enterprise risk management assessment; conduct facilitated discussions with key stakeholders and institutions. Develop ERM resources and tools for colleges and universities.
NextGen Steering Committee Participation	Advisory	Operational	Participate in the ERP Steering Committee, provide professional advice, and assist as requested.
NextGen Project Risk Review (PRR)	Advisory/Assurance	Operational Service Model	Conduct business project reviews and assess specific project processes. Perform quarterly checkpoints focused around key project milestones. Additionally, work to advise on key project risks surrounding implementation, data governance, and other project issues as they arise.
Human Resource Transaction Service Model (HR-TSM)	Advisory/Assurance	Operational Service Model	Continue to review the HR service center model progress to date, and the extent to which the desired project goals and objectives have been achieved.
Information Security Consultation – Phase 3	Advisory	Operational	Assist the system in developing a strategy/ program for ongoing assessments to determine whether or not the Top Five information security controls are being addressed; Assess the feasibility, scalability, and sustainability of different options/models for implementing the program.
Institution Financial Control Review (Continued FY19 Work)	Assurance	Compliance Service Model	<ol style="list-style-type: none"> 1. Complete the previously approved FY19 project; Develop and pilot a multiyear audit plan that would result in key financial controls being audited at each college and university. Develop a risk assessment methodology for reviewing the design and operating effectiveness of internal controls and select 2- 3 institutions to pilot the approach. 2. Deploy plan and execute additional college and university reviews.



Additional Proposed Projects

Project	Type (Advisory or Assurance)	Related Risk Domain(s)	Objective
Data Classification Review	Assurance	Operational Compliance	<p>To protect the confidentiality of data, and to comply with applicable state and federal laws and regulations, all institutional data must be classified with the appropriate security classification.</p> <p>As a top five information security focus area, Internal Audit will perform a review of compliance with the information classification requirements. Survey institutions to review how they implemented the data classification operating procedures and instruction. Based on the survey results, Internal Audit will validate responses for further review.</p>
Shared Service Initiative: Comprehensive Workforce Solutions (CWS) Review	Advisory/Assurance	Service Model Operational Enrollment/Student Success	<p>Evaluate the shared service initiative, review project execution to plan, and identify barriers and potential opportunities to improve results and achieve the project's expected benefits and outcomes.</p>
Shared Service Initiative: Metro Alliance Bookstore Review	Advisory	Service Model Operational	<p>Evaluate the shared service initiative to determine if benefits and intended outcomes have been achieved, and to identify barriers and potential opportunities to improve results.</p> <p>Perform a scalability assessment using the Enterprise Shared Services Governance Roadmap.</p>



Recommended Action and Motion

- Recommended Committee Action
 - *the audit committee recommends that the Board of Trustees adopt the following motion:*
- Recommended Board Motion
 - *The Board of Trustees approves the Office of Internal Auditing annual audit plan for fiscal year 2020.*

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

Name: Audit Committee

Date: June 18, 2019

Title: Contracts Exceeding \$1 Million: Annual Baker Tilly Contract Amendment

Purpose (check one):

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

Brief Description:

Board Policy 5.14, Procurement and Contracts, requires that contracts, including amendments, with values greater than \$1,000,000, must be approved in advance by the Board of Trustees.

To accomplish the internal audit work in the fiscal year 2020 audit plan, the system office is seeking approval of a \$600,000 amendment its contract with Baker Tilly Virchow Krause, LLP bringing the total contract to \$2.2 million. The master contract is funded year-by-year from the Office of Internal Auditing's budget, requiring a contract amendment each year. It was previously funded \$400,000 in fiscal year 2017, \$600,000 in fiscal year 2018, and \$600,000 in fiscal year 2019.

Baker Tilly was selected through a competitive bidding process in 2017.

Scheduled Presenter(s):

Eric Wion, Executive Director of Internal Auditing

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

ACTION ITEM
CONTRACTS EXCEEDING \$1 MILLION: Annual Amendment to Agreement with Baker Tilly for Internal Audit Services

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.

Through a competitive bidding process in fiscal year 2017, Baker Tilly Virchow Krause, LLP was selected, and a master contract was executed, to provide internal auditing services for three years with a one-time option to extend it up to an additional three years. The master contract is funded year-by-year from the Office of Internal Auditing's budget, requiring a contract amendment each year.

The master contract is not a guarantee of work and the system office is not committed to issuing work orders or spending any money for services. Rather, the system office requests work as needed by completing a work order for each project. The work order formally authorizes Baker Tilly to proceed with work and establishes the terms, duties, and agreed compensation.

To accomplish the internal audit work in the fiscal year 2020 audit plan, the system office is seeking approval of a \$600,000 amendment to the contract bringing the total contract to \$2.2 million. Funds are available in the Office of Internal Audit approved fiscal year 2019 operating budget. The contract was previously funded \$400,000 in fiscal year 2017, \$600,000 in fiscal year 2018, and \$600,000 in fiscal year 2019.

RECOMMENDED COMMITTEE ACTION:

The audit committee recommends that the Board of Trustees adopt the following motion:

RECOMMENDED BOARD MOTION:

The Board of Trustees authorize the chancellor or the chancellor's designee to execute a \$600,000 amendment to the Baker Tilly Virchow Krause, LLP contract for continued internal auditing services bringing the contract to a not to exceed amount of \$2,200,000. The board directs the chancellor or the chancellor's designee to execute all necessary documents.

Date Presented to the Board of Trustees: June 18, 2019

Annual Contract Amendment for Internal Auditing Services (Baker Tilly)

Annual Baker Tilly Contract Amendment

- Competitive bidding process in 2017
- Master contract executed with Baker Tilly
- Funded year-by-year from Internal Auditing's budget
 - 6 “unfilled” internal audit positions fund the contract
 - Requires an annual amendment
- Seeking approval for \$600k amendment to accomplish internal auditing's 2020 work plan

FY17	\$400k
FY18	\$600k
FY19	\$600k
FY20	<u>\$600k</u>
	\$2.2m

Recommended Action and Motion

- Recommended Committee Action
 - *The audit committee recommends that the Board of Trustees adopt the following motion:*
- Recommended Board Motion
 - *The Board of Trustees authorize the chancellor or the chancellor’s designee to execute a \$600,000 amendment to the Baker Tilly Virchow Krause, LLP contract for continued internal auditing services bringing the contract to a not to exceed amount of \$2,200,000. The board directs the chancellor or the chancellor’s designee to execute all necessary documents.*

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

Name: Audit Committee

Date: June 18, 2019

Title: Compliance Practices Assessment Advisory Report

Purpose (check one):

Proposed
New Policy or
Amendment to
Existing Policy

Approvals
Required by
Policy

Other
Approvals

Monitoring /
Compliance

Information

Brief Description:

Internal audit will provide an overview of the recently completed compliance practices assessment advisory project including key observations and recommendations. The detailed report is also contained in the following materials.

Scheduled Presenter(s):

Eric Wion, Interim Executive Director of Internal Auditing

Chris Jeffrey, Baker Tilly Partner

Ashley Deihl, Baker Tilly Partner

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

BOARD INFORMATION
COMPLIANCE PRACTICES ASSESSMENT ADVISORY REPORT

BACKGROUND

The Office of Internal Auditing (Internal Audit) conducted a systemwide assessment of compliance governance, oversight, and management practices at Minnesota State. Internal Audit performed its work at the direction of the Office of General Counsel (General Counsel) to provide guidance related to assessing the current state of compliance activities and developing recommendations to enhance the management of compliance risk at Minnesota State.

Internal audit will provide an overview of the project including key observations and recommendations. The detailed report is also contained in the following materials.

Date Presented to the Board of Trustees: June 18, 2019

Compliance Practices Assessment Results

Objectives & Conclusion

- Gain an understanding of compliance governance structures, accountabilities and responsibilities, and monitoring and oversight practices across Minnesota State.
- Identify top compliance challenges and concerns.
- Identify compliance program options for Minnesota State, leveraging the framework outlined in the “Effective Compliance and Ethics Program”.

Conclusion

- Operational and functional teams at each college/university appear to be largely functioning successfully, and generally have a good understanding of compliance risks and mitigation practices.
- Minnesota State could enhance its overall compliance program by integrating compliance professionals into a system wide community.



Activities Performed

- Held discussions with system leadership and reviewed documentation to understand the current compliance governance model.
- Performed inquiries and reviewed documentation of a representative group of six colleges and universities.
- Reviewed Minnesota State against the seven key criteria for an “Effective Compliance and Ethics Program” as well as peer institutions.

Background: Compliance Risks in Higher Ed

Compliance = Adherence to federal, state and local laws, regulations, statutes and Minnesota State policies.

Institutions of higher education face a broad and varied compliance burden:

- Accreditation
- Campus safety
- Diversity and inclusion
- Environmental safety
- Financial aid
- Human resources
- Information security and privacy
- Sponsored programs
- Student success and wellness (e.g., athletics, Title IX)
- Tax and finance

Background:

Compliance at Minnesota State

- Shared responsibility between system office and colleges/ universities.
- 37 colleges and universities which vary greatly in terms of mission, enrollment size, instructional focus, geographical locations, and resource allocation.
- Colleges and universities perform day-to-day compliance activities.
- **System office:**
 - Monitors compliance requirements.
 - Develops and communicates systemwide compliance standards and requirements.
 - Provides advice and support to colleges and universities in upholding compliance responsibilities.
 - May perform some oversight of compliance; does not monitor all campus compliance activities and results.



Background: Compliance Trends in Higher Ed

Compliance challenges have been an increasing focus of public scrutiny.

Boards and senior leaders are increasingly looking for visibility into compliance activities and assurance of sufficient compliance mitigation activities.

Compliance Trends in Higher Ed

Higher education has been evolving towards formalizing compliance oversight and monitoring programs to provide greater visibility and coordination across decentralized compliance activities.

Successful compliance programs in higher education vary greatly in scale and function dependent on the system or institution's needs.

Framework: Seven Elements of an Effective Compliance Program

- Standard within the compliance community.
- Standard in the higher education industry.
- Promulgated by the US Sentencing Commission.
- Could lessen penalties applicable to an organization related to misconduct by one of its agents.

The Seven Elements:

1. Standards and Procedures
2. Oversight
3. Due Diligence over Delegation of Authority
4. Communication and Education
5. Monitoring and Auditing
6. Enforcement and Discipline
7. Response and Prevention

Suggested Next Steps

Formal **assignment and communication of responsibilities** for each compliance area and each college/university.

Continue to **formalize compliance communities** both across compliance areas as well as within each college/university.

Consider options to **organize and oversee the compliance community** across all colleges and universities.

Explore potential **reporting and visibility mechanisms**.

Suggested Next Steps: Potential Benefits

- **Strategic Alignment** between compliance, strategic and Enterprise Risk Management objectives.
- **Risk Identification and Understanding** including a comprehensive, prioritized landscape of risks, and improved visibility systemwide of risks and mitigation activities.
- **Resource Prioritization and Allocation** to deploy resources to address the highest priority compliance needs.
- **Application of Best Practices** across Minnesota State to enhance efficiency of processes, effectiveness of training, and ease of compliance.

Suggested Next Steps: What Questions Can This Answer?

- What assurance do we have that compliance mitigation activities are consistently occurring as designed?
- How do we know when compliance units are struggling to achieve compliance?
- Are there resources elsewhere in the system we can leverage to make compliance easier?
- Do we have the best/most streamlined practices in place?
- How can we strategically and proactively address changes in the compliance environment?



DATE: June 7, 2019

TO: Board of Trustees
Leadership Council

FROM: Devinder Malhotra, Chancellor

SUBJECT: Compliance Practices Assessment Report

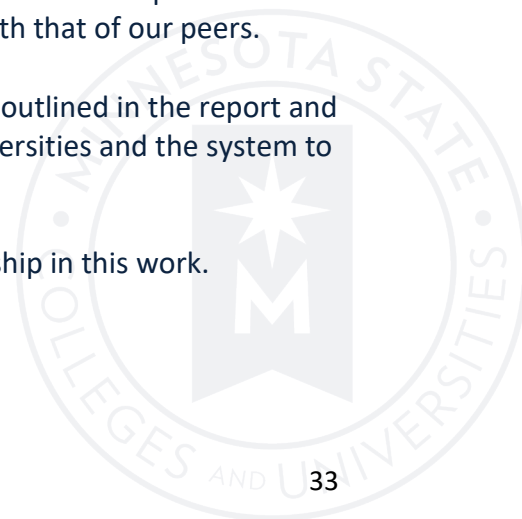
The Office of Internal Auditing (Internal Audit) has completed a systemwide assessment of compliance governance, oversight, and management practices at Minnesota State. Internal Audit performed its work at the direction of the Office of General Counsel, with the goal to assess the current state of compliance activities and develop recommendations to enhance the management of compliance risk at Minnesota State.

We agree with the overall conclusion that, while compliance activities at each college/university appear to be operating successfully, Minnesota State's current approach to compliance is largely decentralized and that the resources and approach to compliance varies across the system. We therefore recognize that Minnesota State could benefit from a more formalized approach to coordination and communication across compliance leadership, in order to ensure a consistent and comprehensive approach to compliance with relevant laws, regulations, and statutes. Several of our peers have built out compliance programs in recent years similar to what has been proposed by Internal Audit; however it is important to note that this implementation has typically taken multiple years to complete.

Internal Audit has proposed four key steps to building a more integrated, systemwide compliance community at Minnesota State. These four steps are meant to build upon each other, with the ultimate goal of aligning our approach more closely with that of our peers.

I look forward to working with Leadership Council as we vet the steps outlined in the report and develop implementation strategies that support our colleges and universities and the system to meet our compliance responsibilities.

As always, your feedback is welcome – I look forward to your partnership in this work.





May 12, 2019

The Office of General Counsel

COMPLIANCE PRACTICES ASSESSMENT REPORT

Advisory Project

Minnesota State

Reference Number: 2019-03

Report Classification: Public



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

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EXECUTIVE SUMMARY

The Office of Internal Auditing (Internal Audit) conducted a systemwide assessment of compliance governance, oversight, and management practices at Minnesota State. Internal Audit performed its work at the direction of the Office of General Counsel (General Counsel) to provide guidance related to assessing the current state of compliance activities and developing recommendations to enhance the management of compliance risk at Minnesota State.

Assessment Objectives, Scope and Approach

The objectives of this advisory project were to:

- Gain an understanding of compliance governance structures, accountabilities and responsibilities, and monitoring and oversight practices, with a particular focus on the delegation of responsibilities between the colleges, universities, and the system office.
- Identify top compliance challenges and concerns, with a particular focus on key compliance areas that may be lacking in strong oversight and management.
- Identify compliance program options for Minnesota State, as outlined in the “Effective Compliance and Ethics Program” as detailed in Chapter 8 of the federal expectations for institutional compliance programs (please see **Appendix A** for further details on this framework).

The following activities were performed in support of this assessment:

- Held discussions with system leadership to understand the current compliance governance model.
- Performed inquiries and reviewed documentation of a representative group of six colleges and universities.
- Performed a gap assessment comparing current governance practices to the seven key criteria for an “Effective Compliance and Ethics Program”.
- Reviewed Minnesota State against industry standards and peer institutions.
- Identified top high-risk compliance areas.

Background and Compliance Risk Overview

Minnesota State consists of 37 colleges and universities, each responsible for maintaining compliance with a vast array of regulations, laws, statutes, and policies. The colleges and universities of Minnesota State vary greatly in terms of mission, enrollment size, instructional focus, geographical locations, and resource allocation. Therefore, these colleges and universities have very different compliance expectations, needs, and approaches. Any approach to enhancing the compliance programs at Minnesota State must take these factors into account to allow for coordination balanced with flexibility.

The colleges and universities operate independently but share a system office as well as a single governing Board of Trustees. As such, the system office and the Board have a role in ensuring compliance across Minnesota State. Any updates to the compliance program at Minnesota State must recognize the appropriate role of the Board, the system office, and college and university leadership.

In recent years, the trend in higher education is towards creating an enterprise-wide compliance function to provide coordination, oversight, and monitoring of decentralized compliance activities. At the same time, however, higher education is faced with declining budgets necessitating leaner administration. Therefore it is critical that any potential compliance program is scaled and tailored appropriately to Minnesota State.

Summary of Results

Currently, responsibility for compliance is divided between the system office and the colleges and universities. The colleges and universities are responsible for day-to-day compliance activities. The system office, through each of the cabinet officials' areas of responsibility, monitors ever-changing compliance requirements, develops systemwide compliance standards, communicates compliance requirements to the colleges and universities, and provides advice and support to the colleges and universities in upholding their compliance responsibilities. While system office personnel may perform some oversight of compliance at the colleges and universities, it does not monitor all campus compliance activities and results. [Some college and university personnel erroneously assumed the system office played a more active role in compliance oversight.]

The operational and functional teams (i.e., compliance units) at each college/university appear to be largely functioning successfully, and generally have a good understanding of compliance risks as well as appropriate compliance risk mitigation practices in place or in process of being developed. However, the resources available to address compliance needs at the six college and universities varied as did their approaches to policy implementation, assignment of responsibility, and monitoring and reporting on compliance. While variances in approach are to be expected and embraced in a decentralized model, lower levels of consistency may require additional coordination and communication for leadership to gain comfort with the success of its compliance activities across Minnesota State.

One option for Minnesota State would be to integrate college and university compliance professionals into a systemwide, coordinated compliance community which can work more strategically and collaboratively towards efforts to promote a culture of compliance, adhere to relevant laws and regulations, and provide communication channels from the governing body and executive leadership through to all other levels of the organization. The development of such a community is a suggested first step in evolving towards a more robust systemwide compliance program.

A more system-based coordinated approach to compliance oversight could lead to the following benefits at Minnesota State:

- **Strategic Alignment** between compliance efforts and key strategic and Enterprise Risk Management objectives.
- **Risk Identification and Understanding** including a comprehensive, prioritized landscape of compliance risks, and improved visibility and assessment of compliance risks and mitigation activities for the Board, Chancellor, system office, and college and university Presidents.
- **Resource Prioritization and Allocation** to ensure resources are deployed to address the highest priority compliance risks.
- **Application of Best Practices** across Minnesota State to enhance efficiency of processes, effectiveness of training, and ease of compliance.

Next Steps

Minnesota State could develop a systemwide coordinated compliance community through the below next steps. These actions are designed to be sequential and build over time. The first step is a short term goal, the second step will require some additional time to implement and is a medium term goal, and the third and fourth steps must be implemented over a longer time frame. The below activities will require a level of coordinated facilitation from a central, assigned individual or group; the third and fourth steps will likely require a dedicated (in part or in whole) resource to ensure momentum, consistency, and accountability.

- Formal **assignment and systemwide communication of responsibilities** for each compliance area at each college and university.
- Continue to **formalize compliance communities** both across compliance areas as well as within each college and university.
- Consider options to **organize and oversee the systemwide compliance community**.
- Explore potential **reporting and visibility mechanisms**.

The detailed report contains the following sections:

- **Background and Objectives** including detailed information on the assessment framework, background on common higher education industry compliance practices, and detailed approach.
- **Current State Assessment** including a compliance risk overview at Minnesota State (i.e., high-level compliance risk map), a summary of current state strengths, and a maturity model assessment of compliance practices at Minnesota State.
- Options for **Developing a Compliance Evolution Road Map** at Minnesota State including potential roles within a systemwide compliance community as well as detailed recommendations to mature compliance practices.

BACKGROUND AND OBJECTIVES

Background and Context

Minnesota State consists of 37 colleges and universities, each historically and currently responsible for maintaining compliance with a vast array of regulations, laws, statutes, and policies. The colleges and universities of Minnesota State vary greatly in terms of mission, enrollment size, instructional focus, geographical locations, and resource allocation. Therefore, these colleges and universities have very different compliance expectations, needs, and approaches. Any approach to enhancing the compliance programs at Minnesota State must take these factors into account to allow for coordination balanced with flexibility.

The colleges and universities of Minnesota State operate independently but share a system office as well as a single governing Board of Trustees. As such, the system office and the Board have a role in ensuring compliance. Any options for an augmented compliance program at Minnesota State must consider and define the appropriate role of the Board, the system office, and college and university leadership.

Expectations and Goals of a Compliance Program

Compliance Considerations from the Federal Expectations for Institutional Compliance Programs

An effective compliance program follows a model that works for the specific organization, while aligning with industry leading practices and guidelines. One generally accepted framework for the establishment of an effective compliance and ethics program exists in Chapter Eight of the federal expectations for institutional compliance programs. Such a program facilitates deterrence, and can serve to lessen the penalties applicable to an organization related to misconduct of one of its agents.

While this model specifically addresses “criminal conduct,” it commonly applies more broadly to compliance risk considerations as a whole. Beyond simply the consideration of criminal risk, institutions have leveraged this framework to inform a practical and comprehensive approach to maturing compliance risk management.

The guidelines detail seven components that an organization should address for an effective compliance and ethics program (see **Appendix A** for a detailed description of this framework):

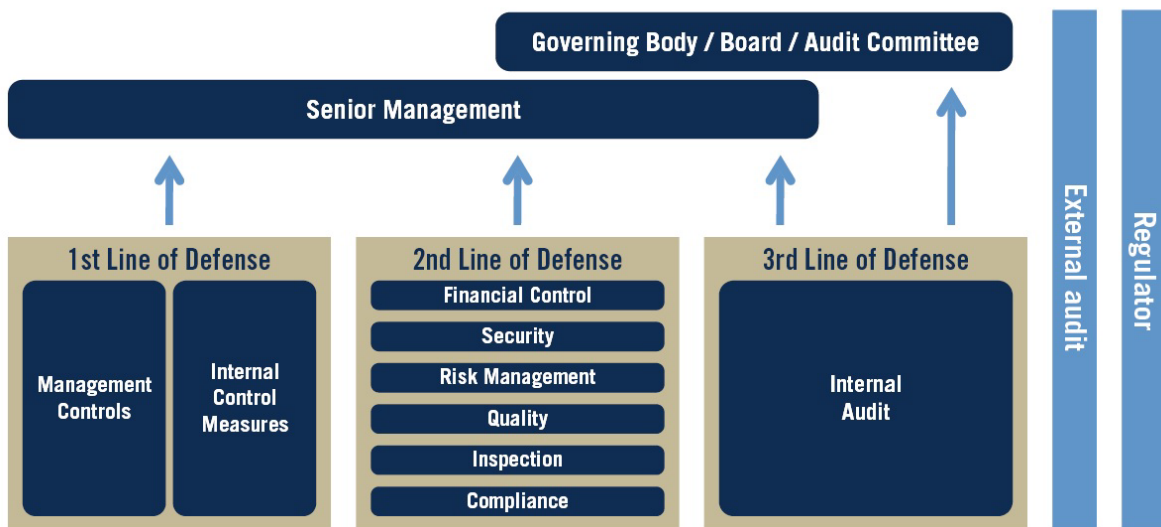
1. **Standards and Procedures** – The institution establishes standards and procedures.
2. **Oversight** – Specific individual(s) within the institution are selected for day-to-day operational responsibility for the compliance and ethics program.
3. **Due Diligence over Delegation of Authority** – The institution uses reasonable efforts to ensure that individuals involved in managing compliance were not in the past engaged in illegal activities or other conduct inconsistent with an effective compliance and ethics program.

4. **Communication and Education** – The institution takes reasonable steps to communicate its standards and procedures, and other aspects of the compliance and ethics program.
5. **Monitoring and Auditing** – The institution takes reasonable steps to monitor and audit compliance to assess effectiveness of the organization’s compliance and ethics program.
6. **Enforcement and Discipline** – The institution’s compliance and ethics program is promoted and enforced consistently through appropriate incentives and disciplinary measures.
7. **Response and Prevention** – The institution takes reasonable steps to respond to noncompliance and to prevent further similar conduct.

Compliance Programs in Higher Education

An effective compliance program addresses compliance risk holistically across all levels of an organization. A common industry framework for risk management is the *Three Lines of Defense Model*, which distinguishes among three groups that each play a distinct role within an institution's wider governance framework, and each of which holds a defined role relative to compliance risk.

The Three Lines of Defense Model



Source: Adapted from ECIIA/FERMA *Guidance on the 8th EU Company Law Directive, article 41*

Higher education has been evolving towards formalizing compliance oversight and monitoring functions within the **2nd Line of Defense** to provide programmatic oversight of decentralized compliance activities. Often operational units across an institution manage the day-to-day compliance activities and are responsible for maintaining compliance in their respective areas (the **1st Line of Defense**), while a centralized, institution-level compliance function (the **2nd Line of Defense**) manages the functional aspects of a compliance program to coordinate, oversee, and monitor the compliance activities of those operational units. Formalized committees and other centralized reporting mechanisms serve to keep senior leaders and governing bodies informed so that compliance risks receive appropriate consideration in relation to achieving organizational strategy and accepting/mitigating risks. Finally, the internal

audit function provides periodic, objective assurance on compliance activities (the **3rd Line of Defense**). Please see **Appendix B** for a more detailed description of each of the *Three Lines of Defense*.

It is important to note that a compliance function can and should be scaled and tailored appropriately to the institution it serves, and that the compliance function role can be filled in a variety of ways (i.e., not every institution will require a standalone compliance “office” in order to achieve effective compliance at all three levels).

Assessment Objectives

Internal Audit performed an assessment at the direction of General Counsel to:

- Gain an understanding of compliance governance structures, accountabilities and responsibilities, and monitoring and oversight practices, with a particular focus on the delegation of responsibilities between the colleges, universities, and the system office.
- Identify top compliance challenges and concerns facing Minnesota State, with a particular focus on key compliance areas that may require stronger oversight and management.
- Explore potential structures and practices that Minnesota State may adopt to strengthen its institutions’ compliance programs, as outlined in the “Effective Compliance and Ethics Program” as detailed in Chapter 8 of the federal expectations for institutional compliance programs (please see **Appendix A** for further details on this framework).

Assessment Scope and Approach

Internal Audit performed the following activities in support of this assessment:

- Held discussions with system leadership to understand the current compliance governance model, including assignment of accountability and responsibility, oversight and monitoring procedures, and reporting and escalation practices.
- Performed inquiries and reviewed documentation of a representative group of six colleges and universities of Minnesota State to understand the compliance governance model at each, including assignment of accountability and responsibility, oversight and monitoring procedures, and reporting and escalation practices. The specific colleges and universities of Minnesota State covered included:
 - Bemidji State University¹
 - Century College
 - Minneapolis College
 - Northwest Technical College¹
 - Riverland Community College
 - Winona State University

¹ Bemidji State University and Northwest Technical College share the same leadership; therefore, the individuals interviewed covered each.

- Performed a gap assessment comparing current governance practices to the seven key criteria for an “Effective Compliance and Ethics Program” as detailed in Chapter 8 of the federal expectations for institutional compliance programs.
- Reviewed Minnesota State against industry standards and peer institutions to identify potential models for compliance governance. Our review included the roles, assignments, and reporting lines relative to senior leadership, the compliance function/officer, compliance committee(s), and the Board of Trustees.
- Identified the top high-risk compliance areas at Minnesota State, with a particular focus on areas without clear accountability/responsibility, and provided recommendations for oversight and monitoring of these areas.

CURRENT STATE ASSESSMENT

Compliance Risk Overview at Minnesota State

Higher education institutions must comply with a wide variety of external laws and regulations. Internal Audit identified the following compliance risks for the higher education industry relevant to Minnesota State. Our work focused on these compliance risk areas:

- Accreditation
- Athletics
- Campus safety
- Diversity and inclusion
- Environmental safety
- Financial aid
- Human resources
- Information security and privacy
- Sponsored programs (i.e., programs sponsored by federal, state, and local governments, foundation, or industry funded grants and contracts)
- Student success and wellness
- Tax and finance

Current Areas of Strength

Internal Audit noted the following areas of strength during its assessment activities:

- Campus leadership across the six colleges and universities interviewed (in-scope) recognize the importance of a strong compliance program.
- There is a culture of communication and collaboration in certain compliance areas across Minnesota State, both with peer colleges and universities as well as with the system office. Strong examples of this practice include the areas of financial aid and facilities.
- All in-scope colleges and universities are in the process of routine policy updates or already have a policy in place for reviewing and updating policies.
- Individuals at the colleges and universities interviewed view the escalation process for reporting issues as effective.
- Leadership across the colleges and universities (in-scope) of Minnesota State feel supported and confident in decision making regarding situations involving enforcement and discipline.
- The Board of Trustees and the system office have developed and promulgated system wide policies in key compliance areas, as well as detailed procedures and operating instructions in some areas.

Current State Observations

Currently, Minnesota State practices a decentralized compliance model, consistent with its structure of 37 independent colleges and universities. That is, the individual colleges and universities have day to day compliance responsibilities including oversight of compliance. The system office provides to its constituent campuses education on compliance standards, compliance expectations, the goal of consistency across campuses, and ongoing expert support of campus compliance efforts.

Role of the Minnesota State System Office

The system office provides education on compliance standards and expectations through the creation and promulgation of Board of Trustees policies and procedures and system operating instructions; specifically:

- Board of Trustees policies are policy statements enacted by the Board of Trustees to provide the governing authority and structure for Minnesota State and its constituent colleges and universities, in accordance with the Minnesota State's mission and philosophy. These policies must be reexamined and updated every five years.
- System procedures specify the manner in which policies, law, or managerial functions shall be implemented by the colleges, universities and system office. These policies and procedures provide detailed systemwide mandates involving, for example, (1) Delegation of Powers, (2) Non-Discrimination, (3) Reasonable Accommodation and Response to Sexual Violence, (4) Code of Conduct and Ethics, (5) Educational Policies, (6) Human Resources, (7) Administration, (8) Facilities Management and (8) Finance. These procedures must be reexamined and updated every five years.
- Operating instructions are issued and approved by the system office, giving explicit direction, instructions or guidance on internal forms, processes and other administrative or managerial matters, consistent with Board of Trustees policies and system procedures as described above.

The system office provides compliance information and expectations to campus personnel in several ways:

- Time sensitive compliance information is provided to the appropriate campus officials by immediate email.
- Monthly subject matter-specific teleconferences are held across peer groups (e.g., regular college and university Chief Human Resources Officers conference calls with system office Human Resources and Labor Relations experts).
- Periodic subject matter conferences for key compliance areas (e.g., Academic and Student Affairs, Information Technology, Human Resources, Equity and Inclusion).
- Bi-weekly subject matter update emails.
- Periodic webinars.

Further, subject matter experts at the system office, including the Office of General Counsel provide compliance support, feedback, and advice to campus officials as needed. For example, the Minnesota State Office of Equity and Inclusion provides systemwide strategy support and

consultation to address the compliance efforts for federal and state nondiscrimination laws, along with the policies and procedures relevant to address equity in the Minnesota State College and Universities system.

In some compliance areas, subject matter experts at the system level also are engaged in compliance oversight. For example, the Human Resources Division exercises oversight of classified and unclassified collective bargaining agreement compliance, retirement/pension compliance and administration, worker's compensation, salary setting, benefits, and many other human resources considerations. The Office of Internal Auditing also has some oversight of recommendations made at the conclusion of audits and investigations.

Current State of Compliance Activities at Minnesota State

The operational and functional teams (i.e., compliance units) at each college/university appear to be largely functioning successfully, and generally have a good understanding of compliance risks as well as appropriate compliance risk mitigation practices in place or in process of being developed. However, the resources available to address compliance needs at the six college and universities varied as did their approaches to policy implementation, assignment of responsibility, and monitoring and reporting on compliance. While variances in approach are to be expected and embraced in a decentralized model, lower levels of consistency may require additional coordination and communication for leadership to gain comfort with the success of its compliance activities across Minnesota State.

Minnesota State has not employed a system-level compliance function focused on monitoring and oversight of decentralized activities. Some expect or assume that system office personnel (e.g., Office of General Counsel, Internal Audit, or senior leadership) enforce compliance for the system; however, as discussed above, these groups generally view themselves as educational and advisory in nature and not responsible for policing campus compliance.

DEVELOPING A COMPLIANCE EVOLUTION ROAD MAP

Summary Level Recommendations

Minnesota State should consider the option of bringing together system office and college and university compliance professionals into a systemwide, coordinated compliance community which can work strategically and collaboratively towards efforts to promote a culture of compliance, adhere to relevant laws and regulations, and provide communication channels from the governing body and executive leadership through to all elements of Minnesota State. The development of a coordinated community is a critical first step in evolving towards a more robust systemwide compliance program.

Over time, this compliance community could then serve as a catalyst to enhance compliance efforts across Minnesota State to better address the seven elements of an effective compliance program. Please see **Appendix C** for further guidance on a long term compliance evolution road map to a formalized, centralized, comprehensive compliance program.

The below four steps would serve to develop this community. These actions vary in the time and resources required for implementation. Step 1 is a short term goal, step 2 will require additional time and can be viewed as a medium term goal, and steps 3 and 4 are goals to be achieved over a longer time horizon.

It is important to note that the below activities will require a level of coordinated facilitation to allow for proper momentum and timing, consistency in approach and documentation, and accountability across Minnesota State. It will be necessary to assign a facilitator to complete these activities. While steps 1 and 2 should be coordinated by an assigned individual or group, much of the work can be achieved through mechanisms and leaders already in place (e.g., leveraging current risk area communities of practice). However, step 3 and 4 will likely require a dedicated (in part or in whole) resource to serve as a centralized facilitator.

Step 1: Assign Compliance Roles

The critical first step in establishing a compliance network is to identify compliance owners across Minnesota State. This involves identifying a high level compliance inventory (i.e., what key compliance areas impact Minnesota State) and explicitly assigning each compliance area to an owner at the System Office, and to an owner at each college and university. The compliance inventory needs to be comprehensive (i.e., include all compliance considerations) but can (and likely should) start at a summary level rather than identifying every individual law, regulation, policy, etc. For example, the listing on **page 8** could serve as a starting point.

Compliance risk owners should be individuals with the knowledge, skillsets, and position within the organization to own and address risks (typically, this may be an Associate Vice President or

Director-level individual). In most cases, a single owner should be identified for each compliance area for each college and university. This allows for ease of communication and clear authority. The compliance risk owner is then responsible for coordinating with other personnel who impact or support compliance at his or her campus in the assigned area.

These compliance risk owners should be documented and communicated across Minnesota State. Minnesota State will want to implement mechanisms to ensure assignments are up to date and take into consideration changes in personnel as well as changes in compliance requirements over time.

Step 2: Formalize Compliance Groups

Continue to formalize compliance communities both across compliance areas as well as within each college and university. Ideally communities would be organized both “horizontally” (i.e., composed of all compliance risk owners for a given compliance risk area across Minnesota State) as well as “vertically” (i.e., composed of all compliance risk owners within a given college or university).

In many cases, there may already be formal or informal committees or groups in place composed of these individuals. In these cases, the groups should clearly be assigned their role in compliance, and compliance topics should be specifically identified in meeting agendas, charters, and other committee documentation to ensure it receives designated focus.

A central facilitator should work with these groups to set goals in terms of attendance, meeting topics and frequency, strategic objectives, and frequency and nature of status reporting.

Step 3: Provide a Systemwide Organizational Framework for Compliance

Consider options to organize and oversee the systemwide compliance community. Please see **Appendix D** for example roles within a systemwide compliance organizational framework at Minnesota State. While this is not the only potential framework for systemwide compliance, many higher education institutions have successfully implemented a framework similar to that in Appendix D.

Minnesota State should develop a framework thoughtfully and over time, utilizing the central facilitator and compliance leaders across Minnesota State to identify needs in terms of roles, responsibilities, and communication and reporting structures. This framework should assess, define, and incorporate the desired roles of the Board, Chancellor, system office, Presidents, and compliance risk owners across Minnesota State. This activity would also include consideration of the need for a systemwide compliance officer, function, and/or committee to provide central governance of decentralized compliance activities.

Step 4: Establish Reporting and Visibility Mechanisms

Explore potential reporting and visibility mechanisms, with the goal of providing insight into decentralized compliance activities for the Board, Chancellor, system office, and Presidents. Specific reporting activities will depend on the framework developed in step 3 above, as well as the desired level of visibility for Minnesota State leadership in terms of frequency, method, format, and level of detail of reporting. To the extent possible, Minnesota State should leverage reporting mechanisms currently in place through strategic, enterprise risk management, or other systemwide processes.

APPENDIX A: FEDERAL SENTENCING GUIDELINES

The United States' *Federal Sentencing Guidelines* establish a uniform standard for sentencing related to felonies and Class A misdemeanors tried in federal courts. As of 1991, the *Federal Sentencing Guidelines* include guidance for the sentencing of organizations, including not-for-profit entities, in Chapter Eight. The purpose of expanding the *Federal Sentencing Guidelines* to organizations was to serve two purposes: 1) provide "just punishment" and 2) promote "deterrence."

Toward these ends, a section was added to Chapter Eight in 2004 related to the establishment of an effective compliance and ethics program (§8B2). The purpose of an effective compliance and ethics program is intended to work toward the goal of deterrence, and can serve to lessen the penalties applicable to an organization related to misconduct of one of its agents. As described in Chapter Eight,

"These guidelines offer incentives to organizations to reduce and ultimately eliminate criminal conduct by providing a structural foundation from which an organization may self-police its own conduct through an effective compliance and ethics program. The prevention and detection of criminal conduct, as facilitated by an effective compliance and ethics program, will assist an organization in encouraging ethical conduct and in complying fully with applicable laws."

The guidelines go on to detail seven components that an organization is expected to have (at a minimum) to be considered to have an effective compliance and ethics program.

1 – Standards and Procedures

"The organization shall establish standards and procedures to prevent and detect criminal conduct."

2 – Oversight

"(A) The organization's governing authority shall be knowledgeable about the content and operation of the compliance and ethics program and shall exercise reasonable oversight with respect to the implementation and effectiveness of the compliance and ethics program.
(B) High-level personnel of the organization shall ensure that the organization has an effective compliance and ethics program, as described in this guideline. Specific individual(s) within high-level personnel shall be assigned overall responsibility for the compliance and ethics program.
(C) Specific individual(s) within the organization shall be delegated day-to-day operational responsibility for the compliance and ethics program. Individual(s) with operational responsibility shall report periodically to high-level personnel and, as appropriate, to the governing authority, or an appropriate subgroup of the governing authority, on the effectiveness of the compliance and ethics program. To carry out such operational responsibility, such individual(s) shall be given adequate resources, appropriate authority, and direct access to the governing authority or an appropriate subgroup of the governing authority."

3 – Due Diligence over Delegation of Authority

“The organization shall use reasonable efforts not to include within the substantial authority personnel of the organization any individual whom the organization knew, or should have known through the exercise of due diligence, has engaged in illegal activities or other conduct inconsistent with an effective compliance and ethics program.”

4 – Communication and Education

“(A) The organization shall take reasonable steps to communicate periodically and in a practical manner its standards and procedures, and other aspects of the compliance and ethics program, to the individuals referred to in subparagraph (B) by conducting effective training programs and otherwise disseminating information appropriate to such individuals' respective roles and responsibilities.

(B) The individuals referred to in subparagraph (A) are the members of the governing authority, high-level personnel, substantial authority personnel, the organization's employees, and, as appropriate, the organization's agents.”

5 – Monitoring and Auditing

“The organization shall take reasonable steps:

(A) to ensure that the organization's compliance and ethics program is followed, including monitoring and auditing to detect criminal conduct;

(B) to evaluate periodically the effectiveness of the organization's compliance and ethics program; and

(C) to have and publicize a system, which may include mechanisms that allow for anonymity or confidentiality, whereby the organization's employees and agents may report or seek guidance regarding potential or actual criminal conduct without fear of retaliation.”

6 – Enforcement and Discipline

“The organization's compliance and ethics program shall be promoted and enforced consistently throughout the organization through (A) appropriate incentives to perform in accordance with the compliance and ethics program; and (B) appropriate disciplinary measures for engaging in criminal conduct and for failing to take reasonable steps to prevent or detect criminal conduct.”

7 – Response and Prevention

“After criminal conduct has been detected, the organization shall take reasonable steps to respond appropriately to the criminal conduct and to prevent further similar criminal conduct, including making any necessary modifications to the organization's compliance and ethics program. (c) In implementing subsection (b), the organization shall periodically assess the risk of criminal conduct and shall take appropriate steps to design, implement, or modify each requirement set forth in subsection (b) to reduce the risk of criminal conduct identified through this process.”

APPENDIX B: THE *THREE LINES OF DEFENSE* MODEL

The *Three Lines of Defense* model distinguishes among three groups (or lines) involved in effective risk management, each of which plays a distinct role within the organization's wider governance framework, and each of which holds a defined role relative to compliance risk.

1. Functions that own and manage risks.
 - a. **Role:** Implements compliance standards and perform day-to-day compliance activities.
 - b. **Federal Sentencing Guidelines areas of responsibility:** Primary responsibility for Standards and Protocols, Due Diligence, Education and Communication, Enforcement and Discipline, and Response and Prevention.
 - c. **Responsible party:** Operational compliance units such as human resources (HR), information technology (IT) security, and financial aid units.
2. Functions that oversee and monitor risks.
 - a. **Role:** Provides oversight, monitoring, and support of all compliance activities at the institution.
 - b. **Federal Sentencing Guidelines areas of responsibility:** Primary responsibility for Oversight and Monitoring and Auditing; responsibility for overseeing and monitoring Standards and Protocols, Due Diligence, Education and Communication, Enforcement and Discipline, and Response and Prevention.
 - c. **Responsible party:** Institution-level compliance function.
3. Functions that provide independent, objective assurance.
 - a. **Role:** Provides objective assurance over all compliance activities at the institution.
 - b. **Federal Sentencing Guidelines areas of responsibility:** Objective assurance over all elements.
 - c. **Responsible party:** Internal audit function.

APPENDIX C: DETAILED SUGGESTIONS FOR LONG TERM EVOLUTION OF A SYSTEMWIDE COMPLIANCE PROGRAM

Below is a summary of the federal expectations for institutional compliance programs’ seven elements, considerations for assessing Minnesota State relative to the “ideal state” for effective compliance and ethics programs, and opportunities to inform the system’s evolution to a more formalized, comprehensive compliance program.

Standards and Procedures

Ideal state: Standards and procedures are established to deter and detect noncompliance (e.g., policies, procedures, calendars, mechanisms).

Observations	Opportunities for Improvement
<ul style="list-style-type: none"> Consistent policy guidance is provided by the system office; however this may be inconsistently applied in practice across the colleges and universities due to differences in size and structure. Interviewees noted that additional guidance in terms of minimum expectations may be useful to develop a baseline level of compliance risk mitigation activities across while allowing for flexibility and autonomy. 	<ul style="list-style-type: none"> Encourage further discussion and collaboration systemwide to establish consistent expectations and recognize appropriate variations in practice for the colleges and universities. This protects the system as a whole and provides the support that compliance owners need to establish compliance practices and obtain funding and resources for top compliance risk mitigation items.

Oversight

Ideal state: The governing body is knowledgeable and provides reasonable oversight of compliance risk. Additionally, specific “high-level individuals” are assigned oversight of each compliance risk, while the day-to-day authority for compliance risk management is delegated to specific individuals operating in the compliance risk area.

Observations	Opportunities for Improvement
<ul style="list-style-type: none"> There is not a system-level compliance function responsible for oversight. Additionally, none of the colleges and universities interviewed currently have a designated Chief Compliance Officer; however, it was noted that two of six colleges and universities previously had a Chief Compliance Officer. The individuals that previously held these roles transitioned to other positions and it appears the Chief Compliance Officer roles were not filled. While some areas of compliance have established strong systemwide communities of practice that allow for communication and collaboration, neither the system office nor most colleges and universities reviewed have an established process to provide compliance oversight in a holistic manner. 	<ul style="list-style-type: none"> Bring together decentralized compliance professionals into a systemwide, coordinated compliance community which can work strategically and collaboratively towards efforts to promote a culture of compliance, adhere to relevant laws and regulations, and provide communication channels from the governing body and executive leadership through to all elements of Minnesota State. Define the Board of Trustees’ responsibility for oversight of the compliance program, and update relevant committee charters accordingly. Provide reporting to the Board of Trustees on system compliance program and compliance risk information to include strategic information and related senior leader perspectives on the highest priority compliance risk areas across the system (in concert with the Enterprise Risk Management program) as well as key metrics on ethics hotline reporting and resolution.

Observations	Opportunities for Improvement
	<ul style="list-style-type: none"> Document standardized and comprehensive systemwide compliance reporting to the Chancellor and Board of Trustees. Clarify and document the role of the system office, Chancellor, and college and university Presidents with regards to compliance. Consider establishing system-level responsibility for coordination, oversight, and monitoring of compliance operations across Minnesota State (i.e., a compliance community of individuals tasked with compliance monitoring responsibilities; 2nd Line of Defense referenced in Appendix B).
<ul style="list-style-type: none"> Most individuals understand their departments' reporting structure and many compliance risk areas have a designated leader (e.g., Title IX Coordinator). However, the owner(s) for each compliance risk area are not always formalized. This impacts the ability of Minnesota State to quickly and easily identify risk owners for purposes of ongoing and emergency communications as well as formal assignment of compliance responsibilities. 	<ul style="list-style-type: none"> Formally assign executive leaders as "Compliance Risk Owners" to define accountability for each major area of compliance risk (i.e., 1st Line of Defense referenced in Appendix B). Clarify compliance roles, responsibilities, and handoffs, especially where compliance elements span multiple colleges or units.
<ul style="list-style-type: none"> While many compliance risk areas have a strong system office representative, certain areas do not have system office resources. For example, there is no system office support for sponsored programs. 	<ul style="list-style-type: none"> Formally assign a system office individual to oversee and provide guidance for every current and emerging compliance risk area.

Due Diligence over Delegation of Authority

Ideal state: The institution does not employ those who have past legal or compliance challenges.

Observations	Opportunities for Improvement
<ul style="list-style-type: none"> Some personnel interview expressed concern or confusion as to Minnesota State's hiring due diligence practices, given certain restrictions on background checks in state-specific laws. 	<ul style="list-style-type: none"> Continue to exercise due diligence (e.g., reference checks) over new employee hiring, employee transfers, and promotions into compliance positions; continue to consider the need for additional scrutiny including the potential use of background checks in compliance areas with potential federal enforcement implications (i.e., financial aid, sponsored research).

Communication and Education

Ideal state: The institution takes reasonable steps to communicate periodically and in a practical manner its standards and procedures, and other aspects of the compliance and ethics program (e.g., training programs or other communication mechanisms).

Observations	Opportunities for Improvement
<ul style="list-style-type: none"> Some compliance areas have a robust community of practice. However, there are some compliance areas that may not have as robust a community of practice or established peer groups which may cause Compliance Risk Owners to be unaware of critical information. For example, some compliance areas do not have a mechanism to regularly identify and encourage or support implementation of best practices and resources. 	<ul style="list-style-type: none"> Leverage the practices of the most robust and successful communities of practice to establish or standardize groups across compliance areas; for example meeting on a regular basis, defining representatives/attendees from colleges and universities, and/or implementing multi-day gatherings to support knowledge-sharing and training opportunities. Develop a compliance resource repository that colleges and universities of Minnesota State can leverage. Additionally, consider opportunities to actively encourage the leveraging of best practices present at one college or university for application across the system.
<ul style="list-style-type: none"> Colleges and universities vary as to awareness and usage of available compliance-related trainings available through Enterprise Learning Management (ELM); only one college/university of six interviewed consistently utilizes ELM for all training needs. While required new employee trainings occur consistently, training for job-specific compliance expectations are less consistent and often developed or purchased by the individual college or university. 	<ul style="list-style-type: none"> Encourage the development and utilization of standard trainings and communications for job-specific compliance responsibilities for both new and current employees. Consider tools to streamline training systems at Minnesota State, consistently track training participation, and determine requirements for relevant trainings.
<ul style="list-style-type: none"> Shared service implementation efforts may not consider compliance needs and requirements as part of the planning process. Additionally, there is a need for ongoing monitoring of compliance as changes are implemented. 	<ul style="list-style-type: none"> As Minnesota State continues to adopt more enterprise-wide shared service functions, consider mechanisms to appropriately consider compliance as a critical element of implementation efforts.

Monitoring and Auditing

Ideal state: The institution performs activities to ensure the compliance program is followed. The institution periodically evaluates the effectiveness of all elements of its compliance program. The institution maintains and publicizes a system for anonymous reporting.

Observations	Opportunities for Improvement
<ul style="list-style-type: none"> There is no standard reporting system (e.g., anonymous hotline) for personnel across Minnesota State to utilize when compliance issues arise. While interviewees were aware of the ability to contact a variety of offices with concerns, including General Counsel and the Office of Internal Auditing, some expressed hesitation due to a perception of heavy workload by these offices. Further, while these offices seek to maintain confidentiality, there is not a reporting mechanism to allow anonymity. 	<ul style="list-style-type: none"> Research and consider options for an anonymous reporting system for Minnesota State.
<ul style="list-style-type: none"> Across the colleges and universities of Minnesota State, there is not yet an approach to assessing, prioritizing, and monitoring compliance risks at a detailed level. 	<ul style="list-style-type: none"> Implement a process for the system to identify and prioritize detailed compliance risks. This may include a regular “deep dive assessment” of compliance risk as part of other Minnesota State Enterprise Risk Management and risk assessment activities. In addition, some colleges and universities may desire to perform similar assessments specific to their compliance responsibilities.

Observations	Opportunities for Improvement
	<ul style="list-style-type: none"> Leverage system office resources, including the Office of General Counsel and the Office of Internal Auditing, as advisory resources to assist in high-risk compliance areas. Implement success metrics and a program measurement plan for monitoring activities to support consistency across Minnesota State.

Enforcement and Discipline

Ideal state: All elements of the compliance program are promoted and consistently enforced across the institution.

Observations	Opportunities for Improvement
<ul style="list-style-type: none"> There is possibility for inconsistent enforcement and discipline procedures due to the decentralized nature of the colleges and universities of Minnesota State. Individuals can consult with Labor Relations to obtain advice and support consistency. 	<ul style="list-style-type: none"> Encourage colleges and universities to consult with Labor Relations for advice in enforcement and discipline actions; further consider the possibility for proactive systemwide communications to allow better understanding of common practices and guidelines as well as consequences of noncompliance, across Minnesota State.

Response and Prevention

Ideal state: After noncompliance is noted, the institution takes reasonable measures to respond and prevent recurrences, including making any necessary modifications to its compliance and ethics program. The institution periodically assesses the risk of noncompliance and takes appropriate steps to design, implement, or modify policies and procedures in each compliance area to reduce the risk of noncompliance.

Observations	Opportunities for Improvement
<ul style="list-style-type: none"> There is not currently a consistent process in place across the colleges and universities of Minnesota State to initiate changes to compliance policies or practices with the goal of preventing recurrences of noncompliance. While both the system office and the colleges and universities may make such updates as needed, there is no clear feedback method to incorporate changes across the system. 	<ul style="list-style-type: none"> Continue to enhance communication and collaboration systemwide to support the ability to leverage instances of noncompliance (e.g., at a single college or university) to make changes to compliance policies or practices systemwide that might prevent recurrences across Minnesota State; in some cases this may be challenging due to confidentiality or privacy considerations.

APPENDIX D: EXAMPLE SYSTEMWIDE COMPLIANCE FRAMEWORK

Below is an outline of example roles within a possible future state compliance community. Please note that we recognize that a compliance program can take many forms, and that the exact roles at Minnesota State may vary from this example and will likely evolve over time.

Example Role	Responsibilities	Example Responsible Office or Individual
Governing Body	<ul style="list-style-type: none"> Supports the existence, autonomy and capabilities of the compliance program Exercises high level oversight of the systemwide compliance program 	Board of Trustees
Executive Compliance Leadership Group	<ul style="list-style-type: none"> Composed of executive level leadership Provides “tone at the top” to emphasize the importance of compliance Ensures management engagement, resources, and commitment to aid in compliance effectiveness at the colleges and universities Enables accessibility to the Chancellor Oversees recommendations from other compliance groups Serves as a problem-solving group to address compliance concerns at any level 	Executive Compliance Committee composed of executive leadership (e.g., appropriate Vice Chancellors, General Counsel)
Systemwide Compliance Function	<ul style="list-style-type: none"> Provides strategic coordination and oversight of Compliance Risk Owners across the system to manage risk and increase compliance Provides an independent, consultative compliance resource to the institution Conducts monitoring activities, investigations, reviews, and assessments Creates a standard toolkit and training to enable institutional compliance Collaborates with the Executive Compliance Leadership Group and College/University Compliance Representatives to help resolve compliance matters Provides standardized reporting on an ongoing basis to the Executive Compliance Leadership Group, as well as to the Board of Trustees as desired 	A designated systemwide Compliance Coordination and Oversight Function, provided by or reporting to an executive leader
College/ University Compliance Representative	<ul style="list-style-type: none"> Provides coordination and oversight of all compliance units at the college or university Serves as a single point of contact with the Systemwide Compliance Function Provides standardized reporting on an ongoing basis to the Systemwide Compliance Function 	A designated Compliance Representative, with a clear communication line to the systemwide Compliance Coordination and Oversight Function. Larger colleges and universities may benefit from a Chief Compliance Officer; while smaller colleges and universities may fill this role with the chair of the Compliance Management Committee (see below); this role can be fulfilled as part of an existing position rather than requiring new positions be established

Example Role	Responsibilities	Example Responsible Office or Individual
College/University Compliance Management Committees (composed of Compliance Risk Owners)	<ul style="list-style-type: none"> • Composed of compliance unit managers (i.e., Compliance Risk Owners) at each college/university • Enables accessibility to the Systemwide Compliance Function and Executive Compliance Leadership Group • Serves as a central coordination point for Compliance Risk Owners for the college/university • Provides accountability for decentralized compliance activities • Identifies and recommends approaches for changing compliance requirements • Assesses compliance risks and develops mitigation strategies to address gaps 	A designated committee composed of Compliance Risk Owners at each college/university
Compliance Units	<ul style="list-style-type: none"> • Provides day-to-day compliance processing and management activities, including implementing policies and procedures, identifying noncompliance and communicating up as needed, and staying knowledgeable about the industry, laws, and regulations and adjusting policies and processes accordingly; management sits on the Compliance Management Committee for the college/university 	Individuals within departments who hold responsibility for day-to-day operations and compliance (i.e., Compliance Risk Owners)
Ad-Hoc Working Groups	<ul style="list-style-type: none"> • Addresses specific compliance needs and challenges as charged by the Executive Compliance Leadership Group 	Working groups focused on addressing new regulations (e.g., European General Data Protection Regulation) or updating processes

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

Name: Audit Committee

Date: June 18, 2019

Title: Enrollment Forecasting Advisory Report

Purpose (check one):

Proposed
New Policy or
Amendment to
Existing Policy

Approvals
Required by
Policy

Other
Approvals

Monitoring /
Compliance

Information

Brief Description:

Internal audit will provide an overview of the recently completed enrollment forecasting advisory project including key observations and recommendations. The detailed report is also contained in the following materials.

Scheduled Presenter(s):

Eric Wion, Interim Executive Director of Internal Auditing

Chris Jeffrey, Baker Tilly Partner

Mallory Thomas, Baker Tilly Manager

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

BOARD INFORMATION
ENROLLMENT FORECASTING ADVISORY REPORT

BACKGROUND

The Office of Internal Auditing (Internal Audit) has expanded its role to include collaborating with the system office to provide advisory services in key risk areas identified by cabinet members. In response, Academic and Student Affairs (ASA) and Finance identified enrollment forecasting as an area in which it is interested in working with colleges and universities to understand their processes and identify opportunities for shared approaches and tools in support of enrollment forecasting. Student enrollment is fundamentally important to each institution’s budgeting, programming, and personnel planning. As such, accurate enrollment forecasting is critical for strategic planning, allocating funds and resources effectively, and understanding key trends that may impact student enrollment.

Internal audit will provide an overview of the recently completed enrollment forecasting advisory project including key observations and recommendations. The detailed report is also contained in the following materials.

Date Presented to the Board of Trustees: June 18, 2019

Enrollment Forecasting Review Results

Project Overview

Academic and Student Affairs (ASA) **identified** enrollment forecasting as an area in which it was interested in working collaboratively with Internal Audit (IA).

IA drafted the **report** and worked alongside ASA to incorporate feedback and finalize the deliverable.

Report

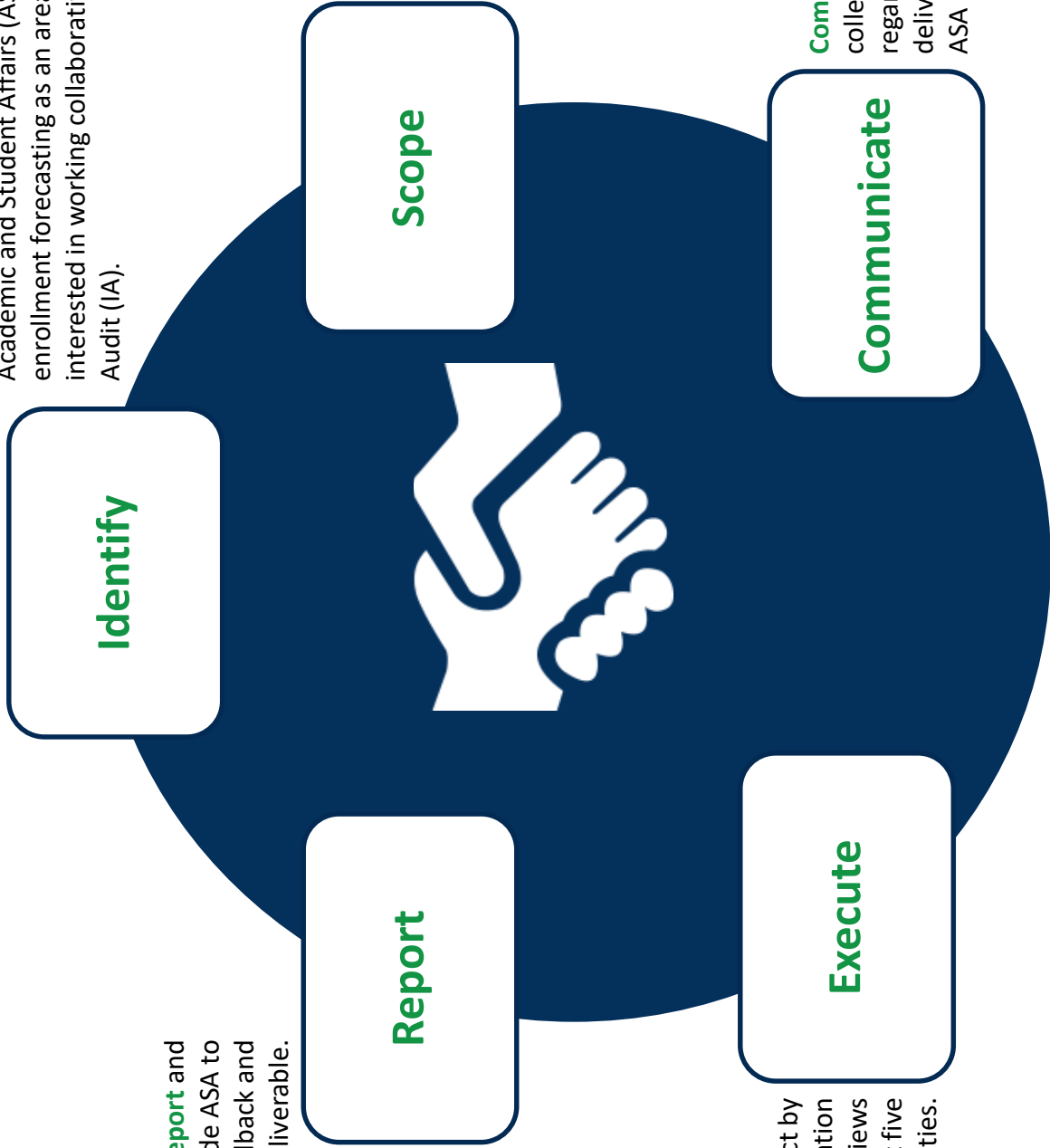
Scope

ASA and IA met to develop the **scope** of the project to ensure objectives were met.

IA **executed** the project by reviewing documentation and conducting interviews with stakeholders at five colleges and universities.

Communicate

Communication to the colleges and universities regarding the project was delivered collaboratively by ASA and IA.



Project Objectives

Review current enrollment forecasting practices and identify areas of strength and opportunities to align with leading practices.

Identify areas that would benefit from tools or resources that can be deployed across the colleges and universities.

Strengths and Conclusion

- Institutions are able to perform locally-developed enrollment forecasting procedures by leveraging available resources and data.
- Larger institutions have been able to integrate their Customer-Relationship Management (CRM) tools with ISRS, providing them with more effective data and more efficient tools for translating the data for their enrollment forecasting practices.
- Several institutions have committees dedicated to enrollment and retention of students.

Conclusion

- Opportunities exist to share best practices, improve the accuracy of enrollment projections, and develop more consistent and advanced enrollment forecasting procedures across the colleges and universities.
- The access and availability of data is restricting institutions from applying advanced enrollment forecasting models. There are opportunities to enhance current enrollment forecasting procedures prior to the implementation of an ERP system.

Summary Recommendations

- **Standard Tools & Shared Resources:** Consider developing standard tools and shared resources to improve enrollment forecasting practices across its colleges and universities.
- **Practice & Procedure Documentation:** Consider developing system-wide guidance for enrollment forecasting.

Alignment of Enrollment Forecasting

Initial Leadership Council Discussion: June 3, 2019

- Practice sharing
- Multiplicity of purpose
 - *Enrollment management* – identifying targeted areas for intervention and practice change
 - *Academic planning* – determining course demand and scheduling implications
 - *Budget* – determining
- Potential areas for support
 - Data access and compilation
 - Statistical modeling
 - Practice sharing and capacity building



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MEMORANDUM

Date: June 18, 2019

To: Eric Wion, Director of Internal Audit

From: Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs

Subject: Enrollment Forecasting Advisory Project Report

Our thanks to you and the internal audit team for your work on the enrollment forecasting advisory project this past spring semester.

As noted in the report, the Academic and Student Affairs and Finance divisions identified enrollment forecasting as an area of common interest, and one which we would like to better understand the processes colleges and universities use to forecast enrollment. Our intent in asking for this work was also to identify opportunities for sharing and improving practice, and areas where the system office can provide additional guidance or support. Accurate enrollment forecasting is critical for strategic planning, allocating funds and resources effectively, understanding key trends that may impact student enrollment, and informing the development of strategies to more effectively manage enrollment.

ASA and Finance had preliminary discussion with Leadership Council about the report findings and recommendations, and we will follow up with campus presidents and academic leaders in greater detail over the coming months. From those discussions we will identify specific actions for addressing the findings and supporting campuses in this work.



June 18, 2019

Office of Internal Auditing

ENROLLMENT FORECASTING

Advisory Project

Minnesota State

Reference Number: 2019-07

Report Classification: Public



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June 18, 2019

Dear Members of the Minnesota State Board of Trustees,
Chancellor Malhotra,
Vice Chancellor King, and
Senior Vice Chancellor Anderson

This report presents the results of the enrollment forecasting internal audit advisory review.

The report contains observations, improvement opportunities, and recommendations to assist Minnesota State in improving processes related to enrollment forecasting. The results of the project were discussed with system office leadership on April 18th, 2019 and the participating colleges and universities on May 16th, 2019.

The project was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

We appreciate the excellent cooperation and assistance we received from system office and college and university employees.

Sincerely,

Eric Wion, CPA, CISA, CISSP
Executive Director

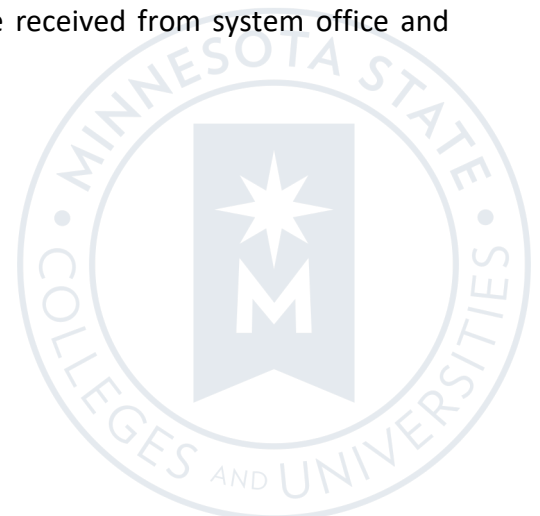


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REPORT SUMMARY

Background

During the past year, the Office of Internal Auditing (Internal Audit) has expanded its role to include collaborating with the system office to provide advisory services in key risk areas identified by cabinet members. In response, Academic and Student Affairs (ASA) and Finance identified enrollment forecasting as an area in which it is interested in working with colleges and universities to understand their processes and identify opportunities for shared approaches and tools in support of enrollment forecasting. Student enrollment is fundamentally important to each institution's budgeting, programming, and personnel planning. As such, accurate enrollment forecasting is critical for strategic planning, allocating funds and resources effectively, and understanding key trends that may impact student enrollment.

Objectives

The objectives of this advisory review, in collaboration with ASA and Finance, were to:

- Review enrollment forecasting practices across Minnesota State and identify areas of strength as well as opportunities to align with industry leading practices.
- Consider where there may be opportunities for developing tools or resources that could be deployed across multiple colleges and universities.

Scope and Methodology

The following activities were completed as part of the advisory review:

- Held a kick-off meeting with key contacts from participating colleges and universities¹ to outline the scope and approach of the audit.
- Reviewed documentation related to enrollment forecasting (e.g., strategic enrollment plans, job descriptions of key positions, reports and/or statistics for the past five years).
- Performed individual and group interviews at participating colleges and universities¹ to understand current enrollment forecasting roles, responsibilities, and procedures.
- Analyzed and synthesized information gathered during interviews, including strengths, observations and improvement opportunities.
- Conducted follow-up requests and interviews as necessary.

¹ Alexandria Community and Technical College, Century College, Minnesota State University, Mankato, Northeast Higher Education District and Southwest Minnesota State University were invited and agreed to participate in the advisory review as the five institutions offered a range of diversity amongst size, location, and maturity of enrollment processes.

Conclusion

While Minnesota State's colleges and universities have varying degrees and types of resources for monitoring and oversight of enrollment forecasting procedures, there are opportunities to share best practices, improve the accuracy of enrollment projections, and develop more consistent and advanced enrollment forecasting procedures. Due to these and other characteristic² differences between institutions, opportunities need to be assessed for their effectiveness at each institution.

Additionally, an underlying factor restricting institutions from applying advanced enrollment forecasting models is the access and availability of data. To effectively utilize data from the Integrated Statewide Record System (ISRS) requires resources currently unavailable at most institutions. Minnesota State has a project underway to acquire a new system to replace ISRS, yet there are opportunities to enhance current enrollment forecasting procedures prior to the implementation of an ERP system.

Summary Observations

The following strengths and leading practices were identified during the review:

- Colleges and universities are able to perform locally-developed enrollment forecasting procedures by leveraging available resources and data.
- Larger colleges and universities (i.e., those with greater resources) have been able to integrate their Customer-Relationship Management (CRM) tools with ISRS, providing these institutions with more effective data and more efficient tools for translating the data for their enrollment forecasting processes.
- Several colleges and universities have committees dedicated to enrollment and retention of students.

The following opportunities for strengthening current practice were identified over the course of the review and are discussed in the Observations and Recommendations section beginning on page six:

- **Monitoring, Oversight, and Direction:** Each institution has varying degrees and types of resources for monitoring, oversight and improvement of enrollment forecasting procedures. As a result, current procedures and data utilized across the system are inconsistent, resulting in inconsistent enrollment forecasts and increased risk of inaccuracies.
- **Culture and Resources:** Colleges and universities may not be able to leverage student data and best practices from other institutions within the system due to a lack of information sharing and communication.
- **Centralized Data Systems:** The ISRS system requires significant resources to appropriately leverage available data for maturing enrollment forecasting methodologies. Effort required to gather and translate data to develop advanced enrollment forecasting models is not practicable.

² Unique characteristics identified amongst institutions include but are not limited to size, geographic location, student makeup (traditional, concurrent, PSEO, etc.), internal resources, program offerings and maturity of enrollment process.

- **Enrollment Forecasting Tools:** The lack of an enterprise CRM tool impacts the implementation of advanced enrollment forecasting models and creates gaps in the capabilities of each institution based upon available resources.
- **Practices and Procedures:** Enrollment forecasting practices and procedures are not formally documented. Transitional challenges and inefficiencies may result if key employees leave.

DETAILED REPORT

Approach

The following documentation was requested to assist in the evaluation of the current enrollment forecasting processes and procedures in place at each college and university:

- Organizational chart(s) for area(s) involved in enrollment forecasting (e.g., enrollment management, ASA, finance)
- Strategic plan(s) related to enrollment, if applicable
- Job descriptions of key positions within enrollment forecasting
- Policies and procedures related to enrollment forecasting
- Reports and/or statistics for the past five years related to enrollment forecasting
- Reports and/or statistics for the past five years related to enrollment
- Documentation related to enrollment forecasting models, metrics and/or methodologies
- Documentation related to technology tools used in the forecasting process

Key stakeholders at each participating college and university were interviewed and the following topics were discussed to further understand the current enrollment forecasting processes and procedures in place:

- Methodologies and procedures currently in place to calculate enrollment projections
- Evolution of the enrollment forecasting process, including any direction received from the system office
- Metrics (i.e., demographic, economic, academic, geographic) used in forecasting calculations and their associated weighting, if any
- Level of formally documented policies and procedures
- Tools used to support enrollment forecasting processes, including the effectiveness of those tools to accomplish enrollment objectives
- Enrollment-related risks, including meeting diversity and inclusion goals
- Strategic enrollment goals and their prioritization (i.e., short-term versus long-term)
- Impact of inaccurate enrollment forecasts
- Opportunities for improvement in current enrollment forecasting processes
- Level of information sharing across the institutions and the system office
- Strengths in current enrollment forecasting processes

The information gathered during the documentation review and stakeholder interviews were analyzed and synthesized to identify the following:

- Key observations and opportunities for Minnesota State to align its enrollment forecasting practices with industry leading practices
- Areas of strength across the colleges and universities, including identification of effective forecasting tools that could be beneficial to other colleges and universities
- Instances where multiple colleges and universities may benefit from centrally supported tools for forecasting and monitoring student enrollment

Observations

MONITORING, OVERSIGHT, & DIRECTION

Each institution has varying degrees and types of resources for monitoring, oversight, and improvement of enrollment forecasting procedures. As a result, current procedures and data utilized across the system are inconsistent, resulting in varying and potentially inaccurate enrollment forecasts. Without clear guidance related to the system's overall enrollment strategy, institutions may provide more conservative forecasts in order to meet or exceed their projections. Further, institutions may not be aware of successful and/or unsuccessful practices for enrollment forecasting from other institutions.

Each institution has varying degrees and types of resources available to dedicate to enrollment forecasting. As such, directives or recommendations for best practices may not be effective for all institutions without additional monitoring, oversight and direction. The institutions are largely focused on the day-to-day operational strategies while the system office primarily focuses on the overall forecasting strategies of the system. There currently is no bridge between the enrollment forecasting strategies of the institutions and the system office.

There have been efforts to collaborate on enrollment and forecasting practices across the system. However, due to differences in institution profiles and resources, finding common ground for shared practices can be difficult. There may be procedures and ideas that work well for some institutions that may not work well at others. Additionally, some of the larger institutions with the greatest resources have become the benchmarks for which procedures are encouraged and shared; however, many of these procedures are not possible or applicable at smaller institutions with fewer resources.

CULTURE & RESOURCES

Colleges and universities may not be able to leverage student data and best practices from other institutions within the system due to a lack of information sharing and communication. Collaboration and communication may be hampered due to the competitive nature of student recruiting and enrollment. A lack of information sharing and collaboration across the system may result in a lost opportunity for the system as a whole.

The participating institutions conveyed a culture of internal competitiveness related to enrollment, as each institution competes with at least one or more other institutions within the system for prospective students. Each institution is evaluated and funded based on enrollment,

which creates an environment where there is little incentive to assist other institutions increase their enrollment or improve their recruiting strategies.

As a result, there may be a lack of communication and collaboration between institutions, even when students are matriculating from one system institution to another (e.g., students matriculating from a two-year community college to a four-year university). There could be mutual benefits to strategic information sharing across institutions, particularly as it relates to student success. Some institutions have developed committees dedicated to enrollment management; however, there is no system-wide committee in place to promote and encourage collaboration and information sharing amongst individual institutions.

CENTRALIZED DATA SYSTEMS

The ISRS system requires significant resources to appropriately leverage available data for maturing enrollment forecasting methodologies. Efforts required to gather and translate data to develop advanced enrollment forecasting models is not practicable.

Leveraging data from ISRS is challenging for the colleges and universities, inhibiting them from performing advanced enrollment forecasting procedures. For institutions with limited resources, the amount of effort required to gather and translate ISRS data to develop advanced enrollment forecasting models exceeds the cost-benefit and deters institutions from developing more mature, data-driven enrollment forecasting methodologies.

Institutions with institutional research departments are better able to access and advantage data stored within ISRS; however, there is still significant opportunity to utilize relevant data (e.g., enrollment trends, census data, and cohort data). Specific challenges associated with ISRS data usage include:

- Overlap of query results obscures key data points used for analysis
- Limited resource availability for extraction and analysis of data
- Inability to integrate with CRM tools
- Lack of resources for developing complex data queries

While the System Research Office (SRO) provides colleges and universities weekly reports, basic data queries, and other support as requested by institutions, limited SRO resources cannot always provide the needed assistance required by each institution.

CUSTOMER RELATIONSHIP MANAGEMENT (CRM) SOFTWARE

The lack of an enterprise CRM tool impacts the implementation of advanced enrollment forecasting models and creates gaps in the capabilities of each institution based upon available resources.

Customer Relationship Management (CRM) software systems facilitate the tracking of prospective students and applicants and provide institutions with key information for the

implementation of advanced forecasting models and improved accuracy of current enrollment forecasting. These systems benefit greatly when data can be shared between them and an organization's ERP System.

In a decentralized environment like Minnesota State, an enterprise-wide CRM allows for the adoption of standard business practices, tools, methodologies, reports, and training. An enterprise CRM also provides rich data to conduct enterprise-wide analytics. Although an enterprise CRM has not been acquired, the majority of colleges and universities use some sort of CRM software.

Due to the lack of an enterprise CRM tool and many institutions having a need to replace outdated CRM technologies, the system office, in collaboration with college and university representatives, negotiated master contracts with three CRM software vendors. Twenty-two colleges and universities are or will be utilizing these master contracts. A few institutions negotiated their own contracts with vendors while some elected to not replace outdated CRM software or not acquire any at all. As a result, some institutions are using outdated CRM tools that lack the functionality to support advanced enrollment forecasting models or lack the tools altogether.

Previously, it was cost prohibitive to integrate all the different CRM software systems used by Minnesota State. However, current plans are to integrate the three CRM software systems that were selected and are under master contract.

PRACTICES & PROCEDURES

Enrollment forecasting practices and procedures are not formally documented. Transitional challenges and inefficiencies may result if key employees leave.

The majority of the participating institutions do not currently have formalized, documented practices and procedures for enrollment forecasting. Each of the institutions has data-informed practices in place for calculating enrollment; however, they each have varying, non-statistical methodologies that are not formalized or documented for purposes of continuity and succession planning.

Further, for all participating institutions, there is an opportunity for improvement related to the existing documentation. Forecasting procedures used by the enrollment offices are typically generated via spreadsheets and formulas; however, the overall forecasting process and practices for updating and maintaining these spreadsheets are not documented.

Additionally, for the participating institutions with documented practices and procedures, the institutional research department documents the queries run to pull data from ISRS; however, the procedures performed to leverage the data for enrollment forecasts is not documented.

While some portions of the forecasting process are documented, there would still be transitional challenges and inefficiencies if current key employees were to leave.

Colleges and universities may have difficulty on-boarding new employees or backfilling roles responsible for enrollment forecasting, as there are few documented practices and guidelines available to train new employees. Further, in the event of key personnel departures, important institutional knowledge may be lost.

Recommendations

STANDARD TOOLS & SHARED RESOURCES

Minnesota State should consider developing standard tools and shared resources to improve enrollment forecasting practices across its colleges and universities.

The system office could consider implementing a designated enrollment forecasting resource(s) who would be directly involved in providing oversight and guidance related to enrollment forecasting.

System-level enrollment resource. This resource(s) could communicate system-level enrollment initiatives, goals, and analytics to the institutions and help develop their strategies. This individual(s) could be integrated into the regional strategic academic planning workgroup developed by the chancellor to establish and advance collaborative and regional planning in the following areas:

- Preserve and enhance postsecondary access across the State of Minnesota
- Provide high quality/extraordinary education and facilities
- Effectively utilize financial, human and capital resources, and reduce costs for students

Institutional resource. This position could assist colleges and universities with their enrollment initiatives. The position could serve as a single point of contact for institutions to:

- Provide support for enrollment forecasting activities, including implementing policies and procedures, identifying best practices, communicating amongst institutions, staying knowledgeable about the industry, laws, and regulations, and adjusting practices as needs evolve.
- Address unique institutional profiles and needs.
- Document successful strategies throughout the system, and encourage knowledge sharing between relevant institutions.

- Develop competitive advantages related to out-of-state institutions, including the development of programs for data sharing and encouraging the transfer of students within the system.
- Work with enrollment management committees or key stakeholders to better understand retention challenges (e.g., student departures, transfers) and develop a system-wide committee to promote and encourage collaboration and information-sharing.
- Customize forecasting support based on the different attributes of each institution while providing a holistic view of the system's forecasting methodologies and outcomes.
- Negotiate and price enrollment-related tools for leverage by colleges and universities. This resource should gather information from across the institutions to better understand their various needs and whether it is possible to negotiate contracts that balance the cost and benefits to the institutions.
- Monitor and have working knowledge of available CRM tools. This resource should be familiar with the CRM tools available to the colleges and universities and understand the benefits available to provide assistance to the enrollment forecasting process.

In addition to a shared resource(s), the system office should also consider the following:

Standard forecasting models. Collaborate with colleges and universities to develop standardized forecasting models for institutions to draw on when performing their analysis. (Refer to Appendix A for sample enrollment forecasting models.)

Data governance. Follow data governance procedures developed as part of the NextGen ERP implementation process to ensure data remains consistent and applicable. The system office should also continue to review and prioritize recommendations from the academic planning workgroup.

System enrollment management committee. Develop a system-wide enrollment management committee to work with local enrollment management committees. By aggregating and sharing information, institutions would have greater visibility into their strengths and opportunities for improvement in enrolling and retaining students, both of which are critical elements for advancing enrollment forecasting practices.

Predictive analytics. Leverage the Predictive Analytics Reporting pilot implemented to provide predictive analytic services to colleges and universities. This pilot is focused primarily on existing students but could be leveraged to develop strategies and analytics to attract new students. In addition, the pilot could be leveraged to provide a bridge for increased communication between institutions and help formulate a system-wide approach to predictive enrollment forecasting analytics.

Enterprise resource planning. Designate a shared enrollment forecasting resource(s) to support the individual institutions with data and enrollment forecasting needs while Minnesota State implements its new ERP system (NextGen). NextGen will modernize their core information systems and allow for greater flexibility in obtaining and aggregating data from sources that are currently siloed, however, the anticipated timeframe for completion of the implementation process is 2021 – 2025. In the meantime, Minnesota State could consider designating a resource that could:

- Facilitate the sharing and adoption of best practices from across the system.
- Utilize reporting and analytical tools (e.g., National Student Clearinghouse, Microsoft Power Business Intelligence) to provide institutions additional resources to assist in performing enrollment forecasting.
- Offer training programs for key enrollment forecasting team members at each institution to provide additional resources and knowledge that may directly benefit current and future forecasting policies and procedures.

CRM Tool. Continue to work through the short-term solution that is in process to integrate the current three CRM tools with ISRS to reduce the cost and effort required by the colleges and universities and create a cost benefit for implementing them. Minnesota State should reevaluate adopting a single enterprise CRM software system once it has selected a new ERP system to replace ISRS.

Shared services. Explore shared services or collaborative initiatives to address institution resource limitations. The competitive culture on campuses has stemmed from the limited resources and funding available. Collaborative initiatives could help colleges or universities that may still struggle after common CRM tools or enrollment forecasting best practices are identified. For example, larger institutions may be able to provide robust enrollment forecasting services for smaller institutions. In addition, smaller institutions may be able to share expenses related to a shared enrollment forecasting position.

PRACTICE & PROCEDURE DOCUMENTATION

Minnesota State should consider developing system-wide guidance for enrollment forecasting including the requirement of formal documentation.

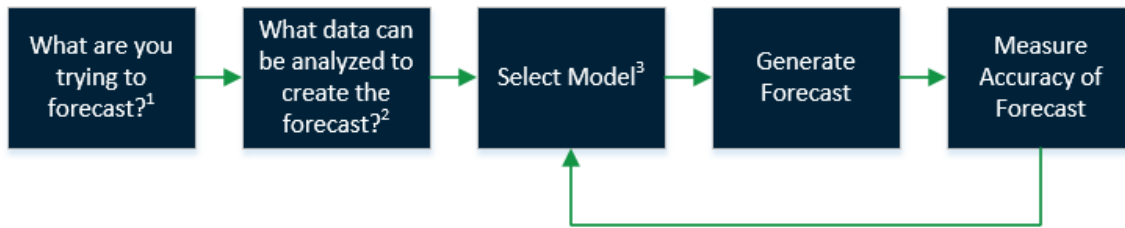
As an industry leading practice, each college and university should document its procedures related to enrollment forecasting. The documented procedures should enable continuity in the forecasting process (i.e., another individual would be able to follow the procedures). Additionally, existing and/or new documentation should be reviewed and updated regularly (e.g., annually) to align with leading practices in the industry and within their peer group.

The system office should consider developing system-wide guidance for enrollment forecasting. This guidance could include elements such as:

- Requiring documented forecasting procedures
- Developing job descriptions for personnel with enrollment forecasting responsibilities
- Defining supporting documentation to be submitted to the system office for enrollment forecasting and budgeting
- Outlining the reports and data to be provided to each institution for guidance and assistance in creating enrollment forecasts

Appendix A: Enrollment Forecasting Models

The following enrollment forecasting techniques and models could be considered:



1. Goal of Forecast

- Undergraduate enrollment
- Transfer enrollment
- Graduate enrollment
- Departure

2. Data Available

- Size (e.g., number of high school graduates)
- Gender
- Economic profile (e.g., tuition versus income)
- Academic ability (e.g., GPA, ACT scores)
- Historical data
- Age
- Time Horizon (e.g., two-year versus four-year)
- Location (e.g., migration in and out of state)
- Geographical factors (e.g., international students)
- Political factors
- Internal & External Factors (e.g., trends in financial aid, employment prospects, economic conditions)

3. Model³

- **Ratio Method**
An example of a ratio method is computing the ratio of entering students to high school graduates from the preceding year. This model is most common throughout the institutions interviewed in our review.
- **Cohort Survival Study**
An example of this method is taking the number of students enrolled from a given cohort and estimating for the future by multiplying the survival rate of the cohort times the number in that cohort the prior year.
- **Time Series Analysis**
This method involves collection of data points gathered sequentially through equally spaced time periods. Correlations from one period to another are employed to make reliable forecasts.
- **Regression Analysis**
Regression analysis involves predicting enrollment using key variables (e.g., graduation rates, cohort survival, geography) to estimate their relationship with enrollment forecasts.

³ Chen, Chau-Kuang. "IR Applications, Number 15, An Integrated Enrollment Forecast Model." *Institute of Educational Sciences*, Association for Institutional Research, 2008, eric.ed.gov/?id=ED504328.

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MINNESOTA STATE

Diversity, Equity, and Inclusion Committee

June 18, 2019

1:00 P.M.

McCormick Room

30 7th Street East

Saint Paul, MN

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 Meeting of the Diversity, Equity, and Inclusion Committee on March 20, 2019 (pp. 1-12)**
2. Campus Climate Update (pp. 13-26)

Committee Members:

Rudy Rodriguez, Chair

Louise Sundin, Vice Chair

AbdulRahmane Abdul-Aziz

Ashlyn Anderson

Jay Cowles

April Nishimura

George Soule

President Liaisons:

Anne Blackhurst

Sharon Pierce

Bolded items indicate action is required.



Minnesota State Board of Trustees
Diversity, Equity and Inclusion Committee Meeting Minutes
March 20, 2019
System Office
McCormick Room
St. Paul, MN

Diversity, Equity, and Inclusion Committee members present: Rudy Rodriguez, Chair; Louise Sundin, Vice Chair; Trustees AbdulRahmane Abdul-Aziz (phone), Ashlyn Anderson, Jay Cowles, April Nishimura, George Soule, and Chancellor Devinder Malhotra.

Other board members present: Trustees Alexander Cirillo, Jr., Robert Hoffman, Jerry Janezich, Roger Moe, and Cheryl Tefer.

Guest Presenter: Dr. Josefina Landrieu, Assistant Chief Diversity Officer

Chair Rodriguez called the meeting to order at **11:21 AM**.

Chair Rodriguez: Before we get started, are there any changes to the meeting minutes in the packet? Hearing no changes, we will approve the meeting minutes. Today, we have two items, Dr. Pickett and his team will provide two updates: Strategic Equity and Equity by Design so I will turn it over to Dr. Pickett and his team.

Dr. Pickett addresses the members of the committees and trustees: I offer my greetings for a good morning to you, Chair Rodriguez, trustees and Trustee Malhotra. It is our pleasure to be before you this morning, I wish to begin by offering my heartfelt thoughts and personal prayers to those victims and those impacted by the terror attack in New Zealand. In this work, I thought it was appropriate to address that and our continued focus will be to support our students who are also working through this tragedy. I know personally colleagues who are in the roles of CDO or working directly with students in colleges around the system, as they process this and think about the impact in their own lives. Certainly on our campuses, including Minneapolis College and Metropolitan State, students are gathering to discuss those issues, long term impact and more importantly, strategies to improve our civility globally. Certainly, we are reminded in times of tragedy, our best remedy is unity, support and love so certainly, we express those before we begin this morning. With that said, we are here to provide a strategic equity update including a presentation on Equity by Design. With me today, Assistant CDO, Dr. Josefina Landrieu, we will start our time updating you on our efforts to support campus diversity operations and to advance equity inclusion throughout our system. Equity by Design (EbD), which we will spend some time talking about, is a system organizational methodology that helps equip higher education leaders with the tools to address disparities and to impact some of our greatest challenges as it relates to academic outcomes. We will spend time talking about our own going project for Equity by Design and lastly, we will talk about our efforts to impact campus climate. We have an ongoing

project and we are excited to share information. Certainly before our time to discuss EbD, I wanted to provide some update as it relates to our ongoing efforts, we continue visit campuses and continue to advance our efforts to support DEI. As our colleagues, our team specifically continue to connect with campuses, I thought it would be appropriate to share some of the emerging and continued themes that continue to impact our efforts. Certainly, I have provided some of them for you but I just want to spend some time to talking about just a few. I find it interesting that in the previous conversations of enrollment management strategy was brought forward. CDOs continue to have discussions on campuses about how to support ongoing enrollment management strategies. It should be noted that CDOs and CFOs on campuses around the system have talked about the impact of diverse populations on enrollment management and the financial impact that diverse populations have on our continued enrollment. As we continue to think about those broad equity and changing demographics is a part of the conversations. We think about that impact, certainly it's mindful in our role to be consultative to campuses to provide ongoing strategies not only for the attraction of our students but as we discuss the retention and what that impact on long term enrollment management strategy. Included in our continued themes and conversations are these subjects: student support, what holistic student support means, faculty and most importantly, staff engagement. As research documents, students who spend at least 1 hour with a faculty member, improve their retention by the tune of 67% of the time as they look at completion. The same is true with engagement with staff on campuses, students in terms of looking who has been most impactful in their engagement on campus, identify staff relationships are critical as faculty relationships. We think about what that mean, also the importance of diverse representation in staff and faculty. In our many visits to campuses, leaders around the system, stakeholders including our students, of course, our staff and faculty as well as extended community members express having diverse representation throughout the system, in making sure we have appropriate attention to attract and retain diverse faculty and staff. Additional elements for consideration as we think of about the impact of diversity, equity and inclusion include conversations of campus and community relations. As our communities change, how are we engaging with populations outside of our campuses, how we strategize productive relationships to support those changes and how we support our students as they navigate, not only our campuses but our extended communities. I wish to note that our packet of information that we have included additional information, but being mindful of time, I will take questions at the end of your presentation.

We will now transition to provide an update on the Equity by Design project. You will recall at a previous meeting, we share general information on the project launch for Equity by Design.

The project is designing for reducing inequities in educational attainment by race and ethnicity through deliberate and explicit effort through the following principles.

Principle 1: Clarity in language, goals, and measures is vital to effective equitable practices. Principle 2: Equity-mindedness should be the guiding paradigm for language and action. Principle 3: Equitable practice and policies are designed to accommodate differences in the contexts of student's learning – not to treat all students the same. Principle 4: Enacting equity requires a continual process of learning, disaggregating data and questioning assumptions about relevance and effectiveness. Principle 5: Equity must be enacted as a pervasive institution and system-wide principle.

Throughout the board meeting and presentations yesterday, you have heard the mentions of equity and what it means. We will provide a textbook definition on equity so we can all be on the same page. Equity is when an individual's race, gender, economic status, sexual orientation, etc. do not determine their educational, economic, social, or political opportunities. Simply put, it provides an opportunity for a favorable outcomes for all; this is clearly distinct and different from equality! Equity prioritizes leveling the playing field, ensuring the starting line does not determine where one finishes.

To think about what this means specifically, this graphic illustrates for us, if 12% of our entering student population would be Native Americans, which means that the same 12% would be a part of our graduating class as well. It is intentional for us to think about outcomes as it relates to these conversations on equity. Certainly, we think about the importance of equity lens that is included in your information. An equity lens requires analyzing organizational culture structure and policies and their impact on marginalized and under-served individuals and communities as we move through the work. As we provide an update on this project, I will pass it over to Dr. Landrieu to make more sense of the work.

Dr. Landrieu: Good morning Chair Rodriguez, Chancellor Malhotra, Trustees and members of the audience. I want to take an opportunity to share with you a different way to illustrate the graphic that Dr. Pickett was referring to. The table on this slide represents yet another way to display data with an equity lens and from the perspective of parity in academic outcomes. Let me briefly describe how this information can be examined, I also want to point out that the level of data analysis and disaggregation in Equity by Design is much deeper than what is presented here as this just for the context of defining equity.

For example, at a particular college, an entering cohort of students has a total of 350 students. This cohort may represent a department within an university or a program within a community college. Of these 350 students, 196 of them identify as white (56%), 42 identify as American Indian (12%), and 112 as LatinX (32%). If we follow the cohort all

the way to completion (graduating or transferring) we can assume that 300 of the initial 350 complete their studies at said department or program. We would certainly want all 350 to complete but we know that often that is not the case.

To look for equity in outcomes, we would look for the same percentage of the total to represent each of the racial/ethnic categories as those of the entering cohort and graduating. We would still expect 56% to identify as white (168), 12% as American Indian and 32% as LatinX.

In doing such an exercise, practitioners in higher education can work with data that's very close to practice, we are no longer talking about system-wide numbers. The data is coming from courses, departments, or program level analysis. This allows for those close to the data to make it actionable and to make sense of it in ways that are practical. Often times, this means retaining 3, 5, 12 students in a particular course or program to close on equity gap outcomes.

Dr. Pickett: Equity by Design is an organizational methodology that helps equip higher education leaders with tools to address disparities and assist with policy and planning to advance institutional equity-minded practices. The methodology is influenced by the research and literature of Dr. Estela Bensimon (2014) at the Center for Urban Education at the University of Southern California. Furthermore, this work: is data-informed, influences organizational development and prepares institutions to be student-ready.

Dr. Landrieu: The main purpose of the Equity by Design work is to ensure that colleges and universities can truly be STUDENT-READY institutions. In doing so, we flip the script from "Are students ready for college?" to "Are we ready for the students?" There are 4 main elements within the methodology. First, leadership philosophy, followed by localized context, institutional change and accountability. In the coming slides we will explain each of these elements in greater detail. When we implement Equity by Design, the characteristics are focused on what educators/leaders can and must do to change institutions for students.

Dr. Pickett: Leadership Philosophy. Higher education leaders who wish to engage their campus teams in the use of Equity by Design must be committed to understanding equity. Leaders should support data disaggregation and analysis close to practice; in doing so they foster an environment where faculty and academic leaders execute an in-depth view of department and course success rates. Particular focus and attention is placed on students' race and ethnicity, first generation, and socio-economic status and their impact on academic outcomes.

Dr. Landrieu: Another critical element of the methodology is localized context. The Equity by Design methodology considers the institutional readiness to implement the

work on campus. Such readiness includes the campus capacity to collect, analyze, and disaggregate data in actionable and meaningful ways. A campus-based infrastructure and strategy that prioritizes diversity, equity and inclusion in campus operations and outcomes. Furthermore, implementing Equity by Design must consider the socio-cultural environments of the campus and the surrounding community. We don't expect the work and know from our pilot work to look the same at Mesabi Range as it would at Minneapolis College. This accounts for diversity in our institutions and how they are positioned within the larger community.

Dr. Pickett: As we shift the conversation to institutional change. Equity by Design requires higher education to make changes at the institutional level as campuses strive to be student-ready spaces. As a result of engaging in an Equity by Design process, campuses apply a magnifying glass to data and practices that illustrate academic equity-gaps. In doing so, campus teams and leaders will drive change in organizational structures, practices, and policies. College-ready versus Student-ready colleges

Dr. Landrieu: Accountability. Equity by Design tools and resources necessitate data-informed analysis of equity gaps at the department or course level. Implementation of the Equity by Design tools leads campuses to understand disparate impact of policies and practices and promotes opportunities to identify disparity. Most importantly, this work underscores the need for campus leaders to shoulder responsibility and determine campus-based solutions that address academic equity gaps. These campus-based strategies with system partners to further drive broader strategy.

In addition to the overall elements of the methodology, the Equity by Design work includes practical tools for campus teams to implement. Each of the core elements just described have tools that pertain to that focus area. Our staff is currently developing a toolkit that includes the following: capacity building: A guide to Campus Team Formation; an Institutional Mapping template to explore the historical and socio-cultural context of their college or university. For Leadership Development: Training and education on Equity-minded language; a protocol to implement a campus observation of the physical spaces and artifacts; data analysis and disaggregation. In which will include an Equity Gap Calculator: a reflection exercises that allows campus leaders to consider the framework used for institutional research and effectiveness and how processes and practices can be developed with equity in mind, especially around notions of actionable data, disaggregating data, etc.

For Institutional Change and in order to support institutional level change, tools around culturally relevant learning environments are critical. These include ensuring that faculty have tools at their disposal to address the needs of an ever changing student body and that they can engage in culturally responsive pedagogy and curricula.

Last but not least, a critical principle of equity by design is addressing the policies that often time act as barriers to student success. A tool on applying an equity lens to policy review is also part of this repertoire of resources.

Dr. Pickett: As we think about the implementation of this tool, I wanted to bring your attention to a couple of the items specifically the ones we will roll out and were able provide in context to the campuses. We think about the importance of having system consultative support but also campus base support, so as we have rolled out and move forward with the team aspect of this work. It is equipping our campuses with the tools to execute the work and to move forward. I want to note that we spent time as a Leadership Council to talking about what that meant from the system leadership perspective and from the campus leadership perspective in terms of our Presidents. That also translates in terms of equipping our CDOS and colleagues who are in faculty and staff roles to think about what that equity minded language means, certainly for our students as we think about changing demographics and population.

As a part of that conversation, it is the system and campus approaches to this work, for our purposes, understanding that as a system we have a consultative responsibility to assist our campuses to move change. System change is very macro and campus is micro-level, application and adjustment.

Dr. Josefina: We wanted to take this opportunity to briefly share how we have arrived at a methodology that is responsive to the needs of our institutions at Minnesota State. If you recall from our presentation in May 2018, we shared campus examples from Central Lakes College, Dakota County Technical College and Bemidji State University on their work as part of piloting equity by design. Those along with several other campuses completed the pilot process and activities.

They engaged in course and program level data analysis to identify equity gaps. They strengthened capacity for data disaggregation and analysis (especially by racial and ethnic categories, as well as gender, student type, etc). I want to take this opportunity to recognize that they began implementation of the proposed recommendations, these include faculty, mentoring programs, policy reviews, and further data analysis. Our staff at the Office of Equity and Inclusion continued providing technical assistance and further our writing and research on the Equity by Design methodology. We are now in the development phase of the toolkit so full system implementation can begin in fall 2019.

I also wanted to take an opportunity to recognize our campus partners in this work: campus diversity officers, faculty members, Institutional Research and Academic & Student Affairs professionals who have done the work at the ground level very intentionally and with the perspective of serving our students.

Dr. Pickett: We will now pause to give you an opportunity for you to ask any questions regarding Equity by Design before we give you an informational update on campus climate.

Trustee Cowles: First off, I want to congratulate you and your team, all of the staff, faculty, Institutional Research and those you just mentioned Josefina for their engagement in this. This is a ground breaking systemic effort for this institution, this is bold and appropriately focused. What I appreciate in any design of a system is that ultimately its effectiveness will be carried out in individual human interactions. What I can hear quite clearly are the formal systemic dimensions which I think are well placed. I don't expect you to respond today or in this presentation but I would appreciate your having an authentic description of the way in which the individuals and the climate assessment (that we will hear about shortly) how they can be supported in engaging in a positive manner and beyond simply feeling that it's another systemic or bureaucratic evaluation of their performance. I think this is a critical topic for the nation and quite frankly the State of Minnesota and I want to make sure we are recognizing the real human impact on everybody that these kind of changes are going to require. That is a comment perhaps a request to hear more and you may be speaking more on it in your presentation.

Dr. Pickett: Thank you Trustee Cowles for your statement. I want to publicly once thank Dr. Landrieu for her work in this space as she continues to move the pilot forward as it relates to Equity by Design. We will transition and you will hear more about campus climate and our ongoing efforts to adjust, support and develop campus climate. When you think about the human development, this is ongoing work, as we think about how we process accessing campus climate, a big part of this conversation is about action plan. Institutions all around this country engage in campus climate studies but what happen is they have a refined report, typically put them on the shelf and don't move forward with an action plan in terms of engaging stakeholders in how to transform environments. And to move forward with an environment that supports dignity and respect. Certainly it is our plan as we think about our effort in campus climate to have specific action plans to impact campuses and move this work forward and holistically.

Trustee Tefer: Dr. Pickett, I think you and I have had a brief conversation about this and I want to expand on something that is sort of a passion for me. I have a question about where Equity by Design manages testing. That has been a passion for me and for a minute, I'm going to put on my professor hat here and anyone who has been in a classroom, knows that even if you give an exam and time on the test isn't of critical variable but it is because you only have a certain amount time in a classroom. My experience with students, particularly students who are English language learners, is that time on a test is often become the variable in their passing or their failing in a

circumstance particularly for me it was in nursing. Many nursing faculty are passionate about the fact that they want to give timed tests because the board exam is a timed test. By doing that, they destroy so many of the students' opportunities. We all are aware some of the national data that has been coming out about very privileged students whose parents have managed to go through disability access to give their students unlimited time on critical exams. When I'm thinking of my English language learners students who just everyone knows that it is not a disability and that does not account for increased time on a test. The easiest thing a professor to do is to eliminate timing on a test as a critical variable in their exam. If you ask an English language learner student, how they handle an exam. Some of the brightest students that I've ever had in a classroom will tell you they struggle with the timing piece will tell you that they read a question, translate it in their native language in their head and translate back in English then they give the answer. They may be the top students in the class but cannot perform that way because it takes time to do that work. I just want to know, you don't have to give me answer, if that isn't a critical variable in Equity by Design, then I think we lost a big piece here. That's just my comment and you can respond if you like.

Dr. Josefina: I think there are several aspects to that, one of it is going back to the initial principles of methodology in terms of the purpose of that testing. If the purpose of the testing is to test on the content of the course versus the test on the ability to take a board test is very different. What Equity by Design allows is for faculty members who participate in this work as part of their campus team and arrive at an understanding after doing an equity gap calculator of who those students are part of that gap and affected by that gap are, then they are able, at the local level, to design the campus base solutions that will address that gap. It moves away from the broader trying to test at the national level which usually leads to paralysis or not knowing how to implement a 2-yr day-to-day practice on a college campus. The other aspect that I want to go back to what Trustee Cowles' comment and question is, something that I said and will continue to say, as part of the capacity building of this work, is not to turn everyone into a diversity officer, but we want every practitioner on a campus no matter what role they play to be an equity minded practitioner; everybody to bring through that capacity building that equity lens to their work.

Trustee Tefer: I just want to end by saying, please look at that, that is a variable that is very obvious to me. It took me a long time to understand it, I had worked in an era that there weren't forward thinking people like you particularly leading those conversations. I don't want faculty to ever be in that position ever again, because that's where people pass or fail often times it's the ABC in testing, passing and failing that ruins their career.

Dr. Pickett: Trustee Tefer certainly we appreciate your comments. As we think about this work, it has to involved direct collaboration with our faculty members and thinking

about how we can assist in where they deem necessary to provide consultative support. Thank you.

Chair Rodriguez: Any other questions? I have a few questions and comments. Dr. Pickett, thank you for the update, as you roll out this toolkit, obviously you have done a lot of research and we want to measure outcomes. Will there be a scorecard by which where you are measured? The Presidents, the Chancellor, the Chair and Trustees be measured?

Dr. Pickett: Chair Rodriguez, thank you for that question. That is an ongoing discussion and I just had a conversation with the Chancellor actually this week. We are excited to about moving forward to look at a scorecard in terms on how we look at appropriate review and assessment in this work, it is in pilot.

Chair Rodriguez: And that pilot, is it looking good? I do think we do need commitment otherwise if we are not measured, why are we doing the toolkit? Just similar to the timeline to technology installation, finance, etc., if we don't have a scorecard on this, as a board we aren't doing our job.

Dr. Pickett: Chair Rodriguez, your comments resonate and we will move forward with a scorecard.

Chair Rodriguez: The other question is, as we roll out the toolkit, you've mentioned that you've had conversations with leadership, do we have 100% buy-in with our leaders that this is the right thing to do? That leadership commitment is critical, do we have the support or will we have the support by the time we launch?

Dr. Josefina: It goes back to again to that main element of leadership accountability, one of the core that we know that will not happen or will not have the impact we want without the support of our Presidents at the campuses. All the campuses that have worked through the pilot, the Presidents were actually some of the instigators of making sure that campuses were going through that work. It allows for the diversity officers to work closely with those Presidents to build that buy-in. I'm going to say that based on conversations with Leadership Council and those Presidents that have already participated in the pilot that we do have the buy-in. This is tying it back to students' academic outcome and financial sustainability, so it isn't just a one-off, it really goes very well with the system strategy and our strategies for equity and inclusion.

Dr. Pickett: Chair Rodriguez, I would agree with those comments. I definitely think we have buy-in and we will continue to advance that buy-in broadly. Through the work that we have done with our colleagues in ASA, we're working collaboratively to share this

work and our campuses certainly have been quite proactive partner to support it as we move this work.

Chair Rodriguez: One last comment is that I appreciate the comment by Dr. Landrieu about have everyone owning equity and inclusion, it's just not the responsibility of both you, the Chancellor, and the chair, as we all need to own it as the trustees, so I appreciate that. To that extent that we can embed that as a core philosophy of the toolkit and operating principles. One last question, for this toolkit, will there be an opportunity for trustees to be a part of that in terms of our responsibility?

Dr. Pickett: Trustee Rodriguez, absolutely, we are quite excited to share that information, to continue to present and to have you engage and involved in that process.

Chair Rodriguez: Just to clarify more than just presenting: what is our role, what do we have to do, what are the key measures and behaviors on what you'll be measuring the trustees as well. For example, inclusion of equity messages in each of our work that we do as well.

Dr. Pickett: Certainly.

Chair Rodriguez: Any other questions?

Chancellor Malhotra: Chair Rodriguez, members of the committee, in regards to your question in engaging the board members around this work. Dr. Pickett and I have had a couple of conversations and we will be coming to you and proposing a training of the board around this work.

Chair Rodriguez: Thank you, fantastic and great. Thank you Dr. Pickett.

Dr. Pickett: Thank you much, we will now move forward with an update on campus climate assessment including a timeline. I will transition once again to Dr. Landrieu, thank you.

Dr. Josefina: For those of you who has been here for a few years know how happy it makes me to be in front of you to give you an update on assessment of campus climate. When I started with Minnesota State over 4 years ago, being tasked to look at this work, hitting a few bumps on the road but finally getting to the point to share with, and we did in the past share our framework. Yet really give you an update with the work we have done also through a pilot with institutions across the system. Since Dr. Pickett joined Minnesota State in late 2017, we have not taken our foot off the gas when it comes to campus climate. All the way from developing the framework to looking at how

we would want to roll out an assessment of a tool and different data collection points. We understand the role and impact of an inclusive and welcoming campus climate make in the success of our students; even on the retention and productivity of our workforce. A year ago we shared a campus climate framework for transformative inclusion and we promised we would pilot a comprehensive process that was intentional and responsive to the needs of our institutions at Minnesota State.

I'm happy to share with you today that we are well on our way to completing a very successful pilot of campus climate assessment. I want to give a personal shout to Briana Williamson, who joined our team as the Director for Equity Assessment, along with our campus action teams have been instrumental in carrying the work forward on the pilot campuses. These include, Minneapolis College, North Hennepin Community College, Minnesota State Community and Technical College and Southwest Minnesota State University. A broad representation of metro and greater Minnesota institutions.

The campus action teams have all collected survey data from students, faculty, and staff and will now move to collect additional data on campus climate from observation protocols and focus groups on campus. Collecting data from multiple sources allows the campus teams to triangulate the data and assure validity and strength in the findings. I'm happy to report that our survey data collection has resulted in response rates of over 30%!

Our work on campus climate assessment is not finished though. As you can see from our timeline, finishing the data collection and analysis in our next step. This will be followed by campus teams coming together for action planning. This is probably the most important step in the process; where campuses can learn from their findings and move towards action addressing the needs of their stakeholders related to campus climate.

Our team will also be working closely with our colleagues in Institutional Research to ensure that this work can inform the development of new contextual accountability measures that include campus climate.

We have also heard from campuses across the system who are eager to engage in this work as soon as our process is complete and a system-wide strategy is rolled out. We want to be intentional at making sure our process is effective and allows for the needs of our most vulnerable students and communities to be heard and addressed while ensuring inclusive and welcoming learning environments for all. I also want to mention that as you can recall we had gone through the process of developing the framework, we also went through an extensive process of developing the survey tool. Having now been at a couple national conferences, where work on campus climate has been shared broadly, several other institutions and/or systems are also moving in the direction of creating a tool that's response to their own context. Often times, we are also asked,

“Why didn’t you go with the Sue Rankings of the world or the USC of the worlds?” for several reasons, sometimes those tools are not created in the context of our institutions but they’re also very, very expensive. We were able to move the work forward in budget.

Dr. Pickett: In keeping with moving the work forward and sharing it broadly as we bring our presentation to a close, a couple things for your consideration. I had eluded to this and spoke to this earlier, as we think about campus climate, no campus climate would be complete without us having an appropriate action plan. Thinking once we culminate our studies, working collaboratively with our colleagues here in the system office as well as our colleagues on campus to put together an appropriate plan of action to move the campus climate on our campuses. Thinking and being mindful and intentional of all stakeholders in what it means of terms of investing time, effort and attention to improve the areas that are identified in the campus climate survey. For instance, if communication with leadership is identified as an area of consideration, making sure we work directly with leadership to have a plan of action to think about a more, clear and appropriate means of advancing communication on the campus. If that stakeholder engagement identified the need for more appropriate interaction with students, working directly with student life staff, diversity officers and other practitioners on campus to promote broadly what that means and to be responsive to the needs of campus. As we move this work forward, certainly we are excited about the action plan focus but understand that this is long work that takes time. To advance campus climate means that there has to be sustained investment and continued investment and involvement, not only by campuses but certainly from the system and indeed the board. So when we think about our areas of consideration as we work to close this presentation, we need to think about the importance of equity minded strategy and board support. So Trustee Rodriguez as you framed up that conversation, I was excited to point out that we are going to culminate this conversation by talking about the appropriate understanding for the board to have some investment in thinking of training and education around equity minded leadership. As well as the conversation about accountability. So we think about other areas of consideration and included them in here for you, certainly imperative to operationalize campus tools, especially around assessment, student success, and certainly accountability as we move this work forward. Certainly the additional representation in leadership roles to move this work forward thinking about the representation in diversity is essential for institutions as we know the demographics of our institutions are changing significantly. We have to think about broad investment in leadership development, broad investment in stakeholder engagement to truly move this work forward and to think about what accountability will be.

The meeting adjourned at **11:52 AM**.

Recorder, Ka Her

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Diversity, Equity, and Inclusion

Date: June 18, 2019

Title: Campus Climate Update

Purpose (check one):

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

Brief Description:

This session will provide an update to the committee about the Office of Equity and Inclusion's efforts to advance Campus Climate Assessment. The session will provide a strategic update and general overview of the assessment pilot process, preliminary findings, and share next steps for including action planning in the process. Lastly, the presentation will include an overview of the implementation of a toolkit for Minnesota State colleges and universities in working to assess their campus climate.

Scheduled Presenter(s):

Clyde Wilson Pickett, Chief Diversity Officer
Josefina Landrieu, Assistant Chief Diversity Officer
Briana Williamson, Director of Equity Assessment

**MINNESOTA STATE
BOARD OF TRUSTEES**

INFORMATION ITEM
CAMPUS CLIMATE UPDATE

BACKGROUND

This session will provide an update to the committee about the Office of Equity and Inclusion’s efforts to advance Campus Climate Assessment. The session will provide a strategic update and general overview of the assessment pilot process, preliminary findings, and share next steps for including action planning in the process. Lastly, the presentation will include an overview of the implementation of a toolkit for Minnesota State colleges and universities in working to assess their campus climate.



Office of Equity and Inclusion

Campus Climate Assessment

Clyde Wilson Pickett, Chief Diversity Officer
Josefina Landrieu, Assistant Diversity Officer
Briana Williamson, Director Of Equity Assessment

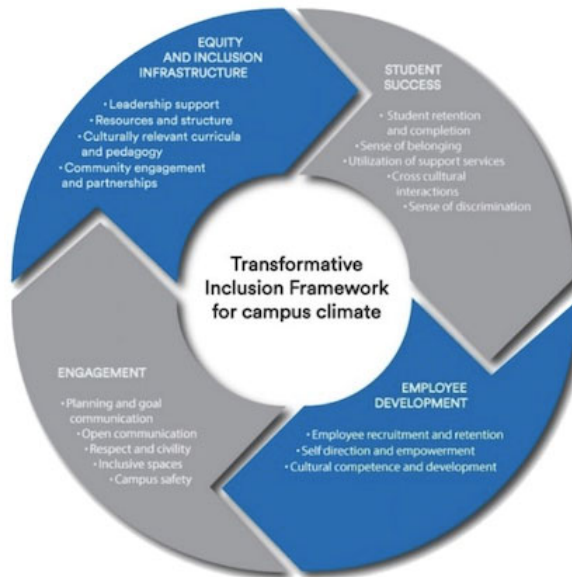
DURING OUR TIME TOGETHER

- Campus Climate Pilot Overview
 - Pilot background
 - Framework and methodology
 - The role of the Campus Action Team
 - Campus focus groups and observation protocol
- Preliminary Findings
- Campus Action Planning
- Next Steps in Implementation

PROJECT SCOPE AND GOALS

- To develop and implement a system-wide assessment process for campus climate.
- To create tools responsive and relevant to Minnesota State institutions.
- To collaborate with campus pilot teams charged to lead efforts to assess their climate and inform the system strategy.

3

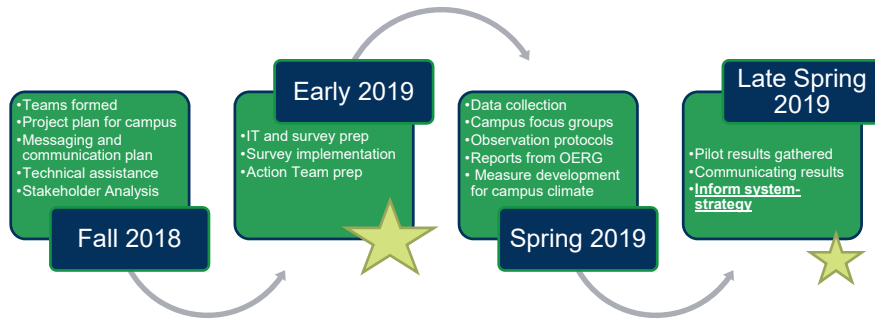


4

Landrieu & Pickett, *A Campus Climate Framework for Transformative Inclusion* (2018)



CAMPUS CLIMATE ASSESSMENT TIMELINE



5



INITIAL PILOT OVERVIEW



9,019 Students Served
32% FT / 68% PT
59% Female / 41% Male
10% Students of Color



11,301 Students Served
33% FT / 67% PT
56% Female / 44% Male
56% Students of Color



10,173 Students Served
29% FT / 71% PT
59% Female / 41% Male
46% Students of Color



8,196 Students Served
41% FT / 59% PT
60% Female / 40% Male
18% Students of Color

6



CAMPUS CLIMATE DEFINITIONS

01 Milem Et al. (2004)

Acts of diversity, must be intentional and measurable in order to accrue the educational benefits for students and the institution. In this sense, diversity is a process toward better learning rather than an outcome (Milem, Chang, and Antonio, 2004).

02 Rankin, S., & Reason, R.(2008)

The current attitudes, behaviors, standards and practices of employees and students of an institution (Rankin, S., & Reason, R. (2008).

03 Williams (2013)

Possessing institutional understanding of the campus climate can lead to new initiatives and enhanced understanding of key issues that university leadership must address toward creating a more inclusive campus environment (Williams, D. A. (2013).

7



METHODOLOGY

The Campus Climate Assessment pilot methodology consists of three components:

- Assessment Tool
- Observational Protocol
- Stakeholder Focus Groups



8



THE ASSESSMENT TOOL

- A 50-55 question assessment tool created to ask respondents to evaluate equity and inclusion efforts at their campus as they relate to campus safety, leadership, communication, discrimination, campus response to incidents of hate and bias, race/ethnicity, gender identification, ability status and sexual orientation.

9



STAKEHOLDER FOCUS GROUPS

- Phase 2 included multiple focus groups of 8-10 participants each on pilot campuses.
- Diverse representation of campus stakeholders in the focus group process.
- Focus groups were grouped by classification and designed to be representative of the composition of the campus (i.e. adjunct faculty, historically underrepresented students, administration, etc.)

10



THE ROLE OF THE CAMPUS ACTION TEAM

- Develop and inform campus level strategy for campus climate assessment.
- Identify campus access points and communicate with campus stakeholders.
- Campus level implementation and deployment of campus climate assessment
- Serve as a liaison between the campus work team and campus stakeholders.

11



CAMPUS ACTION TEAM COMPOSITION

- Students
- Faculty (representation from various classifications and bargaining units)
- Professional staff (representation from various classifications and bargaining units)
- Campus Diversity Officer
- Campus Human Resources Officer
- Campus Institutional Research Officer
- Campus Marketing and Communications Team
- Community members

12



PRELIMINARY FINDINGS

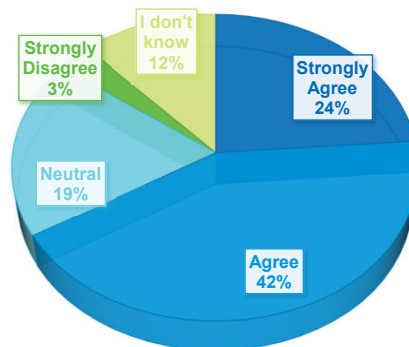
13



LEADERSHIP & COMMUNICATION

Question:
Campus leadership communicates openly to members of the campus community about equity and inclusion matters.

STUDENT RESPONSES

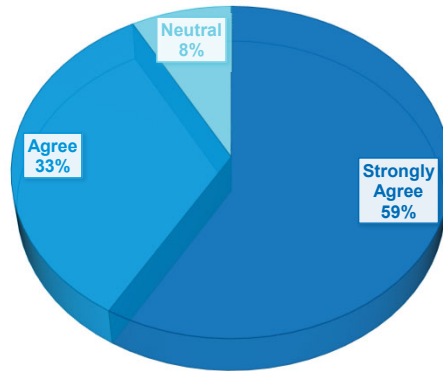


14



CAMPUS SAFETY

Question:
I feel safe and secure
while on campus.



15



DIVERSITY, EQUITY, INCLUSION INFRASTRUCTURE

- Almost every participant shared that equity and inclusion are important for the college/university.
 - Need to continue fostering equity and inclusion efforts.
- A large percentage of respondents agreed that they supports those who have different backgrounds and experiences.
- **The majority of stakeholders indicated they felt safe and secure while on campus at their college/university.**

16



STUDENT SUCCESS

- The majority of student participants feel that faculty and staff maintain an environment that is supportive of people from different races/ethnicities, generations, sexual orientation and gender identities.
- **Close to half** of all student participants feel that campus leadership is committed to identifying educational disparities between majority and underrepresented populations on campus.

17



ENGAGEMENT

- Respondents felt that campus leadership demonstrates an understanding of gender identity/expression.
- The majority of faculty and staff felt that college/university maintains an environment that is supportive of people from difference races/ethnicities

18



EMPLOYEE DEVELOPMENT

- Less than half of respondents indicated that employees received on-boarding, indicating that many believe that their current on-boarding program is not delivering the training needed to complete the job.
- Over half of employees felt that the college/university has a strong employee development strategy to meet workforce diversity goals.
- Less than half of employees felt that the college/university has a strong retention strategy to meet workforce diversity.

19



CAMPUS ACTION PLANNING

- The campus climate assessment process is culminated by the development of a **Campus Action Plan**. The plan is influenced and shaped by the results of the campus climate assessment and includes six core objectives.

20



CAMPUS ACTION PLAN OBJECTIVES

- Support an environment where open communication, information sharing and transparency is valued and actively observed.
- Support and cultivate a culture where trust and civility are supported and valued.
- Support a college-wide culture of teamwork and collaboration.
- Prioritize a caring community with regard to all stakeholders.
- Encourage the active engagement of employees in the support and innovation for student success and completion.
- Support a culture that encourages the empowerment and accountability of all stakeholders.

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NEXT STEPS IN IMPLEMENTATION

- Technical assistance for campus action teams
- **Campus Climate Toolkit** and ready to use survey tool
- Development of a **system-wide strategy and measures** around campus climate to increase campus accountability for creating an inclusive and welcoming environment for all to thrive.

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MINNESOTA STATE

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888-667-2848**

www.MinnState.edu

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MINNESOTA STATE

Joint Human Resources / Diversity, Equity and Inclusion Committees
June 18, 2019
1:30 p.m.
McCormick Room

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. Minnesota State Faculty and Staff Diversity: Current Demographics and Strategies
(pp 1-3)

Human Resources Committee Members:

Jay Cowles, Chair
Cheryl Tefer, Vice Chair
Alex Cirillo
Dawn Erlandson
Bob Hoffman
Roger Moe
Samson Williams

President Liaisons:

*Ginny Arthur
Adenuga Atewologun*

Diversity, Equity & Inclusion Committee Members:

Rudy Rodriguez, Chair
Louise Sundin, Vice Chair
AbdulRahmane Abdul-Aziz
Ashlyn Anderson
Jay Cowles
April Nishimura
George Soule

President Liaisons:

*Anne Blackhurst
Sharon Pierce*



**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Diversity, Equity, and Inclusion and
Human Resources Committees

Date: June 18, 2019

Title: Faculty and Staff Diversity: Current Demographics and Strategies

Purpose (check one):

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

Brief Description:

The Diversity, Equity and Inclusion and Human Resources Committees will convene to engage in a study session to review the current faculty and staff demographics. Special focus will examine strategies to recruit, retain, and advance a diverse workforce throughout the system.

Scheduled Presenter(s):

Clyde Wilson Pickett, Chief Diversity Officer
Eric Davis, Vice Chancellor for Human Resources

**MINNESOTA STATE
BOARD OF TRUSTEES**

INFORMATION ITEM

FACULTY AND STAFF DIVERSITY: CURRENT DEMOGRAPHICS AND STRATEGIES

BACKGROUND

The Diversity, Equity and Inclusion and Human Resources Committees will convene to engage in a study session to review the current faculty and staff demographics. Special focus will examine strategies to recruit, retain, and advance a diverse workforce throughout the system.



MINNESOTA STATE

OUTREACH AND ENGAGEMENT COMMITTEE

June 18, 2019

2:15 PM

McCormick Room
30 7th Street East
Saint Paul, MN

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 April 16, 2019** (pp. 2-6)
2. Strategic Recruitment of High School Graduates: Normandale Community College and Minnesota State University, Mankato (pp. 7-8)
3. Engagement with Philanthropic Partners: Pine Technical and Community College and SPIRE Credit Union and Riverland Community College and The Hormel Foundation (pp. 9-10)

Committee Members:

Dawn Erlandson, Chair
Louise Sundin, Vice Chair
AbdulRahmane Abdul-Aziz
George Soule
Rudy Rodriguez

President Liaisons:

Rassoul Dastmozd
Scott Olson

Bolded items indicate action is required.



**MINNESOTA STATE BOARD OF TRUSTEES
OUTREACH AND ENGAGEMENT COMMITTEE
APRIL 16, 2019**

Outreach and engagement Committee Members Present: Chair Dawn Erlandson, Trustees Louise Sundin, AbdulRahmane Abdul-Aziz and George Soule.

Committee members not present: Trustee Rudy Rodriguez.

Other Board Members Present: Board of Trustees Chair Michael Vekich; Trustees Ashlyn Anderson, Alex Cirillo, Jay Cowles, Robert Hoffman, Jerry Janezich, Roger Moe, April Nishimura, Cheryl Tefer, and Samson Williams.

Leadership Council Members Present: Chancellor Devinder Malhotra, Chief Marketing and Communications Officer Noelle Hawton, President Scott Olson.

The Minnesota State Colleges and Universities Outreach and Engagement Committee held a meeting on April 16, 2019 in the 4th Floor McCormick Room, 30 7th Street East, St. Paul. Chair Dawn Erlandson called the meeting to order at 1:52 pm.

1. Minutes of Nov. 13, 2018

Trustee Sundin moved and Trustee Abdul-Aziz seconded that the minutes from the Nov. 13, 2018 meeting be approved as written. Motion carried.

2. Committee Name Change and Charter

Presenter:

Noelle Hawton, Chief Marketing and Communications Officer

At its outset, the Ad Hoc Committee on Outreach and Advocacy was charged to refine its charter. That work is now done and a draft of the new charter, including a proposed committee name change, is being presented for the trustees' review and approval.

The committee is charged with assisting the Board of Trustees in fulfilling its governance responsibilities in the arena of key stakeholder engagement and how Minnesota State tells its story, fosters a society-wide understanding of public higher education systems and articulates its value proposition as an invaluable public good.

Chief Marketing and Communications Officer Noelle Hawton said the governance charter for this committee covers all the marketing, advancement, advocacy, government relations and partnership work that happens at the system and its colleges and universities. She creates an annual strategic communications and marketing plan which would cover the work detailed in this charter.

Trustee Abdul-Aziz expressed interest in possible outreach and engagement initiatives. Chair Earlandson said initiative ideas can be forwarded to her or Vice Chair Sundin and they will determine how to proceed.

Trustee Abdul-Aziz moved and Trustee Sundin seconded that the Board of Trustees approve the changes to the charter and the committee name change, which will now be Outreach and Engagement Committee. Motion carried.

3. Engagement with Government Partners: Minneapolis College and Hennepin County

Presenters:

Gail O’Kane, Minneapolis College Vice President of Academic Affairs

Traci Krause, Minneapolis College Associate Dean for Nursing and Allied Health

Melissa McKay, Hennepin Healthcare Director of Medical-Surgical Services

Saed Yusuf, Minneapolis college graduate and Clinical Care Supervisor at Hennepin Healthcare

Colleges and universities of Minnesota State are engaged in a wide variety of partnerships with external organizations, such as P-20 schools, government entities, philanthropic organizations, human services agencies and non-profits, Hawton said. She said some of these partnerships and the work they do will be highlighted during meetings of the Outreach and Engagement Committee.

Minneapolis College has a robust partnership with Hennepin County to address workforce challenges, according to Gail O’Kane, Vice President of Academic Affairs at the college. Their partnership includes healthcare, as well as other government work. O’Kane said many students have benefitted from paid internships and recruitment for open jobs in county human services and information technology agencies and public libraries.

She called the partnership with Hennepin County a win-win situation for Minneapolis College students and the county. Low-income students who have been clients of county services are transformed into employees who are making family-sustaining wages and Hennepin County gains employees who uniquely understand their clients because they have been among them.

Traci Krause, the college’s associate dean for Nursing and Allied Services, offered details on the partnership Minneapolis College has with Hennepin Healthcare, which has 6,000 employees, including 1,700 registered nurses.

Krause said among the college's goals in this partnership are:

- To increase the diversity and inclusion within the nursing workforce, as well as allied health programs, throughout the state. They target a population not always served in higher education and strive to offer students opportunities for full-time employment following graduation;
- To support degree advancement. Students admitted to the college nursing program have dually admitted to Augsburg University, and 70 percent of graduates continue their education in a bachelor's completion degree program.

Minneapolis College graduate Saed Yusuf described how his education at the college resulted in him becoming a floor nurse and now clinical care supervisor at Hennepin Healthcare. Soon he will be completing his bachelor of science degree. He said the opportunities and connections he received through the college's partnership with Hennepin Healthcare were invaluable and gave him a solid foundation in his career.

Melissa McKay, director of Medical-Surgical Services at Hennepin Healthcare, said the relationships students form during clinical experiences at the facility often lead to full-time jobs after graduation and students are urged to complete their four-year nursing degree.

Trustee Janezich asked why the college opted to form a degree completion partnership with Augsburg University rather than with universities in the system. The Minnesota Alliance of Nursing Education (MANE), developed in partnership with the Minnesota Board of Nursing in 2013, offers a shared curriculum for Minnesota State students interested in degree advancement. It is comprised of seven Minnesota State community colleges and Metropolitan State University.

Krause said Minneapolis College made a decision at that time not join MANE and instead formed the relationship with Augsburg University since students could be enrolled using admission criteria which college nursing administrators believed better suited their diverse student population. Some Minneapolis College graduates go on to bachelor's degree completion programs at system universities, including Metropolitan State University and Winona State University, Krause said.

Trustee Tefer said she's happy the partnership Minneapolis College has with Augsburg University for degree completion is successful, but the Board may want to further examine the topic of degree advancement and how to promote better movement and transfer within the system.

4. Engagement with Non-Profits: Minnesota State Community and Technical College and United Way of Cass and Clay Counties

Presenters:

Carrie Brimhall, President of Minnesota State Community and Technical College

Amy Hochgraber, Director of Business and Industry at Minnesota State Community and Technical College

Amy Feland, Workforce Development Case Manager at Lakes and Prairie Community Action Partnership

Thomas Hill, Community Impact Director at United Way of Cass and Clay Counties

Minnesota State Community and Technical College (M State) President Carrie Brimhall said the college is purposeful in selecting its partnerships. Partnerships must benefit the college's students and communities they serve; align with the college's mission; and create a synergy which allow everyone to achieve more and creatively maximize the use of college resources.

A workforce shortage in the region is a major concern, according to Thomas Hill, Community Impact Director at United Way of Cass-Clay. It's estimated that by 2020, there will be a need for an additional 30,000 skilled workers because of the area's growing economy and aging population exiting the workforce.

Battling poverty is another United Way priority, Hill said. It's estimated and one in 9 people in the Cass-Clay area, or 12 percent of the population, lives in poverty. The United Way strives to lift people out of poverty and improve lives and this partnership works to meet that goal.

M State, the United Way of Cass-Clay and Lakes & Prairie Community Action Partnership collaborate to:

- Increase access and remove barriers for low-income individuals to receive training, education and support for employment;
- Meet the skills gap and provide opportunities for employers to hire trained and skilled employees to add to their workforce;
- Provide a Workforce Development Case Manager to assist low-income individuals with skills and support necessary to obtain and maintain living wage employment in the highest-demand career areas in the region.

Amy Hochgraber described the customized training courses offered by M State that result in students receiving an industry-recognized credential in welding, certified production technician and certified nurse assistant. The need for training extends beyond the technical skills, Hochgraber added, so students are offered occupational workforce readiness classwork that aims to improve "soft skills" in areas such as time management and inter-personal relationships.

Training is offered on the M-State Moorhead campus, the college's welding lab or at the employer site. The length of courses varies and certificates are awarded after students pass tests, Hochgraber said.

Lakes & Prairies Community Action Partnership Case Manager Amy Feland said she works to provide the resources and support students in the program need to be successful. These supports include assistance with child care, housing and transportation.

Seventy-one percent of people who go through this partnership training program get living-wage employment as welders, certified nursing assistants and production workers in high-demand fields, usually within three months of completing the coursework, Hill said.

This partnership is working because the public and non-profit partners share the vision, accountability and financial responsibility and their coordinated efforts help make the most at-risk population in their area become self-sufficient, he said.

A grant has been used to help offset tuition for some students in the program and Hill said he's working with businesses and industries that are willing to help pay for potential employees to receive customized training.

Brimhall said her college serves 6,500 incumbent workers and this partnership is just one of the many collaborations M State and other colleges across the state are creating to meet workforce needs in their communities.

The meeting adjourned at 2:52 pm
Margie Takash, Recorder

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Outreach and Engagement Committee

Date: June 18, 2019

Title: Strategic Recruitment of High School Graduates

Purpose (check one):

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

Brief Description:

A portion of the recruitment work done by the 37 colleges and universities of Minnesota State is targeted at high school juniors and seniors. The Board of Trustees will learn about the strategic recruitment efforts of this prospective student audience that takes place for two institutions – Normandale Community College and Minnesota State University, Mankato.

Scheduled Presenter(s):

Noelle Hawton, Chief Marketing and Communications Officer
Dara Hagen, Vice President of Student Affairs at Normandale Community College
Torrian Amie, Dean of Enrollment & Outreach at Normandale Community College
David Jones, Vice President for Student Affairs & Enrollment Management at Minnesota State University, Mankato
Brian Jones, Director of Admissions at Minnesota State University, Mankato

**MINNESOTA STATE
BOARD OF TRUSTEES**

INFORMATION ITEM
Strategic Recruitment of High School Graduates

BACKGROUND

All 37 colleges and universities of Minnesota State engage in recruitment efforts to engage prospective students as a means to develop enrollment. The Board of Trustees will learn about the strategic recruitment efforts focused on high school juniors and seniors that take place at Normandale Community College and Minnesota State University, Mankato.

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Outreach and Engagement Committee

Date: June 18, 2019

Title: Engagement with Philanthropic Partners: Pine Technical and Community College with SPIRE Credit Union and Riverland Community College and The Hormel Foundation

Purpose (check one):

Proposed
New Policy or
Amendment to
Existing Policy

Approvals
Required by
Policy

Other
Approvals

Monitoring /
Compliance

Information

Brief Description:

All the colleges and universities of Minnesota State engage with philanthropic partners to enhance financial aid opportunities for students. The Board of Trustees will learn about two colleges and just two of these philanthropic partnerships -- Pine Technical and Community College with SPIRE Credit Union and Riverland Community College with The Hormel Foundation.

Scheduled Presenter(s):

Noelle Hawton, Chief Marketing and Communications Officer

Adenuga Atewologun, President at Riverland Community College

Dani Heiny, Chief Diversity Officer at Riverland Community College

Gema Alvarado-Guerrero, Executive Director for the Parenting Resource Center

Joe Mulford, President at Pine Technical and Community College

Bridgett Peterson, Market Vice President for Community Outreach at SPIRE Credit Union

**MINNESOTA STATE
BOARD OF TRUSTEES**

INFORMATION ITEM
Engagement with Philanthropic Partners

BACKGROUND

All the colleges and universities of Minnesota State engage with philanthropic partners to enhance financial aid opportunities for students. The Board of Trustees will learn about two colleges and just two of these philanthropic partnerships -- Pine Technical and Community College with SPIRE Credit Union and Riverland Community College with The Hormel Foundation.



MINNESOTA STATE

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

JUNE 18, 2019

3:45 PM

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

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

1. **Minutes of May 22, 2019 (Too be distributed)**
2. **Approval of Mission Statement: Northwest Technical College (pp.1-6)**
3. **Proposed Amendments to Board Policies (Second Readings)**
 - a. **2.3 Student Involvement in Decision-Making (pp.7-9)**
 - b. **3.36 Academic Programs (pp.10-15)**
 - c. **3.8: Students Complaints & Grievances (pp.16-18)**
4. Guided Learning Pathways – Part II: Transfer Pathways and Credit for Prior Learning (pp.19-55)

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

Alex Cirillo, Chair

Cheryl Tefer, Vice Chair

Ashlyn Anderson

Dawn Erlandson

Jerry Janezich

Rudy Rodriguez

Louise Sundin

Bolded items indicate action required.



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

Name: Academic and Student Affairs Committee

Date: June 18, 2019

Title: Mission Statement: Northwest Technical College

Purpose (check one):

Proposed
New Policy or
Amendment to
Existing Policy

Approvals
Required by
Policy

Other
Approvals

Monitoring /
Compliance

Information

Brief Description:

The mission of Northwest Technical is being presented for board approval. The mission meets the criteria in Board Policy 3.24 Institution Type and Mission, and System Mission, Part 4: Approval of College or University Mission Statements.

Scheduled Presenter(s):

Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs

Faith Hensrud, President, Bemidji State University/Northwest Technical College

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

BOARD ACTION ITEM
Mission Statement: Northwest Technical College

BACKGROUND

The revised mission and vision statements of Northwest Technical College is being presented for board approval. The mission and vision meet the criteria identified in Board Policy 3.24 Institution Type and Mission, and System Mission, Part 4: Approval of College or University Mission Statements.

Current Mission: Northwest Technical College integrates the value of work with the educational experience to develop resourceful lifelong learners with knowledge, skills, and attitudes to secure rewarding careers and satisfying lives in an increasingly technologically focused, globally interdependent, multicultural society.

Proposed Mission: Northwest Technical College engages, supports and prepares students for rewarding careers through innovative programs and hands-on learning.

The proposed mission statement is not intended to materially change Northwest Technical College’s core mission. Rather, the objective is to restate NTC’s existing mission statement more directly and concisely.

The key elements are as follows:

1. “Northwest Technical College engages, supports...” reflects not only a student’s own commitment to their education, but also in the college’s beliefs that: student success relies on creating meaningful, personal connections between its students and its faculty, staff, academic programs and/or extracurricular activities; student success can be encouraged through a series of holistic service programs that provide support and guidance for students and the broad spectrum of issues and obstacles they face.
2. “...and prepares students...” reflects NTC’s belief that it can support the long-term success of its graduates by providing opportunities to become active, involved members of our complex and diverse local, regional and global communities. Through their educations at NTC, students develop the necessary skills they need to succeed in all facets of their professional lives.
3. “...for rewarding careers...” speaks to a technical college’s fundamental role to help students connect their education to their future employment opportunities. By making their decision to seek technical skills training at NTC, students will dramatically increase their value to employers.

4. "...through innovative programs..." reflects NTC's commitment to provide academic programs that are relevant and modern, to benefit both our students and the businesses who will eventually employ them. NTC collaborates with industry partners to develop and maintain academic programs that reflect industry best practices and that utilize current and relevant technology.

5. "...and hands-on learning" reflects the college's belief that learning outside of a traditional classroom is vital to the success of technical college students. To this end, the college provides real-world experiences and learning opportunities to its students through hands-on labs featuring the latest technology, collaborative field-learning experiences, and more.

Current Vision: Northwest Technical College is a technological learning organization that is also open and inviting, comprised of professionals that value lifelong learning and the worth and dignity of all people. Guided by a commitment to excellence through education with a global focus, Northwest Technical College looks to become the premiere technical college in Minnesota. The academic and co-curricular culture at Northwest Technical College encourages an appreciation of differences and a rich knowledge of self and others that is the foundation of democratic citizenship in a technological world. Such an education is a life-enhancing opportunity that will enable individuals to reach their fullest potential and contribute to the richness of the natural, human, and economic resources of this region and an increasingly technologically focused, globally interdependent, multicultural society.

Proposed Vision: Northwest Technical College will be a regional leader in providing accessible and innovative education to meet the evolving needs of our diverse students, communities and workforce.

The new vision statement aligns with the Minnesota State vision, as it speaks directly to educating people (of Minnesota) and elsewhere to create a better future for themselves, their families, and their communities. It is both inspirational and aspirational, and demonstrates the transformative nature of a Northwest Technical College education.

1. "Northwest Technical College will be a regional leader..." speaks to the college's core mission to provide technical education opportunities for students in Northern Minnesota.

2. "...accessible, innovative education" reflects NTC's commitment to allow its educational programs to be open to and attainable for anyone who wishes to attend, and that its academic programs are relevant and modern.

3. "...evolving needs of our diverse students, communities and workforce" reflects NTC's belief that student success leads to community success. By preparing our graduates to become active, involved members of their communities, and by helping them to recognize the inherent value of all people, they will have the necessary skills to succeed in rapidly changing and increasingly diverse local, regional and global communities. Technical education benefits the students personally by providing in-demand skills that lead to high paying careers to meet the evolving needs of our communities and workforce.

The college's vision and mission respond to the following elements in system procedure:

1. The alignment of the proposed mission with the system mission and statewide needs;

The revised mission and vision relies on and aligns with the system strategic framework:

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

The proposed mission statement aligns directly with the Minnesota State mission. Both focus on meeting the educational goals of students and supporting local economies. NTC's proposed mission statement also aligns directly with the Minnesota State vision in that both focus on accessible and high-value education.

Likewise, NTC's proposed mission statement aligns directly with the Strategic Framework. Value and accessibility in NTC's mission statement encompass access, extraordinary education, and affordability. Meeting the needs of the community and supporting the economy in NTC's mission statement will make NTC the partner of choice for workforce and community needs within its service area.

In addition to revising our mission and vision, we added a set of core values to guide our work. The addition of values helps deepen the understanding of our mission and vision campus wide. These shared values bring us all closer together as we work toward student success. The values are a basis for common discussion and provide a uniting approach to our daily efforts.

Core values:

Our students, faculty and staff strive for:

- ***Excellence*** – focus on quality and continuous improvement.
- ***Integrity*** – earn trust by doing what we say we will do; ensure high professional and ethical standards.
- ***Inclusion*** – provide an atmosphere of respect, sense of belonging, dignity and acceptance of all.
- ***Student Success*** – provide access and educational opportunities for personal and professional growth.
- ***Innovation*** – deliver creative and future-oriented career and technical programs.
- ***Community Engagement*** – develop strong collaborative relationships with education, business and industry to meet regional needs.

2. The extent to which the college or university will meet expectations of statute and how it relates to other institutions of higher education;

The proposed revision does not change the extent to which the college will meet expectations of statute or how the college relates to other institutions of higher education. Northwest Technical College will remain a regional technical college governed by the policies of its accreditation agency, the Higher Learning Commission, and the policies of the Minnesota State Board of Trustees.

3. The array of awards it offers;

The proposed revision does not change the array of awards the college offers which includes certificates, a diploma, associate of science and associate of applied science degrees.

4. The compliance of the college or university mission with statute, policy, and regional accreditation requirements;

Northwest Technical College will remain a regional technical college governed by statutes and regulations of its accrediting agency, the Higher Learning Commission (HLC). The new Northwest Technical College mission provides a strong foundation for evaluation, accountability and accreditation by the Higher Learning Commission.

5. The consultation with faculty, students, employers, and other essential stakeholders.

Prior to the formal planning process, Northwest Technical College held community listening sessions in February 2017. The focus of the community listening sessions was to seek feedback as to how Northwest Technical College could better meet regional needs. Topics included business, the environment, manufacturing, and healthcare.

Four major priorities in the strategic plan emerged during an extensive and multi-stage strategic planning process from September 2017 through April 2019 that involved the college's faculty, staff, foundation board and students, as well as scores of regional stakeholders. This process was led by a steering committee. The steering committee included a wide variety of participants from the campus and community and sought to ensure active participation in gathering feedback at campus town hall meetings. All program advisory boards, the local corporate council, NTC Foundation members, and other key business and industry members were invited via letter. The steering committee identified a list of contacts and made personal phone calls to encourage participation in the town hall meetings.

All campus faculty, staff, and students were invited to attend the town hall meeting. The meeting was specifically scheduled during the noon timeframe when most classes were not in session and a meal was provided to encourage participation.

The Town Hall sessions were held on the afternoon and evening of November 20, 2017, in the NTC Commons. The first was a campus forum that included 70 faculty, staff and students. The evening event was for business and community members and over 50 individuals from the region participated. Following the events, 22 individuals took advantage of a subsequent opportunity to complete an online survey that covered the same questions addressed by Town Hall participants.

The final strategic plan was presented to the campus community on May 9, 2018 as part of the end of the year recognition of campus awards, budget presentation, and final all-campus conversation.

The results of the strategic planning process included identification of four strategic priorities.

Four Strategic Priorities:

1. Increase NTC's responsiveness to workforce needs
2. Improve/Increase student success to include retention, graduation rates, and job placement.
3. Enhance community, business, and education partnerships
4. Establish and implement a customized training program to become the provider of choice for business and industry in our region.

A goal within the plan was to examine the current mission and vision, and determine what changes should be made.

- During the 2018-19 academic year, the President's Leadership Council began implementation of the plan and revisions to the mission and vision. Feedback was then solicited from the campus faculty, staff and students, as well as from members of the NTC Foundation board.
- On January 17, 2019, a campus wide in-service session focused conversation on examining the current mission and vision and how it relates to our new strategic plan. Reflective questions were used to engage the participants in envisioning the new mission and vision. During the crafting process, values were included to further the shared understanding of NTC's new mission and vision.
- Student input requested through the student senate in spring 2019, and they were supportive of the change to the mission and vision.
- In April 2019, the mission and vision were shared with our NTC American Indian Advisory Council. Members of this council were highly supportive of the change.

RECOMMENDED COMMITTEE ACTION

Upon the recommendation of the Chancellor, the Academic and Student Affairs Committee recommends that the Board of Trustees approve the mission and vision of Northwest Technical College.

RECOMMENDED MOTION

The Board of Trustees approves the mission and vision of Northwest Technical College.

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Academic and Student Affairs Committee

Date: June 18, 2019

Title: Proposed amendment to Policy 2.3 Student Involvement in Decision-Making

Purpose (check one):

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

Brief Description:

The policy was reviewed as part of the five-year review cycle pursuant to Board Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration, Part 6, Subpart H, Periodic review.

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

Scheduled Presenter:

Ron Anderson, Senior Vice Chancellor of Academic and Student Affairs

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION – SECOND READING
BOARD POLICY 2.3 STUDENT INVOLVEMENT IN DECISION-MAKING

1 **BACKGROUND**
2 Board Policy 2.3 Student Involvement in Decision-Making was adopted and implemented by the
3 Board of Trustees on April 18, 1995. The policy was reviewed as part of the five year review
4 cycle pursuant to Board Policy 1A.1 Minnesota State Colleges and Universities Organization and
5 Administration, Part 6, Subpart H, Periodic review.

6
7 The proposed amendment involves the reorganization of the policy language to make it more
8 accurate. New titles were created for Part 1 “Purpose” and Part 2 “Policy Statement”.

9
10
11 **RECOMMENDED COMMITTEE MOTION**
12 The committee recommends the Board of Trustees adopt the proposed amendment to Board
13 Policy 2.3 Student Involvement in Decision-Making.

14
15
16 **RECOMMENDED BOARD MOTION**
17 The Board of Trustees adopt the proposed amendment to Board Policy 2.3 Student
18 Involvement in Decision-Making m.

19
20
21 *Date Presented to the Board of Trustees:* 06/19/19
22 *Date of Implementation:* xx/xx/xx

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD POLICY – SECOND READING		
Chapter 2	Chapter Name	Students
Section 3	Policy Name	Student Involvement in Decision-Making

1 **2.3 Student Involvement in Decision-making**

2
3 **Part 1. General provision. Purpose**

4 To promote appropriate levels of student involvement in system, college, and university
5 decision-making and to assure that student perspectives are considered, ~~students shall have~~
6 ~~the opportunity for representation on system, college, and university committees involving or~~
7 ~~affected student interests and shall have the opportunity to review or be consulted on issues~~
8 ~~that have significant impact on students.~~

9
10 **Part 2. Policy Statement**

11 Students must be provided the opportunity for representation on system, college, and
12 university committees involving or affecting student interests and have the opportunity to
13 review or be consulted on issues that have significant impact on students.

14
15 **Part 32. Student involvement in system committees, conferences and issue forums.**

16
17 **Subpart A. Student representation**

18 Students must ~~shall~~ be given the opportunity for representation on college,
19 university, and system committees, conferences, and issue forums that are a part of
20 the policy development and/or decision-making process.

21
22 **Subpart B. Selection of student committee members or student representatives.**

- 23 1. At the system level, the student member(s) must ~~shall~~ be selected by the statewide
24 student association(s).
- 25 2. At the state college or university level, student members must ~~shall~~ be selected by
26 the recognized campus student association(s).

27
28 **Part 43. Exceptions.** This policy ~~shall~~ does not apply to the following.

- 29 • Committees established for the evaluation of personnel.
30 • Committees established under collective bargaining agreements.
31 • Management teams, presidential cabinets, and committees of the Board of Trustees.

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Academic and Student Affairs Committee

Date: June 18, 2019

Title: Proposed amendment to Policy 3.36 Academic Programs

Purpose (check one):

Proposed
New Policy or
Amendment to
Existing Policy

Approvals
Required by
Policy

Other
Approvals

Monitoring /
Compliance

Information

The policy was reviewed as part of the five-year review cycle pursuant to Board Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration, Part 6, Subpart H, Periodic review.

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

Scheduled Presenter:

Ron Anderson, Senior Vice Chancellor of Academic and Student Affairs

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION – SECOND READING
BOARD POLICY 3.36 ACADEMIC PROGRAMS

1 **BACKGROUND**

2 Board Policy 3.36 Academic Programs was adopted by the Board of Trustees in June of 2007.
3 The policy was reviewed as part of the five year review cycle pursuant to Board Policy 1A.1
4 Minnesota State Colleges and Universities Organization and Administration, Part 6, Subpart H,
5 Periodic review.

6
7 The proposed amendment replaces outdated language and definitions with terminology more
8 reflective of the current programs and goals within the system. The proposed amendment also
9 consists of technical changes resulting from the application of the new writing and formatting
10 standards.

11
12 The proposed amendment was reviewed by the Office of General Counsel, cabinet, and sent
13 out for formal consultation and received support from the presidents, employee representative
14 groups, student associations, and campus leadership groups. All comments received from the
15 consultation were considered.

16
17
18 **RECOMMENDED COMMITTEE MOTION**

19 The committee recommends the Board of Trustees adopt the proposed amendment to Board
20 Policy 3.36 Academic Programs.

21
22
23 **RECOMMENDED BOARD MOTION**

24 The Board of Trustees adopt the proposed amendment to Board Policy 3.36 Academic
25 Programs.

26
27
28 *Date Presented to the Board of Trustees:* 06/19/19
29 *Date of Implementation:* xx/xx/xx

MINNESOTA STATE
BOARD OF TRUSTEES

BOARD POLICY – SECOND READING		
Chapter 3	Chapter Name	Educational Policies
Section 36	Policy Name	Academic Programs

1 **3.36 Academic Programs**

2
3 **Part 1. Purpose and Applicability.**

4 ~~The purpose of the Academic Programs policy is to~~ direct decision-making regarding the
5 development, approval, and management of credit-based academic programs.

6
7 **Part 2. Academic Program Goals**

8 ~~The academic programs of the Minnesota State Colleges and Universities~~

- 9 ~~• should prepared graduates for work, life, and citizenship.;~~
- 10 ~~• Academic programs should create graduates who are creative, innovative, and able to respond~~
11 ~~with agility to new ideas, new technologies, and new global relationships.;~~
- 12 ~~• Graduates should be able to lead their professions and adapt to the multiple careers they will~~
13 ~~have over their lifetimes.;~~
- 14 ~~• Graduates should have the ability to think independently and critically; be able to resourcefully~~
15 ~~apply knowledge to new problems; proactively expect the unexpected;; embrace change and be~~
16 ~~comfortable with ambiguity; and be able to communicate and work effectively across cultural~~
17 ~~and geographic boundaries.~~

18
19 Minnesota State Colleges and Universities provide learning opportunities to develop graduates who
20 are:

- 21 a. prepared for work, life, and citizenship;
- 22 b. creative, innovative, and able to respond with agility to new ideas, new technologies, and new
23 global relationships;
- 24 c. able to lead their professions and adapt to the multiple careers they will have over their
25 lifetimes;
- 26 d. able to think independently and critically and resourcefully apply knowledge to new problems;
- 27 e. able to embrace change and be comfortable with ambiguity; and,
- 28 f. able to communicate and work effectively across cultural and geographic boundaries.

29
30 ~~In order to meet Minnesota's educational needs, the Minnesota State Colleges and Universities shall~~
31 ~~endeavor to:~~

- 32 a. ~~Ensure quality and excellence that is competitive on a national and international level the~~
33 ~~needs of students for occupational, general, undergraduate, and graduate education;~~
- 34 b. ~~Facilitate ease of transfer among~~

- ~~c. Give highest priority to meet the needs of Minnesota employers for a highly skilled and adaptable workforce;~~
- ~~d. Enhance Minnesota's quality of life by developing understanding and appreciation of a free and diverse society; and~~
- ~~e. unnecessary duplication and achieve efficient and streamlined operations.~~

~~Part 32. Definitions. The following definitions have the meanings indicated for all Board policies unless the text clearly indicates otherwise.~~

~~Subpart A. Academic award.~~

~~Academic award means a A certificate, diploma, or degree.~~

~~Subpart B. Academic program.~~

- ~~1. Academic program means a A cohesive arrangement of college-level curricular requirements credit courses and experiences designed to accomplish predetermined objectives leading to an academic award. the awarding of a.~~

~~2.~~

~~3.~~

~~Subpart C. Academic program inventory.~~

~~Academic program inventory means The official list of academic programs offered by system colleges and universities.~~

~~Subpart D. Credit.~~

~~Credit means a A unit of measure assigned to a system college or university course or an equivalent learning experience that takes into consideration achieved student learning outcomes and instructional time.~~

~~Subpart E. General education.~~

~~General education means a cohesive curriculum defined by faculty through system college or university procedures to develop reasoning ability and breadth of knowledge through an integration of learning experiences in the liberal arts and sciences.~~

~~Part 4. Authorized Academic Awards.~~

~~Subpart A. System-College and university award authority.~~

~~System-Colleges and universities have authority to confer academic awards only as specified below.~~

- ~~1. **Community colleges.** Community colleges have the authority to confer undergraduate certificates, diplomas, and the following degrees: associate in of arts, associate in of fine arts, associate in of science, and associate in of applied science.~~

- 77 2. **Consolidated colleges.** Consolidated colleges have the authority to confer undergraduate
78 certificates, diplomas, and the following degrees: associate ~~in~~ of arts, associate ~~in~~ of fine
79 arts, associate ~~in~~ of science, and associate ~~in~~ of applied science.
80 3. **Technical colleges.** Technical colleges have the authority to confer undergraduate
81 certificates, diplomas, and the following degrees: associate ~~in~~ of science, and associate ~~in~~ of
82 applied science.
83 4. **Universities.** Universities have the authority to confer undergraduate and graduate
84 certificates and associate ~~in~~ of arts, ~~associate in fine arts, associate in science,~~
85 baccalaureate, and graduate degrees.
86

87 Approval by the Board of Trustees is required for a ~~system~~ college or university to confer an
88 academic award type for which specific authority is not granted in this policy.
89

90 **Subpart B. Academic award characteristics.**

91 The chancellor shall specify the characteristics of academic awards.
92

93 **Subpart C. Academic program credit length limits.**

94 Academic programs that lead to an associate degree ~~shall~~ must be limited to 60 credits, and
95 academic programs that lead to a baccalaureate degree ~~shall~~ must be limited to 120 credits unless
96 the chancellor grants a waiver based on industry or professional accreditation standards that
97 require a greater number of credits.
98

99 The chancellor shall set program credit length requirements and waiver criteria for undergraduate
100 certificates, diplomas, and graduate-level awards.
101

102 **Part 54. Authority to Establish Academic Program Locations.**

103 Approval of the chancellor is required for establishment of a location at which an academic program
104 may be offered.
105

106 **Part 65. Academic Program Approval.**

107 Approval of the chancellor is required for new academic programs, changes to existing academic
108 programs, suspension of academic programs, and closure of academic programs at ~~system~~ colleges and
109 universities. Colleges and universities shall only offer academic programs that are approved by the
110 chancellor and recorded in the academic program inventory.
111

112 The chancellor shall maintain the academic program inventory and annually report to the ~~board~~ Board
113 of Trustees on the status of the inventory. ~~The annual report to the Board will include data and analysis~~
114 ~~of programs measured against program goals established by the Chancellor. The goals will be based on~~
115 ~~and where appropriate, aligning program offerings to workforce needs.~~
116

117 **Part 76. Student Options When Academic Programs Are Suspended, Closed, or Changed.**

118 A ~~system~~ college or university shall provide a student admitted to an academic program an
119 opportunity, consistent with ~~system~~ college or university policy, to complete the academic program
120 when it is suspended or closed or when the requirements have changed.

121

122 **Part 87. Academic Review.**

123 Each ~~system~~ college and university shall regularly review its academic programs for the purpose of
124 academic planning and improvement.

125

126 The chancellor, ~~as appropriate,~~ may conduct statewide or regional reviews of academic programs or
127 program clusters, report findings to the board ~~Board of Trustees~~ and, when necessary, impose
128 conditions on academic programs.

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Academic and Student Affairs Committee

Date: June 18, 2019

Title: Proposed amendment to Policy 3.8 Students Complaints and Grievances

Purpose (check one):

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

Brief Description:

The policy was reviewed as part of the five-year review cycle pursuant to Board Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration, Part 6, Subpart H, Periodic review.

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

Scheduled Presenter:

Ron Anderson, Senior Vice Chancellor of Academic and Student Affairs

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION – SECOND READING
BOARD POLICY 3.8 STUDENT COMPLAINTS AND GRIEVANCES

1 **BACKGROUND**

2 Board Policy 3.8 Student Complaints and Grievances was adopted by the Board of Trustees on
3 June 20, 1995 and implemented on July 1, 1995. The policy was reviewed as part of the five
4 year review cycle pursuant to Board Policy 1A.1 Minnesota State Colleges and Universities
5 Organization and Administration, Part 6, Subpart H, Periodic review.

6
7 The proposed amendment involves the reorganization of the policy language to make it more
8 accurate. All the part headings were renamed and a new Part 4. Appeals to the Chancellor was
9 added. New Part 4 clarifies when a student may appeal a final decision of a college or
10 university to the system office.

11
12 The proposed amendment was reviewed by the Office of General Counsel, cabinet, and sent
13 out for formal consultation and received support from the presidents, employee representative
14 groups, student associations, and campus leadership groups. All comments received from the
15 consultation were considered.

16
17
18 **RECOMMENDED COMMITTEE MOTION**

19 The committee recommends the Board of Trustees adopt the proposed amendment to Board
20 Policy 3.8 Student Complaints and Grievances.

21
22
23 **RECOMMENDED BOARD MOTION**

24 The Board of Trustees adopt the proposed amendment to Board Policy 3.8 Student Complaints
25 and Grievances.

26
27
28 *Date Presented to the Board of Trustees:* 06/19/19
29 *Date of Implementation:* xx/xx/xx

MINNESOTA STATE
BOARD OF TRUSTEES

BOARD POLICY – SECOND READING		
Chapter 3	Chapter Name	Educational Policies
Section 8	Policy Name	Student Complaints and Grievances

1 **3.8 Student Complaints and Grievances**

2
3 **Part 1. General Statement of Policy. Purpose**

4 To ensure students have a process to resolve student complaints and grievances when no other
5 designated complaint, grievance, or appeal process applies to the situation.

6
7 **Part 21. Policy Statement**

8 A student has the right to seek a remedy for a dispute or disagreement through a designated
9 complaint or grievance procedure. Each college and university shall establish procedures, in
10 consultation with student representatives and others, for handling complaints and grievances.
11 These procedures ~~must~~ shall not substitute for other grievance procedures specific in board,
12 college or university policies or procedures, regulations, or negotiated agreements.

13
14 This policy does not apply to academic grade disputes. Grade appeals must be handled under a
15 separate college/university ~~the~~ academic policy of the college or university.

16
17 **Part 32. College and University Policies and Procedures-**

18 ~~The chancellor shall establish procedures to implement this policy. The college and university~~
19 ~~student grievance policies and procedures of colleges and universities shall~~ must comply with
20 Board Policy 3.8 and System Procedure 3.8.1.

21
22 **Part 4. Appeals to the Chancellor**

23 A student may appeal a college's or university's final decision to the chancellor if the grievance
24 involves a board policy, system procedure, the actions of a college or university president, an
25 issue of institutional or program quality such as a college's or university's compliance with the
26 standards of an accrediting or licensing agency, or a claim of consumer fraud or deceptive trade
27 practice. The decision of the chancellor is final and binding.

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Academic and Student Affairs

Date: June 18, 2019

Title: Guided Learning Pathways Part II: Transfer Pathways and Credit for Prior Learning

Purpose (check one):

Proposed
New Policy or
Amendment to
Existing Policy

Approvals
Required by
Policy

Other
Approvals

Monitoring /
Compliance

Information

Brief Description:

This second presentation and discussion on guided learning pathways will focus on the work of the system's colleges and universities to strengthen and re-envision workforce development programming in the areas of transfer education and credit for prior learning. Academic and Student Affairs leadership will provide an overview of systemwide strategy and execution within these areas, with campus representatives discussing implementation at the campus and regional levels.

Scheduled Presenters:

Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs
Satasha Green Stephen, Associate Vice Chancellor for Academic Affairs
Mary Rothchild, Senior System Director for Workforce Development
Marcia Anderson, C-PLAN Interim Director, Metropolitan State University
Marsha Danielson, Vice President of Economic Development, South Central College

**BOARD OF TRUSTEES
MINNESOTA STATE**

INFORMATION ITEM

Guided Learning Pathways II: Transfer Pathways and Credit for Prior Learning

BACKGROUND

Minnesota State plays a critical role in preparing the Minnesota workforce, conferring more than half (58%) of all post-secondary credentials earned in the state each year. Minnesota State educates **9 out of 10** mechanics; **9 out of 10** employees in manufacturing; **8 out of 10** employees in law enforcement; **2 out of 3** nurses; **7 out of 10** employees in the trades; **6 out of 10** employees in agriculture; **half** of all teachers, **half** of IT professionals, and **half** of all business graduates. Future workforce needs, however, are forecast to outstrip current availability of qualified workers. This growing employment gap increases the importance of Minnesota State’s work and underscores the need to dramatically increase the knowledge and skills of Minnesotans to meet future workforce needs.

As we reimagine Minnesota State and re-envision our role in workforce development, critical changes to educational programming are being developed and made. At the March 2019 Board of Trustees meeting the Academic and Student Affairs division updated the Board on key advances in career technical education, and continuing education and customized training. This presentation expands on that work, highlighting progress in the implementation of transfer pathways and the expansion of credit for prior learning.

Transfer Pathways

During the 2014 Minnesota legislative session, the legislature directed the Minnesota State to develop a plan to address concerns about credit transfer from the system’s colleges to its universities through the implementation of multi-campus articulation agreements. This would permit students who transfer with an associate in arts, associate in fine arts, or , associate in science degree to complete baccalaureate degrees at the system’s universities without accumulating excess course credits. Minnesota State submitted its plan to the legislature in March 2015. The legislature subsequently responded with session law requiring Minnesota State to implement the transfer pathways.

1. The Transfer Pathways: Curriculum Framework

Twenty-six transfer pathways have been created, focused on the most heavily enrolled baccalaureate degree disciplines. The structure of the pathways ensures that students who follow the transfer pathway and earn the associates degree are able to complete the related baccalaureate degree upon earning the number of credits required for that degree less 60 credits. Students completing an associate’s pathway degree are able to apply to a related baccalaureate degree program with junior year status. Where capacity permits, students that meet or exceed specific program requirements will be admitted to that baccalaureate program.

2. Implementation

All Minnesota State colleges offering one or more of the degrees represented by a transfer pathway are near completing the local curriculum revision process and offer the transfer pathway degree by fall 2020. All universities that currently have related degrees are have designated baccalaureate degrees aligned with the transfer pathway degrees. As of June 2019, 194 transfer pathway degrees have been approved at 25 colleges, and 168 baccalaureate degrees have been designated at seven universities.

3. Operational Support

The transfer pathways are supported by the operational infrastructure necessary to fully implement and sustain the transfer pathway degrees. To date, the following actions have been taken and accompanying supports established:

- College transcripts will now indicate the completion of a transfer pathway degree to aid the university in identifying students who are transferring in with a completed transfer pathway degree.
- Universities received funding to assist in the completion and updating of the Degree Audit Reporting system (DARS) to support inclusion of the transfer pathway degrees and transfer of equivalent coursework.
- Colleges and universities are charged with regularly updating their catalogs, websites, Transferology/DARS, transfer sheets, etc. to include transfer pathway degree information.
- Several webinars and conference workshops have been offered for advising staff, faculty, and administrators. In addition, more advanced training is under development to aid campuses, including all stakeholders, to assist students in planning for transfer.
- A transfer review and appeal tool has been developed and piloted. Enhancements and a plan for scalability are currently under development.
- Transfer pathways are now included in the Education Search Tool on Minnesota State's website, and a comprehensive Transfer Pathway webpage has been created.
- A new Transfer Governance Team has been established and charged with providing continued oversight and resolution of transfer pathway implementation and maintenance issues, as well execution of the evaluation plan for transfer pathway degrees.

Through the broad implementation of transfer pathways, college students will be better supported in their pursuit of a related baccalaureate degree, with greater clarity and consistency of degree requirements and a smoother transition into upper-division coursework.

Credit for Prior Learning

Credit for prior learning provides a critical entry for adult students and those with advanced knowledge and skills obtained outside the traditional higher education classroom. While some Minnesota State campuses have a long history of evaluating competency and awarding credit for prior learning (most notably Metropolitan State University and Inver Hills Community College), system-wide work to support campuses in building and strengthening credit for prior learning began in earnest through Charting the Future. Common business practices improved and aligned system-wide policy and procedures, and a robust campus toolkit and professional development opportunities were developed and implemented across the system between 2015 and 2018.

To scale and better support this work across the system, a Credit for Prior Learning Network (C-PLAN) was established at Metropolitan State University. C-PLAN serves as key support for a growing community of practice, providing direct networking and practice sharing opportunities, expanded professional development through an online “CPL Academy,” and standardized evaluation of industry credentials and certifications. In the coming years, students will have greater access to faculty CPL assessments at multiple campuses and advising will be seamless through an online portal that guides students to the most appropriate assessment methods of their learning and competencies gained outside a traditional classroom.

In this presentation and discussion, we will expand upon the work of the system’s colleges and universities to strengthen and re-envision workforce development programming in the areas described above (transfer pathways and credit for prior learning). Academic and Student Affairs leadership will provide an overview of system-wide strategy and execution, and campus presidents will discuss implementation at the campus and regional levels.



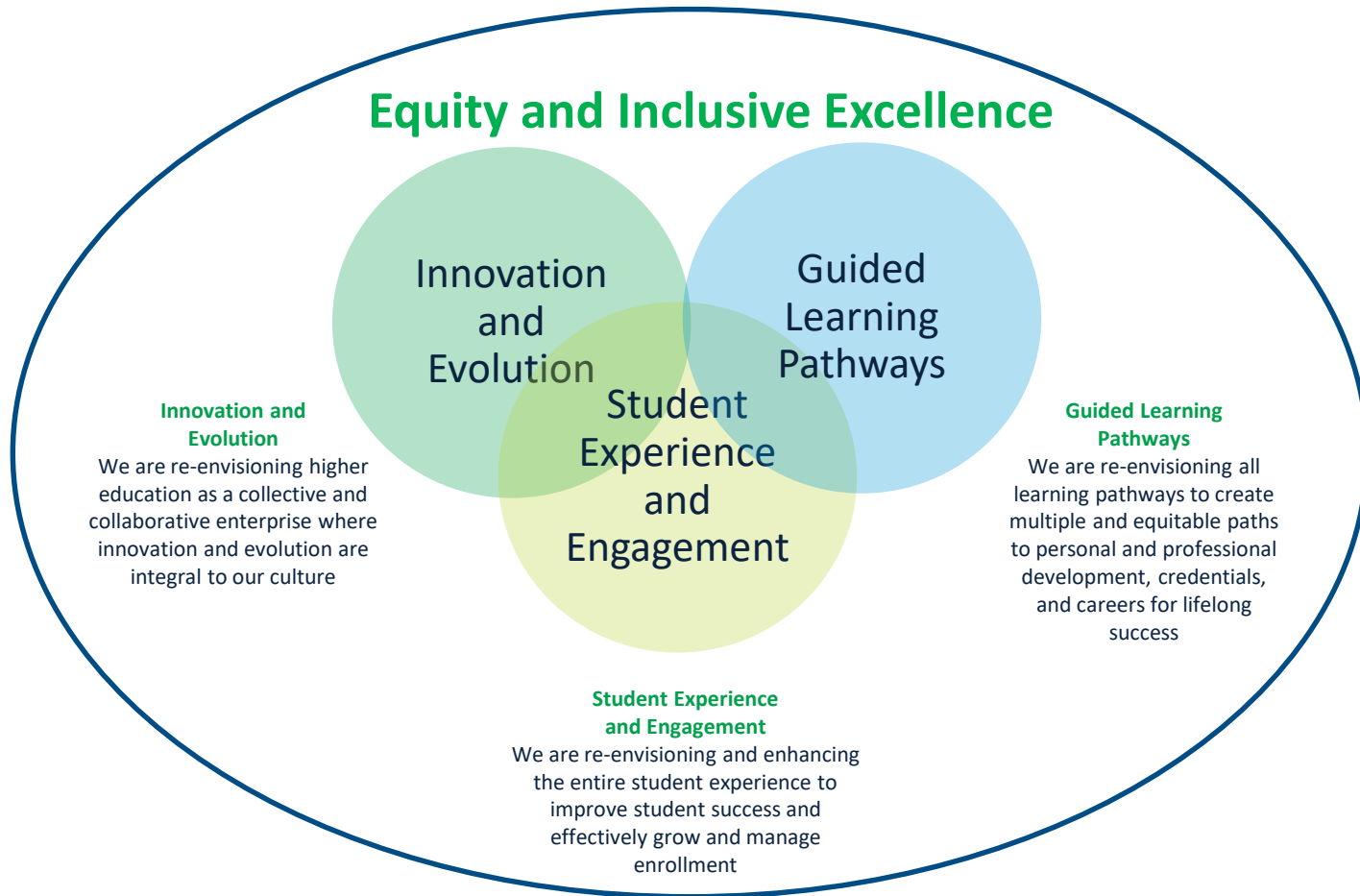
June 18, 2019

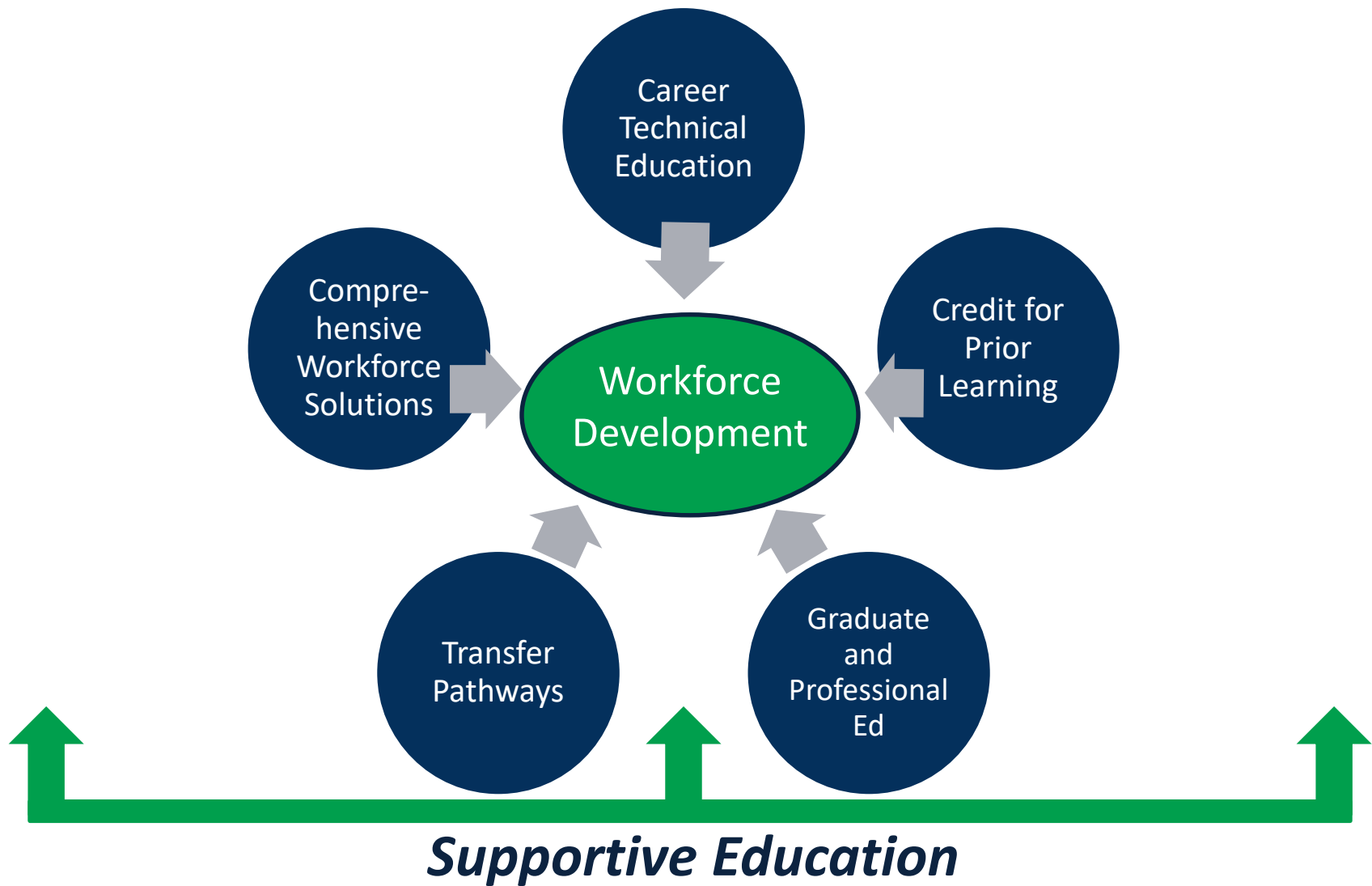
Guided Learning Pathways Part II: Transfer Pathways and Credit for Prior Learning

Board of Trustees

Academic and Student Affairs Committee

Academic and Student Affairs Framework





- ★ Adult Basic Education
- ★ Community-Based Organizations
- ★ Developmental Education Redesign
- ★ Workforce Centers (CareerForce)

Transfer Pathways: Origins and Goals

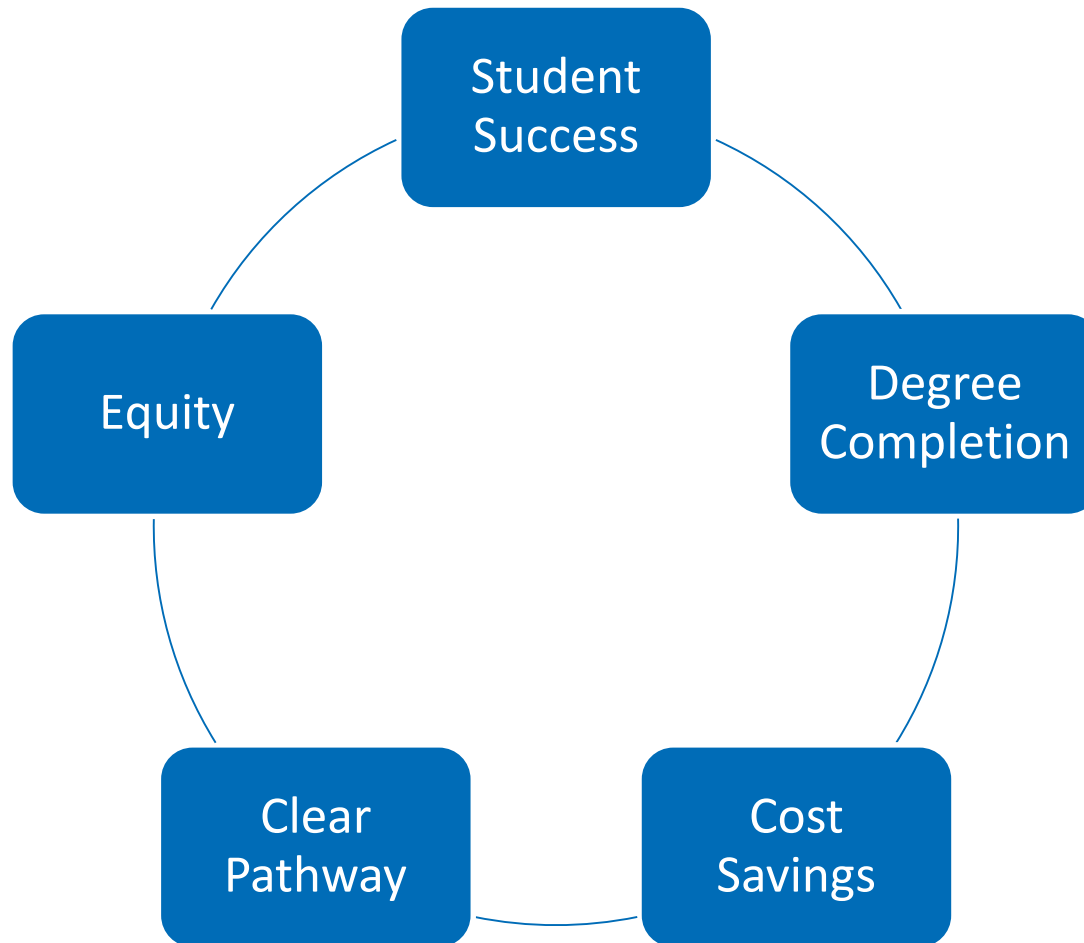
Response to 2014 legislation

Key goals:

- Increase transfer and baccalaureate completion
- Lower costs through efficiency with credits and time
- Simplify pathways



Biggest WHY of All: Promise of the Greater Good



Transfer Pathways: Design Approach

- Faculty designed framework and curricular pathways
- Competency-based, not course driven
- Common structure but unique curricula



Transfer Pathways Development and Implementation Timeline

FY15-FY17

- **Faculty-led teams** develop transfer pathway degrees

FY18

- **Implement first four pilot** transfer pathway degrees

FY19-FY20

- **Complete implementation** of remaining transfer pathway degrees

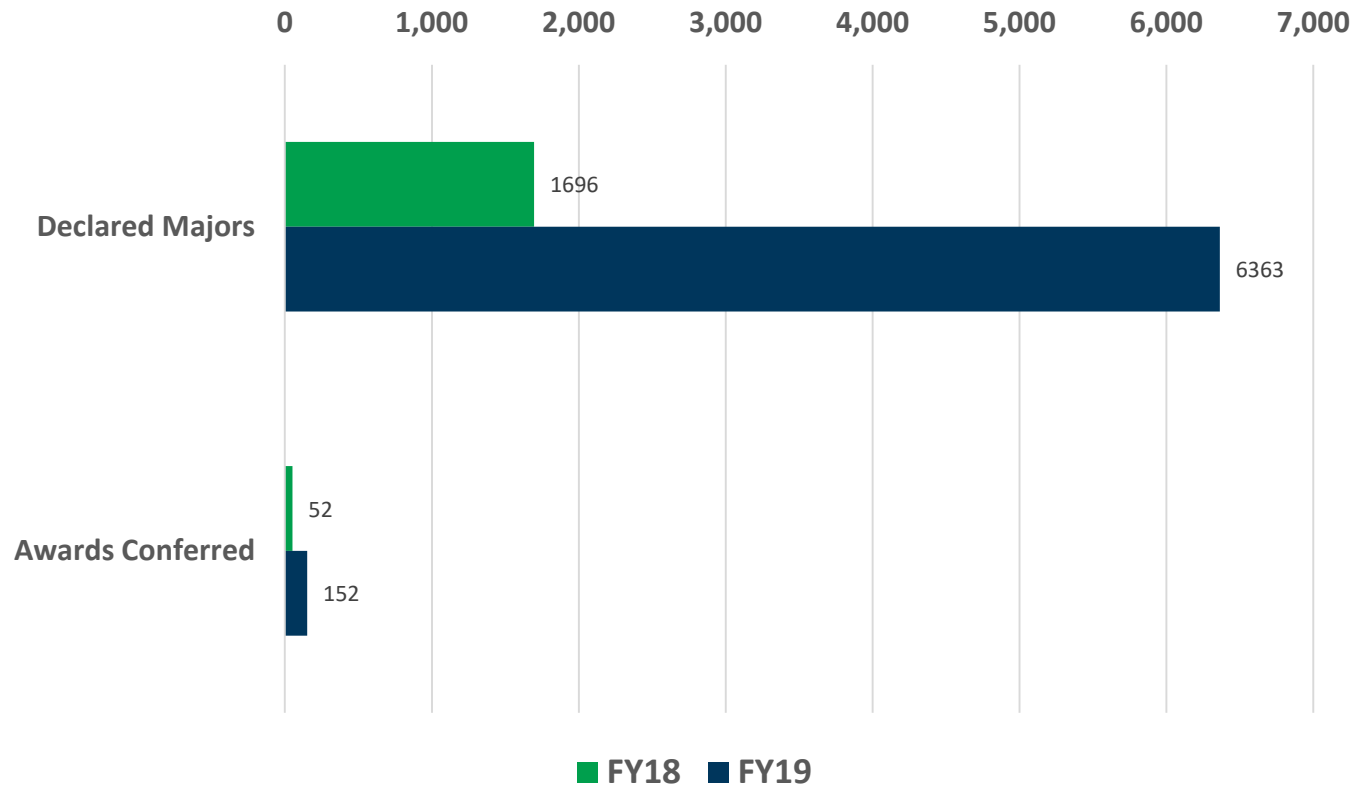


Transfer Pathways: Implementation

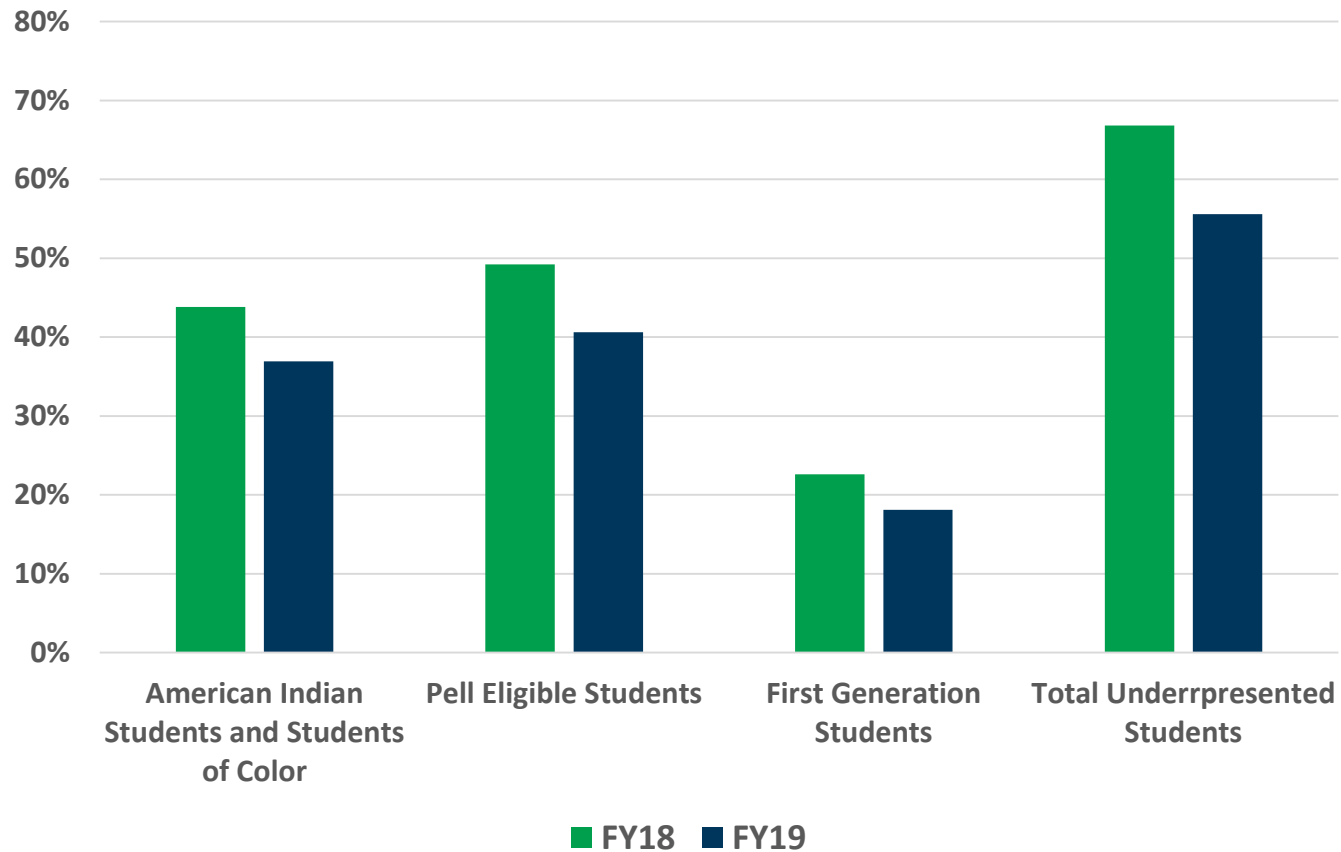
- 219 approved associate degree programs in the 26 disciplines
- 194 (88.6%) aligned with pathways and approved for implementation
- Remaining programs are in education and will be completed next academic year



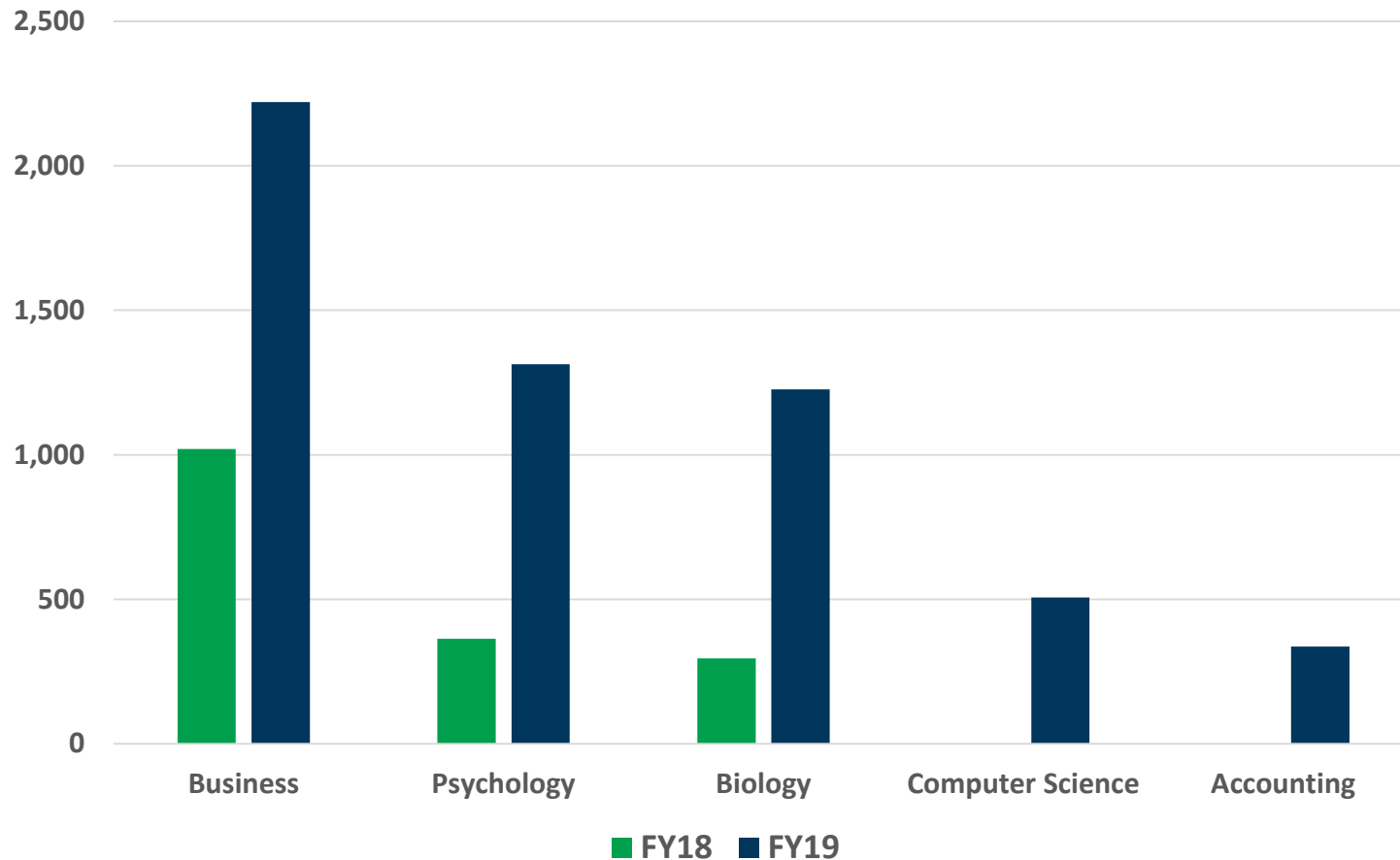
Enrollments and Completions



Enrolled Student Characteristics



Highest Enrolled Transfer Pathway Disciplines



Transfer Pathways: Oversight and Evaluation

- Transfer Governance Team implemented fall 2018
- Aligned with the Academic Affairs Council
- Focusing on review and evaluation of pathways in FY20



Transfer Pathways: Next Steps

- Full implementation by Fall 2020
- Evaluation
- Expansion of pathways
 - Exploring additional disciplines
 - Supporting additional development where fitting
 - Collaborative online offerings
- Examining MnTC



Continuing work to improve transfer: Tackling Transfer Project

- Three-state effort: Minnesota, Texas, and Virginia
- Supported by Aspen Institute's College Excellence Program, Sova, and HCM Strategists
- Comprehensive approach incorporating policy, practice, leadership, research, and strategic communications



Continuing work to improve transfer: Tackling Transfer Project

- Statewide goal setting
- Presidential interviews and perspective gathering
- Student focus groups
- Additional strategy development
- Policy review and consideration



Credit for Prior Learning

Awarding credit for learning and competency developed outside the traditional classroom



The Big Ideas

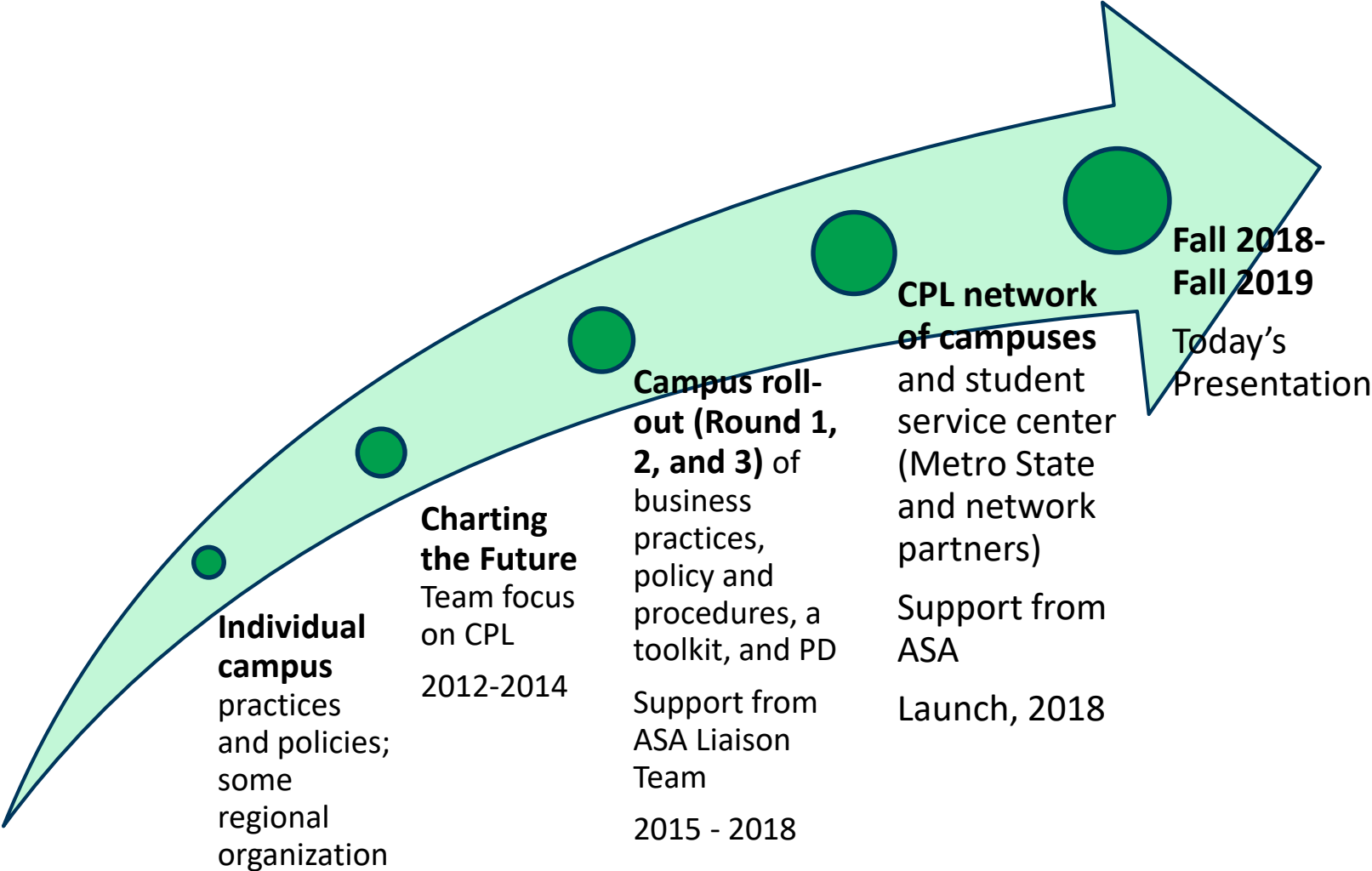
- Learning is everywhere!
- Our students and prospective students have accomplished college-level learning and competence outside our institutions.
- Minnesota State faculty can and may assess such learning and validate college-level competence for credit.



Prior Learning Sources Abound



Minnesota State CPL Progression



CPL – Responsive to Learners and Communities

- **Recognize student learning outcomes** from many sources and settings
- Provide an additional lens for **equity and inclusion**
- **Save students time and money**
- **Partner** with community-based workforce programs and serve employers through expedited pathways
- Teach skills of **self-assessment and competence-assessment**



CPL as an Equity Strategy

- Adds a **new access pathway** for diverse students:
 - Working adults with a variety of jobs or careers
 - Military students and veterans
 - Learners enrolled in work-based training or ABE
 - Non-traditional students: first-in-family, low-income and immigrant/refugees
- **Offers options** based on specialized skills, settings, community/life experiences, cultural knowledge and skills
- Opportunity to address longstanding challenges impacting **pathways from work-based training** to college credentials

Campus programming and perspective

- Marcia Anderson, C-PLAN interim director
Metropolitan State University
- Marsha Danielson, vice president of economic
development, South Central College

Multiple Approaches to Assessment

Assessment of course-equivalent learning outcomes:

- Course-group or individual assessment
- Credit by exam
- Individual portfolio assessment
- Industry certification to credit assessment
- Training program to credit assessment

Multiple Approaches to Assessment

Individualized-subject assessment – **not** course equivalency:

- Individualized assessment, single student and single subject
- Group assessment
- Credit by exam (competence-based, rather than course-based)
- Theory seminar “bridging” course

Student CPL Story



- **Bukola's** life learning spanned surviving human trafficking, emigrating as a refugee from Nigeria, and becoming an advocate, writer and trainer.
- To articulate and demonstrate her learning from experience, training and independent research, she submitted materials including a guide-book on addressing human trafficking issues, and a video and training she presented in the U.S., in travels to several countries in Africa, and to a US Advisory Council on Human Trafficking, to which she was named by President Barack Obama.
- There were no exact course matches for the learning Bukola had achieved, so **her assessments were individualized**. Several credit-units counted toward her individualized B.A. and for the Global Awareness general education goal area at Metropolitan State University.



Student CPL Story



- **Jennifer** used CPL toward her A.S. in Marketing Management from South Central College.
- “With the Credit for Prior Learning program, I am able to **complete my degree a year earlier** than anticipated. Returning to college as a nontraditional student was pretty intimidating, but it was great to get credit for [my learning from] all my years of experience in my current job.
- “Qualifying for this program has **saved me money on tuition**. I am now ready to advance my career, and the South Central College Credit for Prior Learning has made that possible.”



Student CPL Story



- **Chuck** started working for Great River Energy, an electric transmission and generation cooperative, 27 years ago.
- He is a foreperson with duties in **operations, maintenance and planning**. He aims to complete his A.A.S. and make a career move into project management and long-range maintenance planning. He sees going to college as a way to be a role model for his children.
- Chuck's CPL portfolio at Dakota County Technical College is structured **to achieve 15–20 college credits**.

Credit for Prior Learning Assessment Network (C-PLAN)

- Build a CPL **community of practice** among expanding group of network partners
- **Share** learning and resources across the system
- **Connect practitioners** – advisors, registrars, financial aid staff, and faculty – to support common business practices and seamless experiences for students
- Provide on-going **professional development, best practice evaluation** and system-wide resources



Credit for Prior Learning Assessment Network (C-PLAN)

- Create a **virtual “hub” for advising students** and referring for assessment
- Build a system **web-based platform** for information, advising, and processes
- **Match students** to the most appropriate assessment strategy and faculty SME assessor
- Build a **bank of expert faculty assessors** across the system and develop a community for peer support, specialists contacts and resource sharing



Challenges, Process Improvements and Opportunities

- Address **perceptions** regarding CPL and non-institutional learning
- **Compare** learning outcomes to industry certifications, job analysis, workforce training, etc.
- **Align data gathering**
- **Standardize business practices** for records and coding, tuition/fee structures, financial aid eligibility, grading methods, and transcripts (both course equivalent and non-equivalent)
- Look for opportunities to **align to transfer pathways** and other articulation agreements
- **Benchmark** against national models



Next Steps

- Apply for Lumina Foundation grant “All Learning Counts”
- Expand C-PLAN Network
- Continue to communicate new system policy and procedures on external and internal assessments; support alignment by colleges and universities
- Continue progress on challenges and opportunities, especially business practices



Key Linkages

Minnesota State initiatives

- Student success strategy
- Collaborative campus and regional planning

National issues and trending themes

- The value and purpose of higher education
- Student success, enrollment, and changing student demographics
- Innovation and quality in curriculum, programming, services, and operations
- Leadership and change



Strategic Questions

As we reimagine Minnesota State:

1. How do we better support adult learners who seek to improve their skills and achieve higher levels of education in an effort to keep pace with changes in employment?
2. Are there other opportunities that the Board sees for expanding this work and increasing alignment with statewide workforce development efforts?
3. Are there additional policy implications that we should consider as we further this work?





MINNESOTA STATE

Facilities Committee

June 19, 2019

9:00 AM

McCormick Room

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 May 21, 2019 (pp. 1-5)**
2. **FY2020 Capital Program Recommendations (Second Reading) (pp.6-24)**

Committee Members:

Jerry Janezich, Chair

George Soule, Vice Chair

Roger Moe

Louise Sundin

Samson Williams

President Liaisons:

Faith Hensrud

Barbara McDonald



Bolded items indicate action is required.

**Minnesota State Board of Trustees
Facilities Committee Meeting Minutes
May 21, 2019**

Facilities Committee members present: *Jerry Janezich, Chair; Trustees Roger Moe, Louise Sundin, Samson Williams, and Chancellor Devinder Malhotra*

Facilities Committee members absent: *George Soule, Vice Chair*

Other board members present: *Trustees AbdulRahmane Abdul-Aziz (phone), Ashlyn Anderson, Alex Cirillo, Jay Cowles, Dawn Erlandson, Bob Hoffman, April Nishimura, Cheryl Tefer, Michael Vekich, Board Chair*

Cabinet members present: *Laura King, Vice Chancellor*

Others present: *President Barbara McDonald, North Hennepin Community College, and Associate Vice Chancellor for Facilities, Brian Yolitz*

Committee Chair Janezich called the meeting of the Facilities Committee to order at 1:05 PM.

1. Approval of the Facilities Committee Meeting Minutes

Committee Chair Janezich called for a motion to approve the Facilities Committee Meeting Minutes of April 16, 2019. A motion to approve was made by Trustee Moe, seconded by Trustee Williams and approved as written.

Facilities Update: Associate Vice Chancellor Brian Yolitz

At the request of Chair Janezich, Associate Vice Chancellor Yolitz offered several updates before moving to the formal agenda:

- A. **Legislative Update:** A global agreement was reached Sunday night, May 19th, between Governor Walz and legislative leaders providing a target of \$500 million for bonding with \$440 million in general obligation bonds and \$60 million in housing infrastructure bonds. Our request for \$150 million for HEAPR would be eligible for funding as part of this agreement. We are unsure where funding will ultimately end up, but expect to know the outcome very soon.

- B. **Outreach:** Heidi Meyers, System Director for Design and Construction, and Terry Olsen, Design and Construction Program Manager represented Minnesota State at the Minnesota chapter of the American Council of Engineering Companies annual meeting last week. They shared our construction forecast and outlined how firms can do business with Minnesota

State. Feedback from the session was positive. We will continue to connect with different groups and agencies on doing business with Minnesota State.

C. Items of facilities interest in the Finance Committee:

- a. Lease agreement for the aviation program at Minnesota State University, Mankato
- b. Lease agreement for the welding and manufacturing programs at Lake Superior College
- c. Construction contract for the renovation of Richards Hall at Winona State University funded as part of their revenue program to update the residence hall.

2. 2020 Capital Program Recommendation

Chair Janezich asked Associate Vice Chancellor Yolitz to present the first reading of the 2020 Capital Program Recommendation.

Before providing details, Associate Vice Chancellor Yolitz thanked college and university presidents and their staff who worked on capital planning and shepherding their projects through the capital development process as well as Greg Ewig, Senior System Director Capital Development, and Michelle Gerner, Senior Planner, who oversaw the process and mentored campus planners through this process. It has already been 15 months of planning with more work yet to do.

Associate Vice Chancellor Yolitz then provided an overview of the recommendation. The total 2020 capital program recommendation is for \$251.2 million with \$130.0 million for asset preservation through Higher Education Asset Preservation and Replacement (HEAPR) and \$121.2 million for 15 major capital projects. Of the 15 projects, 9 are design and construction projects and 6 fund design work now for future construction. If fully executed through all phases of construction, the major capital projects reflect over \$330 million in design and construction investments over 6 years. The requested 2020 capital program would be financed by the state funding \$210.8 million through general obligation (GO) bond support and Minnesota State colleges and universities providing \$40.4 million through user financing.

Planning Process

Associate Vice Chancellor Yoiltz noted that Minnesota State has a deliberate process that the legislature and executive branch have grown to appreciate and depend on. This process includes continuous facilities planning by our colleges and universities. Their planning is documented and approved in individual Comprehensive Facilities Plans (CFPs) on a five-year basis. The board approved their guidelines for the 2020 request in March 2018 establishing expectations for project types and general priorities for the 2020 legislative session.

Colleges and universities reviewed their CFPs and developed predesigns for their candidate projects for potential inclusion in the 2020 recommendation. The candidate predesigns were scored against the board guidelines by a number of college and university staff and faculty at a

session hosted at Minneapolis Community and Technical College in January 2019. The chancellor reviewed the scoring outcomes and project details before sharing his proposed recommendation to the Leadership Council in late April.

The recommended \$251.2 million program is slightly smaller (96%) than this Board's average request in the last four bonding years for \$261.1M.

HEAPR Asset Preservation

In terms of state funding for asset preservation, Minnesota State has received a total of \$132.5 million in HEAPR funding through all bonding bills passed between 2012 and 2018, or less than 30% (28.8%) of the board requested amount needed to address the urgent preservation needs of the college and university buildings we already have. This level of HEAPR funding has led to many preservation needs going unmet.

As a result, we have seen the backlog of maintenance, the cost of those building systems and components that have exceeded their useful lives, grew exponentially, to nearly \$1.0 billion. The anticipated asset preservation needs over the next 10 years totals roughly \$1.3 billion making the total cost of both the backlog of maintenance and the anticipated preservation needs of the coming 10 years to over \$2.0 billion.

Major Capital Projects

Of the 15 institution specific major capital projects 9 were in the board's request in 2018. All had support with either the governor or legislature and four received nearly \$15 million in 2018 capital bond funding for design work and initial construction. There are six new projects within the recommendation.

Associate Vice Chancellor Yolitz noted that there are several large projects in terms of overall size and scope in the recommendation. At Minnesota State University, Mankato and Winona State University, each institution embarked on a collaborative programmatic review and project development process that explored several options to address the facility issues of today and forecasted 30-50 years into the future. They have each proposed projects that will replace large, obsolete facilities with modern, efficient and flexible facilities to serve these institutions deep into the future. The other project of note is one reflecting a partnership with local entities to meet community needs jointly. North Hennepin Community College's Center for Innovation and the Arts calls for nearly \$40 million in matching partner funding to complete.

Debt Service

In terms of debt and debt service, Minnesota State's financial statements of June 30, 2018, showed the system total outstanding GO debt as \$211.3 million. If the 15 projects requested in the 2020 program were fully funded and executed through 2024 as planned, the system's one-third debt responsibility would increase by a total of \$111.1 million. This increase would be mitigated by the principle amounts paid in the (six) roughly \$30 million annual debt service

payments over the same period, making the net outstanding GO debt approximately \$208.7 million.

Conclusion

Associate Vice Chancellor Yolitz wrapped up the presentation, highlighting that this recommendation is:

- Reflective of the most pressing capital investment needs as expressed by the colleges and universities;
- Consistent with board guidelines;
- Responsive to aging campus academic facilities and low reinvestment levels by putting a strong emphasis on asset preservation;
- Is consistent with past board recommendations, which are very familiar to legislative leaders; and
- Endorsed by the Leadership Council earlier this month

After board approval in June, the approved program will be submitted to Minnesota Management and Budget for their review and inclusion with other capital requests of other state agencies and local entities. A bonding book will be created to outline and highlight board priorities as part of a broader marketing strategy. Bonding tours will start later this summer and continue throughout the fall. We will coordinate campus tours for legislative committees and the executive branch staff in preparation for the 2020 legislative session starting in late February.

Committee Discussion

Trustee Hoffman asked with the mounting backlog of deferred maintenance and underfunding what percentage is falling to campus operating budgets. Yolitz responded that it depends on the issue and the capacity of the individual campus to make repairs. There is a definite drag on campus operating budget when asset preservation funding needs are not being met. Trustee Hoffman replied that it will only get worse and Associate Vice Chancellor Yolitz agreed.

Trustee Cowles asked at what point does the impact on the operating budget become material and it would behoove the campus and the system to become aware of the amount that is actually building. Associate Vice Chancellor Yolitz replied this would be best answered on a case-by-case basis at the institutional level. This is a function of the quality of their facilities and system, the capacity of their workforce, and the state of their operating budget. We continue to stay engaged in constant dialogue with campuses on how they are doing in this area.

Chair Janezich stressed that project funding sought in the 2020 session will have an impact on programs for 2022 and beyond. What is actually funded in 2020 will dictate if and how many new campus projects can be sought in future years. He felt it was important for all to know that there may be pushback or concern with this. Associate Vice Chancellor Yolitz agreed but mentioned that our buildings and infrastructure, mostly built in the 1950-60's, have reached a point where

substantial investment in renovation or replacement is needed. As an example, Bemidji State University did an analysis whether to replace or renovate the Hagg Sauer building, and chose replacement. Minnesota State University, Mankato and Winona State University are pursuing similar strategies regarding their workhorse buildings. We need to serve students of today and the future, and replacing these buildings is in the long-term interest of all. Chair Janezich shared he wanted everyone to focus on that.

Trustee Williams asked about recommendation priorities for projects that may take away focus on system-wide projects and the need for asset preservation. Associate Vice Chancellor Yolitz replied that there is a need for investment in both asset preservation and modernization on our campuses and there is need for balance between the two. Legislative and executive leadership appreciate the growing need of all state agencies for asset preservation funding.

Associate Vice Chancellor Yolitz concluded with a brief update on ongoing work:

- St. Cloud State University's Student Health and Academic Renovation project received construction funding in 2017 and completely remodels Eastman Hall that sat vacant and unused for many years. It will provide spaces for student health services as well as academic spaces for health sciences programs.
- Rochester Community and Technical College's project received 2018 funding to build an addition to Endicott Hall prior to demolishing Memorial and Plaza Halls.
- Riverland Community College's Transportation, Trade, and Industrial Education Center, funded in 2018, will reshape a portion of the existing building and builds a small addition on the Albert Lea campus to create flexible spaces to show case trades and technology programs.

Chair Janezich adjourned the meeting at 1:30 PM.

Respectfully submitted: Kathy Kirchoff, Recorder

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Facilities Committee

Date: June 19, 2019

Title: FY2020 Capital Program Recommendations (Second Reading)

Purpose (check one):

Proposed
New Policy or
Amendment to
Existing Policy

Approvals
Required by
Policy

Other
Approvals

Monitoring /
Compliance

Information

Brief Description:

The Board of Trustees is asked to consider and approve a \$271.2 million capital bonding request for the 2020 legislative session. This recommendation includes \$150 million for Higher Education Asset Preservation and Replacement (HEAPR) and \$121.2 million for major capital projects at 15 colleges and universities

The \$150 million recommended for HEAPR in this reading is an increase from the \$130 million in the first reading. The increase is reflective of the growing backlog of college and university asset preservation needs and the lack of a 2019 approved bonding bill.

Scheduled Presenter(s):

Brian Yolitz, Associate Vice Chancellor for Facilities

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION – SECOND READING

2020 CAPITAL PROGRAM RECOMMENDATION

RECOMMENDATION

The chancellor recommends a \$271.2 million capital bonding request for the 2020 legislative session at **Attachment A**. This recommendation includes \$150 million for Higher Education Asset Preservation and Replacement (HEAPR) and \$121.2 million for major capital projects at 15 colleges and universities. The program advances nine (9) projects that were part of earlier board requests, including four (4) projects that received \$14.5 million in 2018 for design and early phases of construction. There are six (6) new projects within the recommendation.

If fully funded, the recommended project priorities would renovate and renew nearly 550,000 square feet of academic space, demolish over 280,000 square feet of obsolete space, and construct nearly 310,000 of new space creating a net gain of 29,000 square feet of academic space, an increase of 0.1%.

BACKGROUND

Over 80% of Minnesota State’s 28.6 million total square feet of owned facility space is eligible for general obligation bonding through the State of Minnesota’s capital bonding process. Minnesota State has established a highly regarded capital process for soliciting, vetting, presenting, and executing capital projects for state funding.

The process starts with Comprehensive Facilities Plans (CFPs) maintained by each college and university. The CFPs support academic plans and programming while taking into account regional demographic and workforce trends, enrollment forecasts, campus financial position and facility conditions, space utilization and energy consumption data. The plans identify and prioritize college and university facility investment needs and highlight campus real estate development and disposal opportunities.

A call for candidate projects was initiated shortly after the Board of Trustees approved the 2020 capital budget guidelines in March 2018. Key elements of these guidelines included:

1. **Update Academic Spaces.** The Board seeks strategic improvements and modernization of existing campus spaces to support current and emerging academic and student needs of a region and the state of Minnesota. The system’s number one priority remains asset preservation to best support long term facility stewardship and financial sustainability.

2. **Ease Barriers to Student Success.** Improve opportunities for student success by updating space for support services, academic advising, and tutoring and prioritize space that improves transferability between our colleges and universities and access to baccalaureate programming.
3. **Prioritize Energy Efficiency and Renewable Energy Infrastructure.** Build for the future with flexible and adaptable spaces that prioritize energy efficiency and integrate renewable energy sources as a long-term strategy to enhance environmental and financial sustainability.
4. **Limit New Square Footage.** Preserve and maintain the space we have by reinvesting in campus infrastructure and prioritizing renovation over adding new square footage; additional square footage should be considered only in unique situations where options for reutilization or replacement of existing space have been exhausted.

In addition, the guidelines called for a total capital bonding program target of \$250 million with approximately \$130 million prioritized to address asset preservation needs and \$120 million for major projects.

Additional details related to the Board's capital budget guidelines can be found at <https://www.minnstate.edu/board/materials/2018/march-packet.pdf> page 41.

Responding to the Board's guidance, colleges and universities reviewed their individual CFPs, prioritized their major capital needs, and developed predesign documents for candidate projects to be considered as part of the Board's 2020 capital program request. A total of 22 candidate projects were submitted for consideration from 20 colleges and universities. These candidate projects represented \$171 million in major design and construction projects requested for 2020 and represented over \$440 million, if fully funded over the next three bonding cycles (2020-2024).

In early January 2019, nearly 100 academic, finance, facilities, and technology faculty and staff from our colleges, universities and system office reviewed and scored the candidate projects against the Board guidelines and scoring rubric. The scoring results informed and guided development of this recommendation.

HIGHER EDUCATION ASSET PRESERVATION AND REPLACEMENT (HEAPR)

Funding of Higher Education Asset Preservation and Replacement (HEAPR) continues as the top capital investment priority of the Board and our colleges and universities. During the bonding years of 2012, 2014, 2016, and 2018, Minnesota State requested a total of \$460 million for HEAPR as the number one (1) priority of our colleges and universities. HEAPR requests seek to address the most urgent college and university needs for campus building systems that have lasted beyond their expected useful life. The HEAPR projects include exterior repairs to roofs, windows, doors and exterior brickwork; heating and cooling system upgrades; and updates to utility and energy management systems. These requests were built on a capital investment strategy created nearly a decade ago when the system and legislative leaders sought to bring campus facilities to an overall 'good condition' through a combination of state and campus

funding. This strategy called for colleges and universities to invest at least \$1 per square foot in their academic buildings, which would be coupled with state investment of at least \$110 million every biennium as a shared stewardship responsibility. Colleges and universities have done well in investing their operating funds in the physical plant, collectively averaging more than \$1 per square foot.

In terms of state funding, Minnesota State has received a total of \$132.5 million in HEAPR funding through five (5) bonding bills adopted between 2012 and 2018, less than 30% (28.8%) of the requested amount needed to address the urgent preservation needs of the college and university buildings we already have. As a result, the backlog of facility maintenance, the cost of those major building systems and components that have exceeded their useful lives, has grown by more than 40%, to nearly \$1.0 billion. In addition, aging campus buildings and infrastructure add to the problem, with the estimated preservation needs over the next 10 years totaling \$1.2 billion. The total current and future asset preservation need of Minnesota State colleges and universities is over \$2.0 billion.

Since the first reading of this recommendation in May, the governor convened a legislative special session based on an overarching agreement that included provision for \$440 million in capital bonding. In the days prior to this special session, expectations ran high for a bonding bill that included at least a portion of the Board’s request for \$150 million in HEAPR funding. Unfortunately, when the special session closed, no bonding bill was passed. After consultation with system office staff and Leadership Council and in recognition of the support for the Board’s entire request of \$150 million by the governor and House, the chancellor has amended his recommendation from \$130 million for HEAPR in the first reading to \$150 million. This action aligns with the board’s stewardship priorities and responsibilities and incurs no debt obligations for system colleges and universities.

MAJOR CAPITAL PROJECTS - SECTOR AND REGIONAL ANALYSIS

The Minnesota State capital investment strategy is based on meeting the needs of system colleges and universities and striking a balance in terms of investments across institutional sectors and regions. The following is a breakout of individual major capital projects within the Chancellor’s 2020 recommendation.

	Chancellor’s 2020 Recommendation	Associated Future Construction (2022 and beyond)	Program Totals
Colleges	\$90,049,000	\$85,744,000	\$175,793,000
Universities	\$31,122,000	\$126,389,000	\$157,511,000
Greater Minnesota	\$41,890,000	\$152,235,000	\$194,125,000
Metropolitan Area	\$79,281,000	\$59,898,000	\$139,179,000

The breakout of individual major capital project funding over the last 10 years (2008-2018) is as follows:

	Major Capital Project Funding 2008-2018 (millions)
Total Major Capital Project Funding	\$747.5
Colleges	\$423.2
Universities	\$324.3
Greater Minnesota	\$470.9
Metropolitan Area	\$276.6

Details on the major capital projects may be found at **Attachment B**.

CAPITAL DEBT AND DEBT SERVICE PLANNING

Minnesota State is responsible for 1/3 of the cost or debt associated with major capital projects funded by the state. This debt is serviced by annual payments to the state over a 20-year period. As of FY2018 financial statements, the total general obligation principal outstanding for system capital bonding projects was \$235.5 million and the total annual debt service paid in FY2018 was \$30.9 million. Minnesota State incurs no debt service responsibility for HEAPR.

For the recommended 2020 capital program, Minnesota State colleges and universities would be responsible for 1/3 or \$40.4 million of the debt associated with the 15 major capital projects in the request, requiring a total average annual debt service payment of \$2.2 million payable during the 20 years. Funding for contemplated future work would incur an additional system debt responsibility of \$70.7 million with an average annual debt service payment of \$3.9 million.

This debt responsibility is shared equally, one-half coming from state appropriations to Minnesota State and all colleges and universities and one-half coming from the college or university with the individual project.

Debt Service Summary Totals	Chancellors 2020 Recommendation	Associated Future Construction (2022 and beyond)	Program Totals
Capital Project Amount	\$121,171,000	\$212,133,000	\$333,304,000
Total Debt Responsibility (1/3 Project Amount)	\$40,390,333	\$70,711,000	\$111,101,333
Total Average Annual Debt Service (20 years @ 3%) (1/3)	\$2,213,000	\$3,874,000	\$6,087,000
System Responsibility (Shared Debt Burden) (20 years) (1/6)	\$1,106,500	\$1,937,200	\$3,043,700
Individual College and University Responsibility (20 years) (1/6)	\$1,106,500	\$1,937,200	\$3,043,700

NEXT STEPS

After Board consideration and action in June, staff will submit details of Minnesota State's 2020 capital program request to Minnesota Management and Budget (MMB) through the state's electronic capital budget system. Submissions are due to MMB upon Board approval.

In preparation for the 2020 legislative session, staff will develop a Minnesota State bonding book to highlight details of the approved capital program and impacts the investments will have on system colleges and universities and their students. The bonding book will be distributed to system colleges and universities and key stakeholders.

Later this summer and fall, legislators and their staff will conduct site visits to candidate capital project locations around the state to become familiar with capital requests from all state entities, including Minnesota State. During these visits, legislators will use the Minnesota State bonding book and the information submitted to MMB to learn and understand the details of Minnesota State's bonding request.

Given the volatility in the construction market, specific project cost estimates on **Attachment A** may change over the coming months. MMB regularly publishes additional guidance on project inflation rates closer to the production dates. Final adjustments to the requested projects must occur no later than October 2019 for preparation of the Governor's capital program recommendation for the 2020 legislative session.

The Board will be asked to adopt the motion below at its June meeting, after consideration of the 2020 capital program recommendation.

RECOMMENDED COMMITTEE MOTION:

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

The Board of Trustees approves the 2020 capital program request as presented in **Attachment A**, specifically the projects and priorities for the 2020 legislative session. The chancellor is authorized to make cost and related adjustments to the request as required, and to forward the request through Minnesota Management and Budget to the governor and legislature for consideration in the state’s 2020 capital budget. The chancellor shall advise the board of any subsequent changes in the approved capital program prior to the 2020 legislative session. In addition, as funding is authorized and appropriated by the legislature and approved by the governor, the chancellor or the chancellor’s designee is authorized to execute contracting actions necessary to deliver on the project scope and intent.

RECOMMENDED BOARD OF TRUSTEES MOTION:

The Board of Trustees approves the 2020 capital program request as presented in **Attachment A**, specifically the projects and priorities for the 2020 legislative session. The chancellor is authorized to make cost and related adjustments to the request as required, and to forward the request through Minnesota Management and Budget to the governor and legislature for consideration in the state’s 2020 capital budget. The chancellor shall advise the board of any subsequent changes in the approved capital program prior to the 2020 legislative session. In addition, as funding is authorized and appropriated by the legislature and approved by the governor, the chancellor or the chancellor’s designee is authorized to execute contracting actions necessary to deliver on the project scope and intent.





Date Presented to the Board of Trustees: 06/19/2019

Date Approved by the Board of Trustees: 06/19/2019

ATTACHMENT A

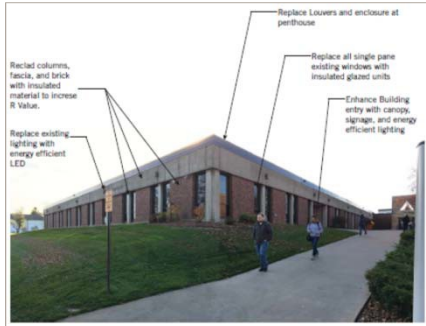
2020 Capital Program Recommendation

2020 Priority	Institution	Title	2020 Request	2022 Estimate	2024 Estimate
1	System-wide	HEAPR	\$150,000,000		
2	Anoka-Ramsey -- Coon Rapids	Business and Nursing Renovation (2018 – Funded \$569,000)	\$16,282,000	-	
3	Normandale Community College	College Services Phase II (2018 – Funded \$12,636,000)	\$26,634,000	-	
4	Minnesota State University Moorhead	Weld Hall Renovation and Addition (2018 – Funded \$628,000)	\$17,290,000	-	
5	Inver Hills Community College	Technology and Business Center (2018 – Funded \$698,000)	\$14,653,000	-	
6	Saint Paul College	Academic Excellence Renovation and Renewal (2018)	\$937,000	\$17,016,000	
7	Minneapolis College	Management Education Center Metro Baccalaureate Initiative (2018)	\$10,254,000	\$8,562,000	
8	NHED - Vermilion Community College	Classroom Building Renovation (2018)	\$2,576,000	-	
9	Central Lakes College	Brainerd Student Services Renovation (2018)	\$8,275,000	-	
10	Northland Community and Technical College	Effective Teaching and Learning Labs (2018)	\$2,220,000	-	
11	Minnesota State University, Mankato	Armstrong Hall Replacement	\$6,691,000	\$56,462,000	\$28,722,000
12	Winona State University	Center for Interdisciplinary Collaboration, Engagement, & Learning	\$3,218,000	\$41,205,000	
13	Lake Superior College	Integrated Manufacturing Workforce Labs	\$985,000	\$11,408,000	
14	North Hennepin Community College*	Center for Innovation & the Arts @ Brooklyn Park	\$6,598,000	\$34,320,000	
15	Metropolitan State University	Cyber Security Program	\$3,923,000	-	
16	Pine Technical and Community College	Technical/Trades Lab Addition and Renovation	\$635,000	\$14,438,000	
		Total	\$271,171,000		
		Projects only	\$121,171,000	\$183,411,000	\$28,722,000
		GO – State Financed (incl HEAPR)	\$230,780,667		
		UF – User Financed	\$40,390,333		
	* Requires Community Match of \$39.5million				

Anoka-Ramsey Community College	Allied Health, Classrooms, Labs	
Nursing Modernization - Business and Nursing Classrooms Renovation 2020 Priority: 2	Coon Rapids, MN (Metro region)	
Project Summary: <ul style="list-style-type: none"> • 2020 Request Amount: \$16,282,000 • Request Type: Construction • Project Type: Renovation • Project Square Footage: <ul style="list-style-type: none"> ○ Renovation: 34,505 • Purpose: Project modernizes and expands nursing classrooms and labs, and renovates general classrooms within the Business/Nursing (BN) Building. • Backlog Reduction: \$4,902,000 • Previous Appropriation: \$569,000 (2018), design • Previous Submittal(s): 2016, 2018 • Status: Designer selection in progress 	Campus Facts Comprehensive Facilities Plan: 2018 Campus Square Footage: 455,381 GSF Campus FCI: 0.17 Campus Space Utilization: 60% Institution FYE: 4,504 3-year R&R: \$2.39/sq ft Energy Cost: \$1.35/sq ft 2020 HEAPR Requests: \$ TBD	
		
1		

Nursing Modernization - Business and Nursing Classrooms Renovation

Coon Rapids, MN (Metro region)



Proposed exterior work

Re clad columns, fascia, and brick with insulated material to increase R Value.

Replace existing lighting with energy efficient LED

Replace Louvers and enclosure at perthouse

Replace all single pane existing windows with insulated glazed units

Enhance Building entry with canopy, signage, and energy efficient lighting



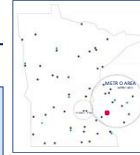
Dated-looking practicum lab



Inflexible tiered lecture hall

Classroom & Student Services Renovation, Phase 2
2020 Priority: 3

Bloomington, MN (Metro region)



Project Summary:

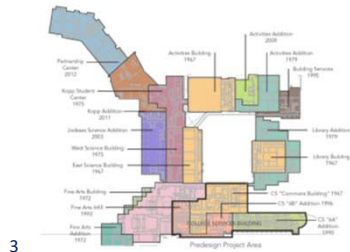
- **2020 Request Amount:** \$26,634,000
- **Request Type:** Construction
- **Project Type:** Renovation
- **Project Square Footage:**
 - Renovation: 66,340 (Phase 2); 120,220 total
 - Renewal: 21,606 (Phase 2)
- **Purpose:** Project renovates current classrooms to upgrade technology, address deferred maintenance and reconfigure tiered classrooms for flexibility; renovates student services to create a central hub; and renovates the main entry, internal circulation and student gathering spaces.
- **Backlog Reduction:** \$5,420,000 (Phase 2)
- **Previous Appropriation:** \$12,636,000 (2018), Phase 1
- **Previous Submittal(s):** 2018
- **Status:** Design in progress (SD)

Campus Facts

Comprehensive Facilities Plan: 2016
 Campus Square Footage: 811,997 GSF
 Campus FCI: 0.05
 Campus Space Utilization: 72%
 Institution FYE: 6,843

3-year R&R: \$2.04/sq ft
 Energy Cost: \$1.01/sq ft

2020 HEAPR Requests: \$ TBD



3

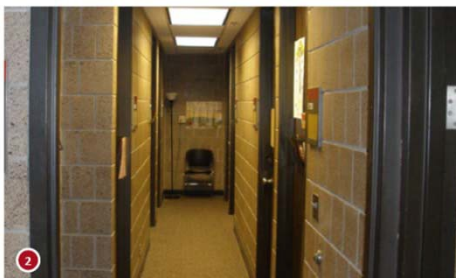


Classroom & Student Services Renovation, Phase 2

Bloomington, MN (Metro region)



TYPICAL UNDERSIZED CLASSROOM, WITH FIXED TABLES AND OUTDATED TECHNOLOGY



DARK, NARROW CORRIDORS TO VERY SMALL SECOND FLOOR FACULTY OFFICES



MULTIPLE CIRCULATION PATHS CONVERGE ON AN UNDERSIZED LOBBY

4



Minnesota State University Moorhead

Weld Hall Renovation and Addition
2020 Priority: 4

- Project Summary:
- **2020 Request Amount:** \$17,290,000
 - Request Type: Construction
 - Project Type: Renovation, Addition
 - Project Square Footage:
 - Renovation: 33,484
 - New Construction: 2,821
 - Purpose: Project renovates Weld Hall to address deferred maintenance, improve pedagogy, and right-size classrooms serving students in English, Music, Film, Publishing, and Theatre.
 - Backlog Reduction: \$8,452,000
 - Previous Appropriation: \$628,000 (2018), design
 - Previous Submittal(s): 2014, 2016/2017, 2018
 - Status: Designer selection in progress



Campus plan showing Weld Hall location

5

Liberal Arts, Classrooms

Moorhead, MN (Northwest region)

Campus Facts

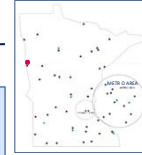
Comprehensive Facilities Plan: 2016
Campus Square Footage: 1,732,834 GSF
Campus FCI: 0.11
Campus Space Utilization: 38%
Institution FYE: 5,297

3-year R&R: \$0.71/sq ft
Energy Cost: \$1.11/sq ft

2020 HEAPR Requests: \$ TBD



Main level floor plan



Inver Hills Community College

Technology & Business Center Renovation
2020 Priority: 5

- Project Summary:
- **2020 Request Amount:** \$14,653,000
 - Request Type: Construction
 - Project Type: Renovation
 - Project Square Footage:
 - Renovation: 31,800
 - New Construction: 1,000
 - Purpose: Project renovates the existing 1974 Business Building, transforming it into the Technology and Business Center with a link to Heritage Hall improving student access and classroom configurations.
 - Backlog Reduction: \$6,536,000
 - Previous Appropriation: \$698,000 (2018), design
 - Previous Submittal(s): 2016/2017
 - Status: Designer selection in progress



Rendering of proposed construction work

6

Classrooms, Technology

Inver Grove Heights, MN (Metro region)

Campus Facts

Comprehensive Facilities Plan: In progress
Campus Square Footage: 325,845 GSF
Campus FCI: 0.34
Campus Space Utilization: 46%
Institution FYE: 3,018

3-year R&R: \$5.40/sq ft
Energy Cost: \$1.50/sq ft

2020 HEAPR Requests: \$ TBD



Saint Paul College

Student Services, Classrooms

Academic Excellence Renovation and Renewal
2020 Priority: 6

St. Paul, MN (Metro region)

Project Summary:

- 2020 Request Amount: \$937,000
- 2022 Request Amount: \$17,016,000
- Request Type: Design
- Project Type: Renovation
- Project Square Footage:
 - Renovation: 18,000
 - Renewal: 106,000
 - Demolition: 13,000
- Purpose: Project rightsizes, renews and renovates outdated and functionally obsolete classrooms to improve functionality of Student Services and enhance existing capacity that will support metro area baccalaureate programs.
- Backlog Reduction: \$3,843,400
- Previous Appropriation: None
- Previous Submittal(s): 2018
- Status: Predesign complete

Campus Facts

Comprehensive Facilities Plan: 2019
 Campus Square Footage: 759,300 GSF
 Campus FCI: 0.06
 Campus Space Utilization: 55%
 Institution FYE: 4,557

3-year R&R: \$1.27/sq ft
 Energy Cost: \$1.42/sq ft

2020 HEAPR Requests: \$ TBD



Aerial campus view showing area of proposed work



Saint Paul College

Student Services, Classrooms

Academic Excellence Renovation and Renewal

St. Paul, MN (Metro region)



Inefficient existing space



Existing restrooms are worn and lack accessibility



Inefficient existing space



Noticeable wear on restroom surfaces



Minneapolis College

Classrooms, HEAPR-Like

**Management Education Center Metro
Baccalaureate Initiative**

Minneapolis (Metro region)

2020 Priority: 7

Project Summary:

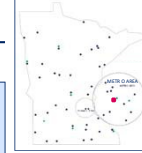
- **2020 Request Amount:** \$10,254,000
- **2022 Request Amount:** \$8,562,000
- **Request Type:** Design and Construction
- **Project Type:** Renovation
- **Project Square Footage:**
 - Renovation: 51,489
 - Renewal: 6,375
- **Purpose:** Project renovates the Management Education Center (MEC) to support baccalaureate partnerships.
- **Backlog Reduction:** \$9,606,000
- **Previous Appropriation:** None
- **Previous Submittal(s):** 2018
- **Status:** Predesign complete

Campus Facts

Comprehensive Facilities Plan: 2017
 Campus Square Footage: 1,483,313 GSF
 Campus FCI: 0.07
 Campus Space Utilization: 53%
 Institution FYE: 4,792

3-year R&R: \$1.03/sq ft
 Energy Cost: \$0.91/sq ft

2020 HEAPR Requests: \$ TBD



Exterior view of New and Old Harmon buildings



Minneapolis College Site Plan



Minneapolis College

Classrooms, HEAPR-Like

**Management Education Center Metro
Baccalaureate Initiative**

Minneapolis (Metro region)



Accessibility problems



Roof and failed rooftop HVAC unit



Inefficient space use in commons area



MEC roof and exterior wall



Vermilion Community College
(Northeast Higher Education District)

Classrooms

Ely, MN (Northeast region)

Classroom Building Renovation
2020 Priority: 8

Project Summary:

- **2020 Request Amount:** \$2,576,000
- Request Type: Design and Construction
- Project Type: Renovation
- Project Square Footage:
 - Renovation: 6,925
- Purpose: Project renovates and upgrades six classrooms, adjacent restrooms, and corridor space; replaces the Classroom Building roof.
- Backlog Reduction: \$1,250,000
- Previous Submittals: 2018
- Status: Predesign complete



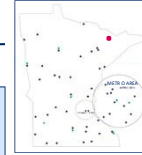
Campus map showing locations of proposed work

Campus Facts

Comprehensive Facilities Plan: In process
Campus Square Footage: 210,940 GSF
Campus FCI: 0.13
Campus Space Utilization: 43%
Institution FYE: 573

3-year R&R: \$0.99/sq ft
Energy Cost: \$1.51/sq ft

2020 HEAPR Requests: \$ TBD



Project scope –
classroom renovations

Project scope –
circulation renovations



Central Lakes College

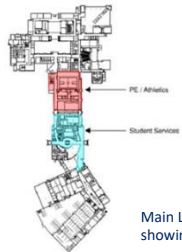
Student Services, Athletics

Brainerd, MN (Central region)

Student Services & Academic Support Renovation
2020 Priority: 9

Project Summary:

- **2020 Request Amount:** \$8,275,000
- Request Type: Design and Construction
- Project Type: Renovation
- Project Square Footage:
 - Renovation: 27,758
 - Renewal: 17,700
- Purpose: Project updates the Student Service and Academic Support Units to better meet prospective and enrolled student support needs, remove current barriers, and provide space to accommodate innovations in support of current and future learners.
- Backlog Reduction: \$516,000
- Previous Submittal(s): 2018
- Status: Predesign complete



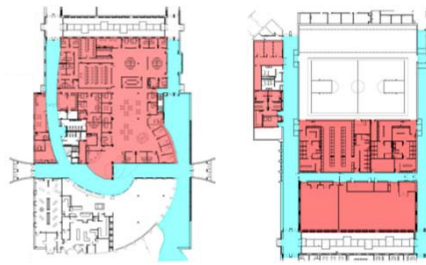
Main Level floor plan
showing areas of work

Campus Facts

Comprehensive Facilities Plan: 2015
Campus Square Footage: 358,949 GSF
Campus FCI: 0.09
Campus Space Utilization: 35%
Institution FYE: 2,339

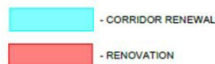
3-year R&R: \$0.81/sq ft
Energy Cost: \$1.35/sq ft

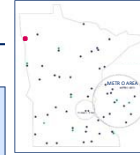
2020 HEAPR Requests: \$ TBD



Student Services area

PE/Athletics area





Effective Teaching & Learning Labs Renovation
2020 Priority: 10

Project Summary:

- **2020 Request Amount:** \$2,220,000
- Request Type: Design and Construction
- Project Type: Renovation
- Project Square Footage:
 - Renovation: 6,425
- Purpose: Project renovates existing space to consolidate and expand the Early Childhood and Education, Pharmacy Technology, Respiratory Therapist, and Computer and Networking Technology programs by renovating existing classrooms and lab spaces to meet current teaching methodologies and accreditation requirements.
- Backlog Reduction: \$776,155
- Previous Submittal(s): 2018
- Status: Pre-design complete

Campus Facts

Comprehensive Facilities Plan: 2015
 Campus Square Footage: 171,244 GSF
 Campus FCI: 0.32
 Campus Space Utilization: 51%
 Institution FYE: 1,279

3-year R&R: \$1.32/sq ft
 Energy Cost: \$0.83/sq ft

2020 HEAPR Requests: \$ TBD



Areas of proposed renovations



Armstrong Hall Replacement
2020 Priority: 11

Project Summary:

- **2020 Request Amount:** \$6,691,000
- 2022 Request Amount: \$56,462,000
- 2024 Request Amount: \$28,722,000
- Request Type: Design & Construction
- Project Type: New Construction/Renovation
- Project Square Footage:
 - New Construction: 100,000
 - Demolition: 144,000
 - Renovation: 70,100
 - Renewal: 5,000
- Purpose: Project designs and constructs a new building and renovates additional spaces across campus to replace Armstrong Hall with more modern and efficient space.
- Backlog Reduction: \$36,479,000
- Previous Submittal(s): 2016, 2018
- Status: Pre-design complete

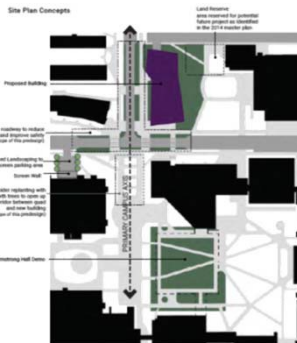
Campus Facts

Comprehensive Facilities Plan: In progress
 Campus Square Footage: 2,800,646 GSF
 Campus FCI: 0.10
 Campus Space Utilization: 64%
 Institution FYE: 13,456

3-year R&R: \$1.12/sq ft
 Energy Cost: \$0.85/sq ft

2020 HEAPR Requests: \$ TBD

Campus map with proposed new building location



Site plan with new building (purple) and site improvements (green)



Armstrong Hall Replacement



Armstrong typical tiered classroom



15 Student space/forensic lab



Typical corridors in Armstrong



Center for Interdisciplinary Collaboration, Engagement & Learning

2020 Priority: 12

Winona, MN (Southeast region)



Project Summary:

- **2020 Request Amount:** \$3,218,000
- **2022 Request Amount:** \$41,205,000
- **Request Type:** Design
- **Project Type:** New Building
- **Project Square Footage:**
 - New Construction: 73,017
 - Demolition: 78,333
- **Purpose:** Project designs and constructs a new, highly sustainable Net Zero Energy academic building to replace Gildemeister and Watkins Halls.
- **Backlog Reduction:** \$9,207,000
- **Previous Submittal(s):** 2018
- **Status:** Pre-design complete

Campus Facts

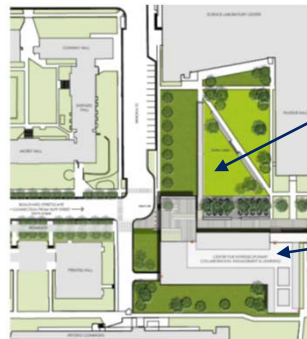
Comprehensive Facilities Plan: 2017
Campus Square Footage: 2,253,545 GSF
Campus FCI: 0.14
Campus Space Utilization: 60%
Institution FYE: 7,357

3-year R&R: \$2.10/sq ft
Energy Cost: \$0.96/sq ft

2020 HEAPR Requests: \$ TBD



Sketch of proposed interior view



New landscaping

New building

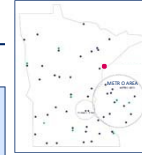


Lake Superior College

Trades, Labs

Integrated Manufacturing Workforce Labs
2020 Priority: 13

Duluth, MN (Northeast region)



Project Summary:

- **2020 Request Amount:** \$985,000
- **2022 Request Amount:** \$11,408,000
- **Request Type:** Design
- **Project Type:** Renovation and Addition
- **Project Square Footage:**
 - New Construction: 12,360
 - Demolition: 1,670
 - Renovation: 27,900
- **Purpose:** Project designs and constructs new and renovated space to replace leased space for integrated manufacturing programs.
- **Backlog Reduction:** \$2,500,000
- **Previous Submittal(s):** None
- **Status:** Pre-design complete

Campus Facts

Comprehensive Facilities Plan: 2019
Campus Square Footage: 493,480 GSF
Campus FCI: 0.13
Campus Space Utilization: 39%
Institution FYE: 7,357

3-year R&R: \$0.79/sq ft
Energy Cost: \$0.83/sq ft

2020 HEAPR Requests: \$ TBD



Level II – Proposed floor plan



Level I – Proposed floor plan

17



North Hennepin Community College

Performing Arts

Center for Innovation & the Arts (CITA)
2020 Priority: 14

Brooklyn Park, MN (Metro region)



Project Summary:

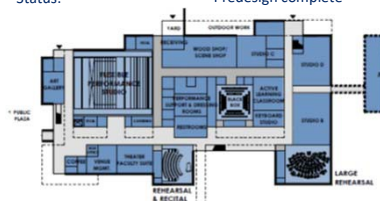
- **2020 Request Amount:** \$6,598,000
- **2020 Request Amount:** \$34,320,000*
 - *Additional outside partner funding of \$39,522,000 is anticipated but not yet secured
- **Request Type:** Design
- **Project Type:** New Building
- **Project Square Footage:**
 - New Construction: 83,130
 - Demolition: 40,639
 - Renovation: 0
- **Purpose:** Project demolishes the existing Fine Arts Center and constructs a new facility for teaching, collaborative learning, and performance in partnership with Metropolitan State and other community partners.
- **Backlog Reduction:** \$6,216,000 (FAC)
- **Previous Submittal(s):** None
- **Status:** Pre-design complete

Campus Facts (NHCC)

Comprehensive Facilities Plan: 2015
Campus Square Footage: 490,064 GSF
Campus FCI: 0.04
Campus Space Utilization: 61%
Institution FYE: 4,154

3-year R&R: \$0.97/sq ft
Energy Cost: \$1.24/sq ft

2020 HEAPR Requests: \$ TBD



Proposed floor plan of new building



Proposed project site (north of campus)

18

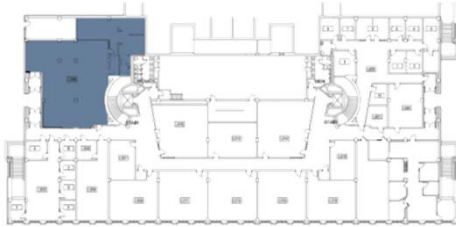


Cyber Security Program

2020 Priority: 15

Project Summary:

- **2020 Request Amount:** \$3,923,000
- Request Type: Design and Construction
- Project Type: Renovation
- Project Square Footage:
 - Renovation: 3,183
- Purpose: Project renovates existing space to create an active learning classroom, dedicated research space, Security Operations Center and administrative amenities to support Cyber Security programs, enabling students to enter the workforce with not only a degree in Cyber Security, but hands on experience.
- Backlog Reduction: \$326,000
- Previous Submittal(s): None
- Status: Predesign complete



New Main level 00 floor plan showing location of proposed work

19

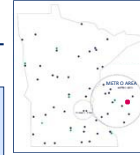
St. Paul, MN (Metro region)

Campus Facts

Comprehensive Facilities Plan: In progress
 Campus Square Footage: 707,150 GSF
 Campus FCI: 0.02
 Campus Space Utilization: 53%
 Institution FYE: 6,064

3-year R&R: \$0.49/sq ft
 Energy Cost: \$0.79/sq ft

2020 HEAPR Requests: \$ TBD



Rendering of renovation work



Technical/Trades Addition & Renovation

2020 Priority: 16

Project Summary:

- **2020 Request Amount:** \$635,000
- 2022 Request Amount: \$14,438,000
- Request Type: Design and Construction
- Project Type: Addition & Renovation
- Project Square Footage:
 - Renovation: 15,025
 - New Construction: 29,964
 - Demolition: 2,886
- Purpose: Project constructs new technical and trades labs, classrooms, faculty offices and support spaces, and renovates existing space for health sciences programs.
- Backlog Reduction: \$276,000
- Previous Submittal(s): None
- Status: Predesign complete



Floor plan showing proposed addition and renovation

20

Pine City, MN (Northeast region)

Campus Facts

Comprehensive Facilities Plan: 2017
 Campus Square Footage: 112,270 GSF
 Campus FCI: 0.02
 Campus Space Utilization: 54%
 Institution FYE: 772

3-year R&R: \$1.28/sq ft
 Energy Cost: \$1.22/sq ft

2020 HEAPR Requests: \$ TBD



Campus plan showing location of addition and site improvements





MINNESOTA STATE

**Finance Committee
June 19, 2019
10:00AM
McCormick Room
30 7th Street East
St. Paul MN**

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

Finance Committee, Roger Moe, Chair

1. **Minutes of May 21, 2019** (pp. 1-8)
2. **Contracts Exceeding \$1 Million:** (pp. 9-16)
 - a. **Guaranteed Energy Savings Program, Hennepin Technical College, Brooklyn Park and Eden Prairie**
 - b. **Admissions Recruitment Software Contract, Minnesota State University, Mankato**
 - c. **Library Information Software and Services (PALS)**
3. **Students United Fee Renewal (Second Reading)** (pp. 17-22)
4. **FY2020 Operating budget (Second Reading)** (pp. 23-24)
5. **FY2020 Capital Program Recommendations (Second Reading)** (pp. 25-26)
6. **Revenue Fund Current Refunding Bond Sale (Second Reading)** (pp. 27-67)

Committee Members:

Roger Moe, Chair
Robert Hoffman, Vice Chair
AbdulRahmane Abdul-Aziz
Ashlyn Anderson
Jerry Janezich
April Nishimura
Samson Williams

President Liaisons:

Richard Davenport
Joe Mulford



Bolded items indicate action is required.

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**Minnesota State Board of Trustees
Finance Committee Meeting Minutes
May 21, 2019
McCormick Room
30 7th Street East
St. Paul, MN**

Finance Committee members present: Roger Moe, Chair; Bob Hoffman, Vice Chair; Trustees: Ashlyn Anderson, Jerry Janezich, April Nishimura, Samson Williams, and Chancellor Devinder Malhotra.

Present by Telephone: None

Finance Committee members absent: Trustee AbdulRahmane Abdul-Aziz

Other board members present: Board Vice Chair Jay Cowles, Trustees Alex Cirillo, Dawn Erlandson, Louise Sundin, and Cheryl Tefer.

Cabinet Members Present: Vice Chancellor Laura M. King and Vice Chancellor Ramon Padilla Jr.

Committee Chair Moe called the meeting to order at 1:38pm.

Vice Chancellor Laura M. King, offered the following updates:

- The FY19 Financial reporting session kick off meeting occurred with CliftonLarsonAllen recently; Internal Control Cycles are about 90 percent complete, with just a few remaining ones yet to be completed by a couple of campuses.
- Financial Reporting has begun a list of data cleanup projects in coordination with the CFO Next Gen advisory group and the community of CFOs.
- The Comprehensive Workplace solutions strategic rollout continues with the Financial Reporting unit working collaboratively with a couple of colleges with the new regional CWS implementation plans. The accounting and recording keeping share services approach is underway.

1. Approval of the Finance Committee Meeting Minutes

Committee Chair Moe called for a motion to approve the Finance Committee Meeting Minutes from April 16, 2019. Trustee Hoffman made the motion. Trustee Anderson seconded. The minutes were approved as written.

2. Contracts Exceeding \$1 Million:

Vice Chancellor King provided brief summaries of the contracts and leases before the committee:

- a. Lease agreement: Lake Superior College**
- b. Construction Agreement, Richards Hall Updating, Winona State University**
- c. Lease Agreement: Minnesota State University, Mankato**
- d. Purchasing Card Agreement**
- e. Zoom for Education Video Conferencing System**

Committee Chair Moe called for questions on any of the items presented. There were no questions on any of the contract items.

Committee Chair Moe asked for a motion to adopt the following recommended motion:

- a. The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a lease amendment to extend the lease with the landlord for the property at 120 N 2nd St. W, Duluth for Lake Superior College. The extension shall commence June 1, 2019 and expire June 30, 2024 in an amount not to exceed \$2.04 million. The Board delegates to the chancellor or chancellor's designee authority to execute all necessary documents to accomplish this lease agreement extension.
- b. The Board of Trustees authorizes the chancellor or the chancellor's designee to enter into a construction contract not to exceed \$1.5 million for purposes of updating Richards Hall restrooms, including updating building accessibility. The Board delegates to the chancellor or chancellor's designee authority to execute all necessary documents.
- c. The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a lease amendment to amend the lease with the landlord for the property at the regional airport in Mankato, Minnesota for Minnesota State University, Mankato. The amendment will increase the square footage to 4,711 sq. ft, and the total rent value is not expected to exceed \$1.23 million. The Board delegates to the chancellor or chancellor's designee authority to execute all necessary documents to accomplish this lease agreement extension.
- d. The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a contract with the selected purchasing card vendor for up to five years with one five year renewal option for a term not to exceed ten years. The Board delegates to the chancellor or chancellor's designee authority to execute all necessary documents.
- e. The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a contract for Zoom for Education for four years with the option to renew for up to one additional year. The total not to exceed cost for this agreement is \$1,350,000. The board delegates to the chancellor or chancellors designee authority to execute all necessary documents.

Trustee Janezich made the motion and Trustee Hoffman seconded. The motion was adopted.

3. 2019 Session results—update

Vice Chancellor King provided the latest updates from the legislative session. Handouts were provided at the meeting. Committee Chair Moe offered thanks on behalf of the committee to everyone who assisted in the efforts with the legislature.

Trustee Hoffman asked if the \$8 million amount for NextGen adds additional costs onto the operating budgets of the campuses. Vice Chancellor King stated that the target for NextGen is about \$25 million per year and with the state contribution at only \$8 million total, we will be turning to internal resources to make up the difference.

Trustee Sundin reflected on the waning moments of the legislative session before a final vote was taken. She expressed disappointment with the response and the protestations of those who were in the senate minority who were complaining about the lack of equal funding between the University of Minnesota (UMN) and Minnesota State. The majority in the senate were eloquent in defending the immense size of Minnesota State versus that of UMN. Work needs to be done with folks who have been there a long time to provide more vocal support for Minnesota State.

Vice Chancellor King added that we have been consistent in the support for investing in higher education funding across the state and not engaging in the internecine fight for each sector. The chancellor's engagement with the incoming University of Minnesota president can help with the message of the importance of public investment in public higher education for the people of Minnesota whether it is us or the University of Minnesota.

Vice Chancellor King then provided some explanation of the FY2020 State Appropriations document that was provided at the meeting.

Trustee Erlandson asked about the impact of the appropriation on our ability to increase tuition but also stated that she was not calling for a tuition increase. She asked what the difference was between what was requested versus what was provided?

Vice Chancellor King pointed to the second page of the document handed out earlier entitled FY2020-21 Inflation/Campus Support, which focuses on the portion of the board's request that concerns campus support. The line that says "State Appropriation Inflation/Campus Support", is the funding provided in the bill that was approved on May 20th. For the different scenarios on the schedule, the amount of projected tuition increase is shown above the line and added to the inflation/campus support line to get a projected total at the bottom of each schedule. With no tuition increase, we are looking at an approximate \$84M deficit over the FY2020-21 biennium. These projections are offered without the chancellor having had the opportunity to review these numbers with presidents and the presidents not having had the opportunity to

have conversations with their communities. We can offer no formed view on the tuition question at this time. But the ability in session law for the board to entertain a tuition increase is the first time this ability has been available in seven years. This document illustrates what it would look like should the board exercise its full limits with a tuition increase across the board at the colleges and universities of 3% in FY2020 and 3% more in FY2021, raising \$68M over the biennium, substantially closing the forecasted gap in revenues over expenses.

Trustee Erlandson followed up by asking what this means in terms of presumed enrollment, which is the unknown variable. What are the increases in other basic costs of living in the past seven years in terms of rent, healthcare, and other costs? Vice Chancellor King responded that the forecasted tuition revenue gain is based on our current enrollment forecast. Enrollment is projected to be flat for FY2020 with a slight increase in FY2021. We have relied on the Presidents to balance their budgets with whatever revenue we can generate. Decisions are made locally based on what is happening in local economies with fuel prices, electrical, snow removal, and other expenses. The general planning assumption is based on 3% per year in non-compensation related supply and equipment cost increases, but we have not experienced a rate like that, mostly because campuses are squeezing their budgets to find capacity for other parts of their programs.

Committee Chair Moe asked if this information will be available in greater detail for the June meeting. Vice Chancellor King replied that this information will all get folded into the FY2020 Operating Budget when it comes before the board in June.

4. FY2020 Operating budget (First Reading)

Vice Chancellor King gave a general overview of the plan to present the information at the June board meeting, once all of the details have been compiled. Expected materials to be included in the presentation are listed on page 17 of the packet.

There were no questions related to this item.

5. Next Gen Phase 2, Including Finance Plan (First Reading)

President Scott Olson (Winona State University) and Vice Chancellor Ramon Padilla joined Vice Chancellor King at the table.

Vice Chancellor Padilla provided a brief overview of what would be presented. He also noted that President Olson is the four-year representative on the Next Gen Steering Committee.

President Olson began the presentation by talking about what NextGen means to the campuses and to Winona State. Vice Chancellor Padilla discussed the implementation plan and timeline. Vice Chancellor King reviewed the Leadership Council discussion regarding the finance plan costs and contributions. President Olson then reviewed the results of the Leadership Council discussion and the presidents' apparent favorability for Option 2 of the finance plan.

Trustee Hoffman asked about the timeline and whether or not we could meet the student success component sooner than forecast. How can we meet the initiatives for student success if NextGen doesn't supply this element of the plan until 2025? President Olson answered that this is how long it will take us to get to a point where ISRS could be "flipped" over to NextGen after having run simultaneously during the build-out phase. Vice Chancellor Padilla added that there are products like Grad Planner that we have purchased that can enable us to bridge the gap on the student side until we can get a full-fledged holistic product in place. We will continue to add pieces here and there to augment our capabilities until we can get the full product.

Trustee William asked when we were going live with NextGen. Vice Chancellor Padilla pointed the trustees to slide 5 which showed that finance functionality goes live in July 2022, payroll functionality in January 2023, and the student component in Spring of 2024. Trustee Williams followed up by asking how the 3% tuition increase helps the situation. Are students going to see steady tuition increases to pay for NextGen?

Vice Chancellor King stated that there is a general resource challenge for general operating dollars that we will talk to presidents about as it concerns any tuition increase recommendation. The Chancellor has not formulated any opinion about tuition. In June we will bring back operating budgets for all the colleges and universities with tuition recommendations for each college and university. We will also bring this item back to you in June, with the recommended motion that the board authorizes the staff to issue the RFPs undergirded by an approved finance method that provides resources both from the state and from internal resources to finance the project at its current estimated \$25M per year. How the campuses identify the place to turn for their contribution is one where we are trying to be as flexible as possible. We are trying to have no opinion as to how the campuses identify those resources.

Trustee Cowles asked for clarification on what current board policy is around using student fees as source of revenue for this project. Vice Chancellor King stated that she would need to re-read the policy for exact wording but her general recollection is that the current policy could be read as making it possible for a campus to bring a recommendation for an increase in their technology fee, in order to direct those increased dollars to their NextGen contribution. There is language in the policy that with student consultation in the campus community, there could be a possible pathway for technology funding. The language in the policy provides for an expectation that student consultation would take place.

Trustee Erlandson asked for an explanation for the difference between the project manager and owner's rep. Vice Chancellor Padilla answered that the owner's rep is an expert on implementation and would be hired from an outside firm to ensure that the implementation vendor is doing what we have asked for. Vice Chancellor King added that like with construction projects, we don't have anyone on staff that has experience running an RFP process, engaging a contractor, and dealing with permits and inspectors. Similarly, there is no one on staff currently that has experience overseeing the conditions, delivery, and execution of an ERP

implementation. Hiring this firm would bring an additional level of experience and knowledge to the table that will really help the project from a risk management standpoint.

Trustee Erlandson asked if the RFP process gets to the issue of whether a good system could/should raise revenue or save us money through increased student recruitment and retention. Does it probe to determine if potential vendors' systems have delivered results for other customers over the years? Vice Chancellor Padilla said that this would be part of their responses to us. It would be an expectation that with an enhanced system, we would achieve greater efficiencies and effectiveness and that the vendors would be able to tout these as selling points of their system.

Trustee Erlandson asked if the RFP required vendors to have proven solutions in each of the target areas of finance, HR, and student success, rather than a product that is just in development. How does this balance with technological change that happens over time, and contract length? Vice Chancellor Padilla stated that the terms and conditions are engineered to give us maximum flexibility in regards to how we move forward with each product module. The resulting contract will be for ten years rather than five so that we don't need to do this again in five years. As part of the scoring criteria, there will be a litmus test in terms of their experience with large organizations and successful implementation. The RFP will be built in such a way that we will be looking at established vendors.

There being no more questions, Vice Chancellor King informed the Chair that the next step would be to return in June with a motion authorizing the release of the RFPs and outlining the timeframe under which the results of those RFPs and the project reporting will be presented to the committee. At that time we will ask for a motion to release the RFPs because they are expected to be a substantial commitment when the contract is brought back. We would like to finalize the financial modeling ahead of the RFP so that we are confident we are moving forward.

6. FY2020 Capital Program Recommendations (First Reading)

Associate Vice Chancellor Brian Yolitz joined Vice Chancellor King at the table.

Chair Moe directed the committee members to review the presentation materials from the Facilities Committee meeting on page 11, Attachment A. No summary was required given that all committee members were present for the presentation given in the earlier Facilities Committee meeting.

Associate Vice Chancellor Yolitz addressed a question that was received following the earlier presentation. The question was around our contracting mechanism in terms of women-owned, minority-owned, and small businesses. Minnesota State will continue to execute projects and programs with the tools available to us through the state of Minnesota and statute 16-C. As part of the Procurement Redesign project, we are redoubling our efforts to engage minority-owned design firms or construction entities and get a better sense of how we can influence the

hiring practices or subcontracting avenues. We are also doing outreach with different minority construction industry consortiums to inform and educate on how to do business with Minnesota State.

Vice Chancellor King informed the Chair that this item will return in June for action at that time.

There were no questions.

7. Revenue Fund Current Refunding Bond Sale (First Reading)

Vice Chancellor King gave a brief overview of the recommendation to authorize the refunding of the 2009A series of bonds. There were no questions.

8. Students United Fee Renewal (First Reading)

Student leaders presented their proposal to maintain the fee increase granted to Students United in the previous year. At the table were Kayla Shelley, State Chair; Elijah Norris-Holliday, Vice Chair, and David Shittu, Treasurer.

Trustee Erlandson encouraged Students United to participate in educating legislators about why funding is different between Minnesota State and University of Minnesota.

Trustee Williams asked why Students United was not asking for an increase. Kayla Shelley stated that Students United advocates for affordability. The 61 cent increase granted last year on a temporary status was more than adequate given that there was no increase for a long time. However, if the current increase is not made permanent, Students United won't be able to operate at even half the capacity that they were able to this year.

9. Procurement Program Annual Report and Redesign Update

Michael Noble-Olson, Chief Procurement Officer, and Robert Harper, Supplier Diversity Manager, joined Vice Chancellor King at the table. They provided an update on the Procurement Program and plans to implement a supplier diversity program pilot.

Committee Chair Moe asked which category minority women fit into on the chart on Page 11. Mr. Harper stated that the minority category includes all minorities, women and men. Vice Chancellor King added that the Keene data gave us two segments, women-owned and minority-owned. Our performance with women-owned was no better than the data shown on page 11. Committee Chair Moe then asked if there were equal numbers of women-owned and minority-owned businesses included in our utilization rate. Vice Chancellor King clarified that our utilization rate was no better for women-owned businesses than it was for minority-owned businesses. The Vice Chancellor did not recall if there were substantially more women-owned businesses in the data set than there were minority-owned businesses. The availability shown here is the total availability in the pool but when you break it apart it is not very impressive in

either category. We can provide the summary slides at a later date. Mr. Harper stated that African American and Latino were the largest areas of disparity at around 0% utilization rate.

Trustee Erlandson asked if the 19% availability shown in the chart were certified women- or minority-owned businesses rather than all women- or minority-owned businesses, whether they were certified or not. Additionally, if the business is a hair-salon, which may represent more women owners than men, but is not a business that our organization would purchase from, would they show in this chart, or does the chart only show availability of businesses that we would utilize? Mr. Noble-Olson responded that the numbers in the chart reflect all available vendors in those categories, not just who was certified. Vice Chancellor King added that the survey targeted businesses doing the kind of business we buy. We are confident that these are businesses in the marketplace that could offer us services and would be a contending bidder. We have also made a management decision to rely on the existing certification processes rather than create our own. We will work with the certifiers to ensure that their processes are friendly to the community and bringing us vendors that are qualified for our business. Mr. Harper stated that one of the main reasons for adding the St. Paul certification program is that it enables a more streamlined process than that of the Department of Administration.

Trustee Sundin cautioned that the language being used in the proposed program makes it sound like we have never done the work before. We have done this even if the results were not good enough. Maybe the messaging could be more sensitive to show that we are continuing our efforts and are leaping to another level.

Mr. Harper stated that he understood that there have been efforts before and acknowledges that work. But we do need to be honest with where we are and one big symbol of that is the NextGen project which currently has no language included around engaging diverse businesses.

Mr. Noble-Olson stated that we are not unique in the disparity. All nine entities in the study has significant disparity that must be addressed.

Committee Chair Moe asked if a Tier 1 business is a totally owned minority business. Mr. Noble-Olson answered that Tier 1 refers to a direct relationship with the vendor or prime contractor. He added that a Tier 2 business would be a sub-contractor or supplier. Chair Moe then asked if Tier 1 businesses will have a preference. Mr. Harper replied that we have a 6% preference that we can give but we are also looking at other options. We want to ensure that we are incentivizing non-Tier 1 businesses to consider subcontracting with diverse businesses.

Committee Chair Moe adjourned the meeting at 3:44pm.

Respectfully submitted: Don Haney, Recorder

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Finance Committee

Date: June 19, 2019

Title: Contracts Exceeding \$1 Million:

- a. **Guaranteed Energy Savings Program, Hennepin Technical College, Brooklyn Park and Eden Prairie**
- b. **Admissions Recruitment Software Contract, Minnesota State University, Mankato**
- c. **Library Information Software and Services (PALS)**

Purpose (check one):

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

Brief Description:

Board Policy 5.14, Procurement of 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:

Laura M. King, Vice Chancellor – Chief Financial Officer

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION

CONTRACTS EXCEEDING \$1 MILLION:

- a. **GUARANTEED ENERGY SAVINGS PROGRAM, HENNEPIN TECHNICAL COLLEGE, BROOKLYN PARK AND EDEN PRAIRIE**
- b. **ADMISSIONS RECRUITMENT SOFTWARE CONTRACT, MSU MANKATO**
- c. **LIBRARY INFORMATION SOFTWARE AND SERVICES (PALS)**

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 first three items concern campus specific actions and the final two are contracts with system wide benefit.

- a. **GUARANTEED ENERGY SAVINGS PROGRAM, HENNEPIN TECHNICAL COLLEGE, BROOKLYN PARK AND EDEN PRAIRIE**

A Guaranteed Energy Savings Program (GESP) is a performance-based procurement and financing mechanism that uses the expected savings from the efficiencies of new equipment and operational savings to finance the cost of an energy-saving building system renovation or renewal. The arrangement trades the expected efficiency savings in lower energy costs to finance the new equipment and energy savings measures. There is no net cost increase to campuses, and the pre-qualified Energy Service Company (ESCO) carries the risk if their estimates do not achieve the expected savings. Further background, including recent examples are provided in **Attachment A**, which is incorporated in this narrative.

Project Hennepin Technical College’s total utility costs exceed \$1.2 million annually. (Brooklyn Park spent \$718,000 and Eden Prairie, \$564,000 in total energy costs last year.) Participation in the Guaranteed Energy Savings Program is expected to save up to 20%, or \$200,000 per year over current energy costs, and yield a reduction to the campus’ carbon footprint.

The proposed project predominantly involves LED lighting upgrades which will account for the bulk of the work, with benefits that include not only energy and operating cost savings, but also elimination of mercury-containing fluorescent lamps, improved overall lighting quality, improved safety and security, and a reduced summer building cooling load. As LED lights have a much longer lifespan than the existing lighting technology, an additional \$30,000 in savings per year is anticipated from avoided maintenance materials and contracted labor expenses. The environmental impact of a 20% reduction in energy consumption will reduce the campus’s

carbon dioxide emissions by an estimated 1,200 metric tons annually. The remainder of the work includes building automation upgrades, building envelope improvements and water conservation solutions which will save energy and water and reduce future maintenance expenses.

The project is currently scoped for an eighteen (18) year payback on identified Energy Conservation Measures (ECMs) with an estimated project cost of approximately \$3,925,270 (\$2,001,685 for work at Brooklyn Park and \$1,923,585 for Eden Prairie). If bids come in below estimates, the college may choose to apply that savings towards additional ECMs with a longer payback (such as upgraded equipment controllers), or it may choose to apply that savings to pay down the lease sooner.

The college expects that work would be completed within 12 months after execution of the work order contract for the identified projects. No additional cash is required of the college or the system to participate in the program, although additional ECMs could be completed under this program if campus funds are available.

Measurement and verification inspections will occur annually for the term of the agreement to affirm the proper operation of the improvements and the continued guaranteed energy savings. Execution of the first work under this program is expected to occur by October of 2019 with final completion during the summer of 2020.

The project is entirely self-funding. There is no impact on tuition, fees or the financial viability of the campus, and it will ultimately result in reduced operating costs for the college. Because the vast majority of Hennepin Technical College's capital replacement needs are roofs and building exteriors—systems that have a negligible effect on energy use whether in good repair or not—this project will not affect the college's capital replacement backlog.

Financial Statement Impact The campus would book a liability for the amount financed for the project using a lease-purchase agreement. Such liability is reduced each year when payments are made based on the lease-purchase amortization schedule. The expenses will be capitalized. The depreciation period is matched to the length of the lease-purchase terms.

b. ADMISSIONS RECRUITMENT SOFTWARE CONTRACT, MSU MANKATO

Within a competitive recruiting environment, Minnesota State University, Mankato continues to utilize technology that provides a personalized experience for prospective and admitted students. Central to this approach is the use of a Customer Relationship Management tool (CRM), which is the software used to manage, track, and communicate with prospective undergraduate and graduate students. Minnesota State University, Mankato developed a RFP to solicit vendors that could provide CRM database capabilities along with personalized communication and variable print capabilities for us to continue communicating in a personalized manner with our prospective students. The existing contract for these products and services

expires at the end of June 2019. The successful vendor was selected for service continuation because of their unique ability to combine the CRM database and communication tool with design and fulfillment of personalized communications in both print and digital formats. Other vendors used in the past and that responded to the RFP did not have the same combination of capabilities.

The increase in cost to this contract compared to the current contract is \$69,616.67 per year and that is directly caused by the desire to increase the personalized print communication campaigns that are sent to prospective students to enhance the ability to recruit and enroll students. These additional dollars will be shifted from costs spent currently by the Admissions Office on more static, general brochures. This strategy is in line with efforts to be more strategic and efficient with efforts to communicate with students and encourage them to enroll at Minnesota State Mankato. The contract has been created to include the option for adding up to three years to the original two which provides the university flexibility to adapt to the progress made by the Minnesota State System efforts to select and purchase a NextGen ERP system. The university seeks approval of a two year contract with three one year renewal options for a total cost not to exceed \$1,600,000.

c. LIBRARY INFORMATION SOFTWARE AND SERVICES (PALS)

Minnesota State operates and supports the Minnesota State common library management system (LMS) through the PALS, Minnesota State Library services unit, housed at Minnesota State University, Mankato. PALS is the acronym for the initiative known as the “Project for Automated Library Systems”. All Minnesota State colleges and universities, plus nine state agencies, two private libraries, and one school district use the library information software, Ex Libris. Funding for the service is provided through a combination of system allocation, and fees charged to the non-Minnesota State users. In FY2018, PALS began a project to upgrade the library software system and the Board of Trustees approved a request from PALS to extend the license for not more than five years at a cost not to exceed \$5 million for implementation and license costs. Review and analysis of the license and implementation costs finds that an additional \$500,000 is needed to cover the duration of the Ex Libris Alma contract. Funds are available in the PALS reserve for this purpose.

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

RECOMMENDED COMMITTEE ACTION:

- a. The Board authorizes the Chancellor or the Chancellor’s designee authority to enter into a Guaranteed Energy Savings contract not to exceed \$4,000,000 and a payback term of up to 18 years for purposes of improving campus energy and water efficiency and reducing carbon emissions at both campuses of the Hennepin Technical College. The Board delegates to the Chancellor or Chancellor’s designee authority to execute all necessary documents to accomplish this action.
- b. The Board authorizes the Chancellor or the Chancellor’s designee authority on behalf of Minnesota State University, Mankato to execute a two year agreement with three one year

renewal options for a total length of five years at a total cost not to exceed \$1,600,000. The Board delegates to the Chancellor or Chancellor's designee authority to execute all necessary documents to accomplish this action.

- c. The Board authorizes the Chancellor or the Chancellor's designee authority to execute the Ex Libris Alma contract in the amount not to exceed \$5,500,000 for the five-year (three years plus optional two one-year extensions) contract. The Board delegates to the Chancellor or Chancellor's designee authority to execute all necessary documents to accomplish this action.

RECOMMENDED BOARD OF TRUSTEES MOTION:

- a. The Board authorizes the Chancellor or the Chancellor's designee authority to enter into a Guaranteed Energy Savings contract not to exceed \$4,000,000 and a payback term of up to 18 years for purposes of improving campus energy and water efficiency and reducing carbon emissions at both campuses of the Hennepin Technical College. The Board delegates to the Chancellor or Chancellor's designee authority to execute all necessary documents to accomplish this action.
- b. The Board authorizes the Chancellor or the Chancellor's designee authority on behalf of Minnesota State University, Mankato to execute a two year agreement with three one year renewal options for a total length of five years at a total cost not to exceed \$1,600,000. The Board delegates to the Chancellor or Chancellor's designee authority to execute all necessary documents to accomplish this action.
- c. The Board authorizes the Chancellor or the Chancellor's designee authority to execute the Ex Libris Alma contract in the amount not to exceed \$5,500,000 for the five-year (three years plus optional two one-year extensions) contract. The Board delegates to the Chancellor or Chancellor's designee authority to execute all necessary documents to accomplish this action.

Date Presented to the Board of Trustees: 06/19/19

Date of Implementation: 06/19/19

ATTACHMENT A – BACKGROUND ON THE GESP PROGRAM

The Department of Commerce manages the GESP program and provides expertise to participating state agencies and Minnesota State. Under a GESP, a campus contracts with a prequalified Energy Services Company (ESCO) to design, finance, and install energy-saving improvements. After the improvements are completed, the systems' performance is verified to ensure it meets savings projections. A GESP project is designed to improve energy efficiency and maintenance costs for facilities, and must save enough money to be able to pay back the cost of the improvement and related return on investment for a selected ESCO.

In exchange for the building system improvements and arranging financing, an ESCO and their financing source collect project fees and interest on top of the equipment and installation costs. Such costs are recouped over a set term, usually 15-20 years, through a lease-purchase agreement. During the term of the contract period, the projected savings covers the total cost of the capital investment, including all fees and interest costs. After the payback term ends, the campus retains ownership of the equipment and receives the direct benefit of the continued operational savings from the equipment.

An ESCO guarantees the project by projecting the estimated savings, designing, financing and constructing the project. Expected savings will be adequate to cover or (preferably) exceed the cost of the project. The campus gets the benefit of the energy saving improvements, will operate the equipment as directed, and the risk of meeting the savings estimates is on the ESCO.

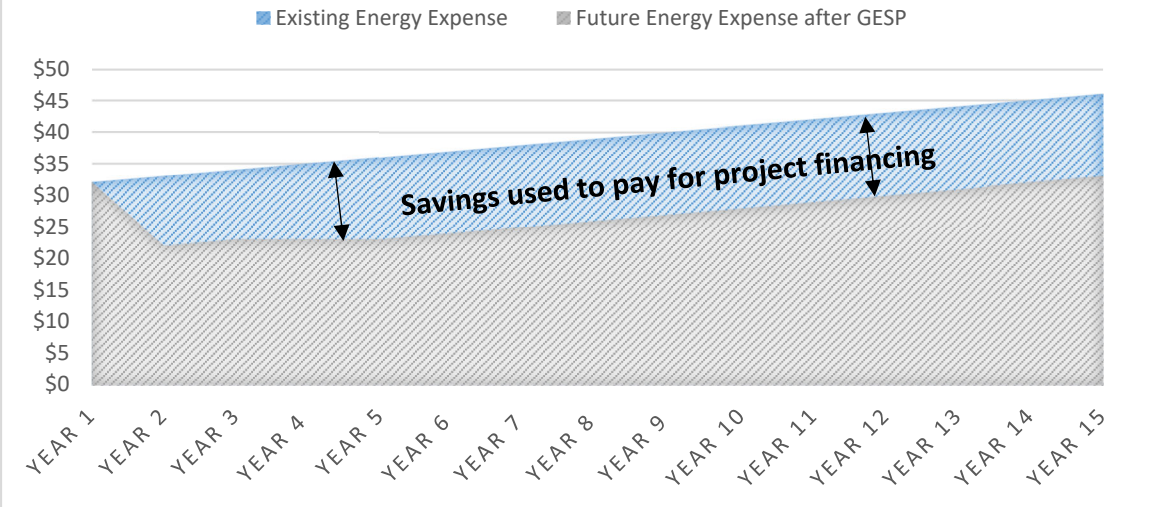
Guaranteed Energy Savings Programs (also referred to as Energy Savings Performance Contracts) are not new, and Minnesota State Colleges and Universities have used these programs recently.

In October 2014, Riverland Community College entered into an agreement under GESP for Energy Conservation Measures at its three campuses. This project funded a \$1.85 million investment that addressed building automation improvements, interior and exterior lighting replacements, mechanical and plumbing improvements, and building envelope improvements at all three campuses.

Most recently, in December 2017 Minnesota State University, Mankato completed an \$8.1 million energy savings performance contract to save the university over \$404,000 annually in energy and avoided operational and maintenance costs over 18 years. As a result of the corresponding annual CO2 reduction of 4,464 metric tons, the university has been honored with the Environmental Initiative 2019 Award in the category Sustainable Leadership: Large Employer, as well as a 2018 Minnesota Clean Energy Community Award from the Minnesota Department of Commerce.

The following table displays conceptually how a Guaranteed Energy Savings Contract operates.

ILLUSTRATION OF GUARANTEED ENERGY SAVINGS CONTRACT



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**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Finance Committee

Date: June 19, 2019

Title: Students United Fee Renewal (Second Reading)

Purpose (check one):

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

Brief Description:

Board policy 3.7 recognizes Students United (Minnesota State University Student Association) as the designated student association for the universities and establishes the conditions for the association's ability to collect fee revenue to fund association operations.

The association's per-credit fee was increased to \$.61 per credit for fall 2018 and spring 2019 semesters. The association is returning to obtain board agreement to renew the \$.61 per credit rate for summer 2019 and beyond.

Board policy provides that student associations establish their fees and submit changes in the fee to the board.

Scheduled Presenters:

Laura M. King, Vice Chancellor—Chief Financial Officer

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION – SECOND READING
STUDENTS UNITED FEE RENEWAL

BACKGROUND

Fee Renewal and Minnesota State Policy

In 2006, Students United received its approved fee of 43 cents, which remained until 2017. In 2017, the Students United board approved and the Board of Trustees passed a 4-cent increase to fund an additional full-time staff member, the Director of Equity and Inclusion.

In June 2018, Students United’s FY18 officers presented on a new fee for the organization. As written in state statute, *each statewide association shall set its fees to be collected by the board and shall submit any changes in its fees to the board [of trustees] for review. The board [of trustees] may revise or reject the fee change.* Last year, Minnesota State Board of Trustees chose to revise the initial motion from *“the approval of the fee increase as recommended by Students United from 47 cents to 61 cents”* to *“the approval of the fee increase as recommended by Students United from 47 cents to 61 cents. for fall semester ‘18 and spring semester ‘19. The Fee will be reviewed by the Board prior to the summer ‘19 term.”*

Table 1 - Student Fee Revenue

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019*
FYE Enrollment	57,872	58,799	57,900	56,255	54,983	53,564	52,904	52,311	51,182	49,802
Revenue	\$746,548	\$758,507	\$746,910	\$725,689	\$709,280	\$690,975	\$682,461	\$674,811	\$721,666	\$911,376

Table 1.2 - Student Fee Comparison Revenue

Revenue at 61 Cent Fee	\$909,941
Revenue at 47 Cent Fee	\$698,020

***Revenue from Projected FY2020 Enrollment*

About Students United

Established in 1967, Students United is an independent, non-profit organization funded and operated by students. Students United serves over 65,000 students attending Minnesota's

seven state universities: Bemidji, Mankato, Metropolitan (St. Paul/Minneapolis), Moorhead, St. Cloud, Southwest (Marshall) and Winona.

The Students United mission is:

Led by Minnesota State University students, we are the inclusive voice for all future, current, and former students. We actively work to represent and support Minnesota State University students and advocate at a campus, state, and federal level for higher education policies that make a positive impact for our students and communities.

Students United has been a strong voice for state university students on the campus, system, state and federal levels for almost 50 years. We are recognized by the Board of Trustees as the sole representative of state university students in Minnesota.

Students United supports the work of the Board of Trustees and System by providing students opportunities to enhance their educations by participating in leadership and advisory roles at the system level, working for accessibility, safety, inclusion and retention of state university students at the campus level, and supporting system legislative efforts including support for funding, bonding and HEAPR requests.

Student Support of the Fee Increase

In February 2018, Students United Board Members began formally discussing a potential fee increase during the February 2018 Delegates Assembly Conference. At that time students discussed the financial status of the organization and various options regarding the Students United fee. In April, several fee increase proposals were discussed, and the position to raise the fee by 14 cents was approved by the Board of Directors.

In April 2019, Students United delegates assembly, composed of over 40 students, passed support of the proposed FY20 budget that included the student fee at 61 cents. The Students United Board Members then passed this budget.

Fee Contributions to 2018-2019 Year

<i>Priorities Presented to Trustees during the 2017-2018 academic year</i>	<i>What Students United Accomplished during the 2018-2019 academic year</i>
Prioritize diversity-themed organizational change as a shared priority for Students United	Hired Director of Equity and Inclusion (strategic plan metric) Equity Audit (internal meetings related to organization process and policies to build cultural awareness + make recommendations with measurable action steps -strategic plan) Internal process improvements relating to the Equity Audit

	Meeting strategic plan metric of creating relationships with all seven university diversity offices
Expand advocacy work at the state legislative level, including increased student presence at the Capitol	<p>Addition of a new conference: Advocacy Conference</p> <p>Students United State Legislative Agenda including Minnesota State’s Request</p> <p>Additional travel funds for students to testify</p>
Work to hold a gubernatorial debate in 2018	Students United worked on a gubernatorial debate in partnership with LeadMN. Although, candidates did not participate in such a debate, this led to a future coalition with LeadMN and Minnesota Youth Collective on the Promise Grant
Grow voter registration numbers on our campuses through voter outreach efforts across all seven universities during 2018	In 2018, Minnesota saw a boost in voting numbers. 43.7 percent of eligible voters under the age of 30 in the state casting ballots. Students United on each university campus provided information for registering to vote polling place information, and how to seek additional information.
Expand federal legislative work	<p>The annual Washington DC Trip doubled in size. The organization had 14 students and two staff members with over 18 meetings</p> <p>Signed on to a letter with over 400 campuses through NCLC which specifies a range of policy issues for lawmakers to consider as the Senate HELP Committee and House Education and Labor Committee began hearings to reauthorize the Higher Education Act (HEA).</p>
Increase campus visits by Students United Officers	<p>20 campus visits by the officers and staff</p> <p>Officers able to be at the St. Paul office at least once per week</p>
Host three 3-day conferences during the academic year with over 90 students	<p>Advocacy Conference - more than 150 registrations</p> <p>Fall Conference - Including Student Delegates Assembly - 90 attendees</p> <p>Spring Conference - Including Student Delegates Assembly - 90 attendees</p>

RECOMMENDED COMMITTEE MOTION

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

The Board of Trustees accepts the renewal of the increase of the Students United fee from \$.47 to \$.61 per credit hour for summer term 2019 and beyond.

RECOMMENDED BOARD MOTION

The Board of Trustees accepts the renewal of the increase of the Students United fee from \$.47 to \$.61 per credit hour for summer term 2019 and beyond.

Date Presented to the Board of Trustees: 06/19/2019

Date of Implementation: 06/19/2019

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**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Finance Committee

Date June 19, 2019

Title: FY2020 Operating Budget (Second Reading)

Purpose (check one):

Proposed
New Policy or
Amendment to
Existing Policy

Approvals
Required by
Policy

Other
Approvals

Monitoring /
Compliance

Information

Brief Description:

Board Policy 5.9, Biennial and Annual Operating Budget Planning and Approval, requires the Board of Trustees of approve the system-wide annual all-funds operating budget plans for colleges, universities, and the system office. Board Policy 5.11, Tuition and Fees, requires the Board of Trustees to approve the tuition and fee structure for all colleges and universities.

The FY2020 operating budget for all colleges and universities and the system office will be presented at the June meeting. Materials will be provided at the meeting.

Scheduled Presenters:

Laura M. King, Vice Chancellor – CFO

Steve Ernest, System Director, Financial Planning and Analysis

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**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Finance Committee

Date: June 19, 2019

Title: FY2020 Capital Program Recommendations (Second Reading)

Purpose (check one):

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

Brief Description:

This item has been reviewed by the Facilities Committee. That committee voted to approve the Recommended Motion included below.

See the Facilities Committee board report, **pages 6-25** for the full description and materials.

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

Recommended Motion

The Board of Trustees approves the 2020 capital program request as presented in **Attachment A**, specifically the projects and priorities for the 2020 legislative session. The chancellor is authorized to make cost and related adjustments to the request as required, and to forward the request through Minnesota Management and Budget to the governor and legislature for consideration in the state's 2020 capital budget. The chancellor shall advise the board of any subsequent changes in the approved capital program prior to the 2020 legislative session. In addition, as funding is authorized and appropriated by the legislature and approved by the governor, the chancellor or the chancellor's designee is authorized to execute contracting actions necessary to deliver on the project scope and intent.

Scheduled Presenter: Laura M. King, Vice Chancellor—Chief Financial Officer

2020 Capital Program Recommendation

2020 Priority	Institution	Title	2020 Request	2022 Estimate	2024 Estimate
1	System-wide	HEAPR	\$150,000,000		
2	Anoka-Ramsey -- Coon Rapids	Business and Nursing Renovation (2018 – Funded \$569,000)	\$16,282,000	-	
3	Normandale Community College	College Services Phase II (2018 – Funded \$12,636,000)	\$26,634,000	-	
4	Minnesota State University Moorhead	Weld Hall Renovation and Addition (2018 – Funded \$628,000)	\$17,290,000	-	
5	Inver Hills Community College	Technology and Business Center (2018 – Funded \$698,000)	\$14,653,000	-	
6	Saint Paul College	Academic Excellence Renovation and Renewal (2018)	\$937,000	\$17,016,000	
7	Minneapolis College	Management Education Center Metro Baccalaureate Initiative (2018)	\$10,254,000	\$8,562,000	
8	NHED - Vermilion Community College	Classroom Building Renovation (2018)	\$2,576,000	-	
9	Central Lakes College	Brainerd Student Services Renovation (2018)	\$8,275,000	-	
10	Northland Community and Technical College	Effective Teaching and Learning Labs (2018)	\$2,220,000	-	
11	Minnesota State University, Mankato	Armstrong Hall Replacement	\$6,691,000	\$56,462,000	\$28,722,000
12	Winona State University	Center for Interdisciplinary Collaboration, Engagement, & Learning	\$3,218,000	\$41,205,000	
13	Lake Superior College	Integrated Manufacturing Workforce Labs	\$985,000	\$11,408,000	
14	North Hennepin Community College*	Center for Innovation & the Arts @ Brooklyn Park	\$6,598,000	\$34,320,000	
15	Metropolitan State University	Cyber Security Program	\$3,923,000	-	
16	Pine Technical and Community College	Technical/Trades Lab Addition and Renovation	\$635,000	\$14,438,000	
		Total	\$271,171,000		
		Projects only	\$121,171,000	\$183,411,000	\$28,722,000
		GO – State Financed (incl HEAPR)	\$230,780,667		
		UF – User Financed	\$40,390,333		
	* Requires Community Match of \$39.5million				

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Finance Committee

Date: June 19, 2019

Title: 2019 Revenue Fund Current Refunding Bond Sale (Second Reading)

Purpose (check one):

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

Brief Description:

Minnesota State considers revenue fund bond sales every odd-numbered calendar year. For 2019, the Board of Trustees is being asked to consider a refunding of Minnesota State's Series 2009A revenue bonds. The sale is scheduled to occur within 90 days of the October 1, 2019, the current bond redemption date. The net present value savings of the bond refunding is between \$1.6-\$1.9 million over the remaining 10 years.

Rating information will be provided as handouts during the committee meeting.

Scheduled Presenters:

Laura M. King, Vice Chancellor – Chief Financial Officer
Brian Yolitz, Associate Vice Chancellor for Facilities

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION – SECOND READING

2019 REVENUE FUND CURRENT REFUNDING BOND SALE

SUMMARY

The Board of Trustees is being asked to approve a revenue bond sale to refund the Series 2009A Bonds outstanding in the amount not to exceed \$19.045 million and approve the Second Amendment to the Revenue Bond Indenture. This is the second of two required readings.

Minnesota State considers revenue fund bond sales every odd-numbered calendar year to address auxiliary capital project updates, such as improvements to residence halls, student unions, and parking ramps. More detail about the revenue fund program is contained in **Attachment 1** for reference.

BACKGROUND

The 2019 revenue fund bond sale process opened to campuses in May 2018, and two campuses considered projects as part of a 2019 sale. Both campuses initiated predesigns and began discussions with students. Ultimately, both campuses choose to defer a revenue fund project to a future sale.

As part of the regular revenue bond sale process, the system evaluates cost savings that might be achieved by refunding any of its existing revenue bond debt. A bond refunding is similar to refinancing a home loan to achieve interest cost savings. All of Minnesota State's 20 year, tax-exempt Minnesota State revenue bonds contain a call feature allowing for a bond refunding at year 10. At the call date, the bonds may be refunded with new bonds issued at a lower interest rate to produce debt service savings. To accomplish a bond refunding, the Board must take action.

SAVINGS TO CAMPUSES

The system previously refunded revenue bonds in 2012 (2002 series bonds), 2015 (2005 series), and 2017 (2007 series), saving campuses that participated in those sales over \$21 million in interest costs during the refunding bond term. In preparation for the 2019 effort, the system's financial advisory firm estimated a net present value savings between \$1.6-\$1.9 million depending on final interest rates. The bond sale parameters are included as **Attachment 2**.

2019 REVENUE FUND BONDS: REFUNDING AMOUNT: APPROX \$19.05 MILLION

The Board of Trustees is being asked to review and approve a 2019 revenue bond sale for the purpose of refunding the outstanding principal of Minnesota State's Revenue Fund Bonds, Series 2009A (the "Series 2009A Bonds"), issued in the original aggregate principal amount of \$31,770,000. The estimated amount to be refunded is approximately \$19.045 million.

Based on current market conditions plus 0.25% to account for interest rate fluctuations, a refunding of the Series 2009A Bonds would be issued (and closed) before October 1, 2019, the Series 2009A Bonds call date. The Series 2009A Bonds financed capital improvements on four campuses: Minnesota State University, Mankato's recreational fields, Normandale Community College's Kopp Student center renovation and addition, Minneapolis College's Student Center renovation, and Century College refurbishment of the west campus parking lots. The benefit of the refunding directly accrues to the campuses retiring the associated debt.

BOND RATING

A bond rating will be required for the refunding, and rating presentations occurred during the week of May 27th with Moody's Investor Service and S&P Global Ratings. We expect to see the latest ratings from both agencies shortly before the Board meeting. (Moody's and S&P previously rated Minnesota State Revenue Fund bonds Aa3 and AA- respectively.)

As a comparison, the State of Minnesota's ratings from Moody's is Aa1, Standard & Poor's, AAA, and Fitch, AAA. The General Obligation state bonds carries the full faith and credit of the State of Minnesota, while Minnesota State Revenue Fund Bonds pledge only the revenue generated by the facilities in the fund.

BOND INDENTURE AMENDMENT

Minnesota State's Revenue Fund is governed by a bond Indenture, a document which establishes the requirements of issuing debt. The current bond indenture had an effective date of June 1, 2009 and has governed the structure and operations of the revenue bond program. From time to time, amendments are required to bring the Indenture current. The Board last approved an amendment to the Indenture at its November 2012 meeting (hereafter "First Amendment to Revenue Bond Indenture," dated March 1, 2013).

As part of the refunding due diligence, the fund's bond counsel has recommended a new amendment ("Second Amendment to Revenue Bond Indenture"), a copy of which is provided in **Attachment 3**. To that end, the board will be asked to approve a motion authorizing the chancellor to enter into the second amendment to the Bond Indenture, which is contained in **Attachment 4**. The Second Amendment will update old brand references from "MnSCU" to "Minnesota State" and add language to meet SEC Rule 15c2-12 regarding continuing disclosure obligations.

BOND SALE RESOLUTION

To accomplish the refunding, the Board of Trustees will be asked to approve the sale

consistent with the parameters found in **Attachment 2**; approve the second amendment to the bond indenture via the motion contained in **Attachment 4**; and approve the draft Series Resolution authorizing the bond sale found in **Attachment 5**. The blanks in the Series Resolution will be completed based on the results of a competitive sale of the bonds. The interest rates and other bond details will be determined on the basis of a bid representing the most favorable True Interest Cost (“TIC”) received from those submitting offers in a competitive bid, and will be memorialized in the Series Resolution, the bonds themselves, and in a certificate signed by the Minnesota State Vice-Chancellor - Chief Financial Officer.

The system’s financial advisor is preparing a Preliminary Official Statement for distribution to the rating agencies and investors and a Series Resolution will also be finalized with the assistance of bond counsel. Pending final Board approval, the sale would be scheduled to occur this summer to allow sufficient time to call the Series 2009A Bonds.

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

RECOMMENDED COMMITTEE ACTION:

- A. The Board of Trustees hereby:
 - 1. adopts the Series Resolution, a draft of which is contained in **Attachment 5**, as incorporated herein.
 - 2. adopts the motion titled, *“Board Action Approving And Authorizing The Execution And Delivery Of A Second Amendment To Amended And Restated Master Indenture Of Trust, Pursuant To Which Minnesota State Issues Revenue Fund Bonds,”* in substantially the same form as **Attachment 4**.

- B. The Board of Trustees authorizes a refunding bond sale of its 2009A Series Revenue Bonds sufficient to realize net proceeds which, with available debt service reserve funds and debt service funds from bonds to be refunded, will:
 - 1. refund up to \$19.045 million of tax exempt bonds maturing from 2020 to 2029 from 2009A Series bonds, and
 - 2. comply with the bond sale parameters identified in **Attachment 2**, as incorporated herein.

- C. In addition, the Board authorizes the Chancellor or the Chancellor’s designee to execute all documents necessary to accomplish the refunding sale including, but not limited to, the Series Resolution, Second Amendment to Amended and Restated Master Indenture of Trust, and all related documents needed for the refunding transaction.

RECOMMENDED BOARD OF TRUSTEES MOTION:

- A. The Board of Trustees hereby:
1. adopts the Series Resolution, a draft of which is contained in **Attachment 5**, as incorporated herein.
 2. adopts the motion titled, *“Board Action Approving And Authorizing The Execution And Delivery Of A Second Amendment To Amended And Restated Master Indenture Of Trust, Pursuant To Which Minnesota State Issues Revenue Fund Bonds,”* in substantially the same form as **Attachment 4**.
- B. The Board of Trustees authorizes a refunding bond sale of its 2009A Series Revenue Bonds sufficient to realize net proceeds which, with available debt service reserve funds and debt service funds from bonds to be refunded, will:
1. refund up to \$19.045 million of tax exempt bonds maturing from 2020 to 2029 from 2009A Series bonds, and
 2. comply with the bond sale parameters identified in **Attachment 2**, as incorporated herein.
- C. In addition, the Board authorizes the Chancellor or the Chancellor’s designee to execute all documents necessary to accomplish the refunding sale including, but not limited to, the Series Resolution, Second Amendment to Amended and Restated Master Indenture of Trust, and all related documents needed for the refunding transaction.

Date Presented to the Board: 05/22/19
Date approved by the Board: 06/19/19

ATTACHMENT 1 ADDITIONAL REVENUE FUND PROGRAM BACKGROUND

REVENUE BOND AUTHORITY

During the 2012 legislative session, the system successfully obtained an increase in the revenue fund debt authority from \$300 to \$405 million. Revenue bond authority is the maximum amount of outstanding principal the system may incur.

BOND SALE PROCESS

Revenue fund projects follow similar system planning, design, and construction processes as any other system capital project with some variations to accommodate specific revenue bonding requirements. Below are highlights of the revenue fund project process.

- Revenue Fund Sale Cycle. Starting in 2011, the system opted to plan revenue bond sales on a 2 year, odd-numbered year cycle. The 2-year cycle was designed to give campuses ample time to develop the projects and refine the scope, cost, and consult with students. The cycle also provides enough time to increase revenue bond debt authority through the legislative process if it became necessary. During recent years, the bond cycle included an analysis of bonds that may be eligible for refunding to achieve interest cost savings.
- Comprehensive Facilities Plans. Campuses update their Comprehensive Facilities Plans on a five-year cycle, which include revenue-funded capital projects. Some campuses have supplemented their plans with Residential Life Master Plans.
- Debt Capacity Study. Before each revenue bond cycle, the system office commissions a debt capacity study to determine the debt capacity of the revenue fund program as a whole and by individual campuses in the revenue fund. This study sets the basic parameters of what a campus can afford in a given bond sale.
- Predesign and Feasibility. Campus leadership and students define the need for a revenue fund project. The first formal step in the revenue fund project is for campus leadership to initiate a predesign to evaluate the feasibility of the project. The campus also works with system office staff to develop a financial pro forma that meets the financial requirements for a viable project.
- Student Consultation. Since student fees are the primary source of revenue for the repayment of Revenue Fund debt and operating revenues, students are expected to be involved in project planning. At critical stages, student consultation letters are solicited from student leadership.
- Project List. After the predesign process and evaluation of a project's financial viability, a final project list is assembled for Board of Trustees consideration.

Project Terms:

- The Revenue Fund can finance up to 100% of project costs, although many campuses choose to contribute campus revenue funds to reduce the amount of debt carried on a project.
- The estimated project cost includes all sources of funds used to finance the project.
- The portion of a project financed with revenue bonds will include an additional 11% to account for bond sale costs at closing, known as the cost of issuance. Those issuance costs primarily include a debt service reserve equal to one full year of debt service and the cost of document preparations for regulatory compliance, such as publication of the official statement, professional advisor and legal fees and similar costs. The debt service reserve, the largest part of the 11% costs of issuance allowance, is not a lost cost, but is recovered when the bonds mature or are called, or may be applied to the last annual debt service on the bonds.

ATTACHMENT 2
SALE PARAMETERS

Series 2019A Refunding Bonds (Tax Exempt)

1. Maximum Interest Rate (TIC): up to 3.50%
2. Maximum Principal: \$19,045,000
3. Maximum Discount: 1.0 % of par or \$10/\$1,000 Bond. Minimum bid of 99% is required per the Official Statement
4. Earliest Redemption date: Not applicable

In any event, the total principal for Series 2019A shall not exceed \$19,045,000

ATTACHMENT 3 – DRAFT
SECOND AMENDMENT TO AMENDED AND RESTATED INDENTURE

This Second Amendment to Amended and Restated Indenture (the “Second Amendment to Indenture”) is dated as of [_____] 1, 2019 and is entered into by and between the Board of Trustees of the Minnesota State Colleges and Universities (“Minnesota State”) and U.S. Bank National Association (the “Trustee”).

WITNESSETH:

WHEREAS, Minnesota State and the Trustee have previously entered into that Amended and Restated Indenture of Trust, dated as of June 1, 2009, as amended by a First Amendment to Amended and Restated Indenture, dated as of March 1, 2013 (collectively, the “Indenture”), pursuant to which Minnesota State issues its Revenue Fund Bonds to finance the Cost of the Facilities; and

WHEREAS, Section 1.1 of the Indenture includes the definition “MnSCU,” but on or about June 21, 2016, the Board of Trustees of Minnesota State (the “Board”) endorsed an initiative that changed its nickname from MnSCU to Minnesota State; and

WHEREAS, Minnesota State desires to amend and restate Section 1.1 of the Indenture and all uses of the term MnSCU in the Indenture to reflect the change in Minnesota State’s nickname from MnSCU to Minnesota State; and

WHEREAS, Section 4.10(a) of the Indenture provides that in disclosing financial information in connection with Revenue Fund Bonds as required by Rule 15c2-12 promulgated by the Securities and Exchange Commission (“Rule 15c2-12”), “MnSCU shall have no obligation to disclose financial information or statements about any of its assets, revenues or affairs other than the Revenue Fund”; and

WHEREAS, Section 4.10(a) of the Indenture is inconsistent with the amendments to Rule 15c2-12 approved in August 2018 by the Securities and Exchange Commission, which added two reporting events and the defined term “financial obligation”; and

WHEREAS, Minnesota State desires to amend and restate Section 4.10(a) of the Indenture to permit compliance with the additional requirements under Rule 15c2-12; and

WHEREAS, Section 10.2(c) of the Indenture permits amendments to the Indenture for the purpose of making changes in light of changes in Minnesota Statutes, Chapter 136F, as amended, but does not contemplate changes necessitated by changes in other applicable State and federal laws, regulations, rulings, and decisions; and

WHEREAS, Minnesota State desires to amend and restate Section 10.2(c) of the Indenture to permit changes to the Indenture necessitated by changes in all applicable State and federal laws, regulations, rulings, and decisions; and

WHEREAS, Section 10.2(e) of the Indenture permits Minnesota State and the Trustee to enter into supplemental indentures amending the Indenture, without the consent of the Registered Owners of Outstanding Revenue Fund Bonds for the purpose of making any changes that Minnesota State deems necessary or desirable and not inconsistent with the Indenture, and which do not materially adversely affect the interests of the Registered Owners of Revenue Fund Bonds issued under the Indenture; and

WHEREAS, Minnesota State has authorized by Amending Resolution the amendments to the Indenture set forth herein to reflect the change in Minnesota State's nickname and to permit compliance with the additional requirements under Rule 15c2-12 and amendment of the Indenture necessitated by changes in any applicable State and federal laws, regulations, rulings, and decisions;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Minnesota State and the Trustee hereby agree as follows:

1. All capitalized terms used herein, and not otherwise defined, shall have the meaning given them in the Indenture.

2. The definition of "MnSCU" contained in Section 1.1 of the Indenture is hereby amended as follows (strikethrough denotes deleted text; underline denotes inserted text):

~~"MnSCU~~Minnesota State" means Minnesota State Colleges and Universities, or any successor to its functions.

Accordingly, all references to "MnSCU" in the Indenture shall be replaced by "Minnesota State".

3. Section 4.10(a) of the Indenture is hereby amended as follows:

Section 4.10. Continuing Disclosure.

(a) ~~MnSCU~~Minnesota State shall each year issue an annual report concerning the Revenue Fund Bonds, the Revenue Fund and the Facilities, which annual report shall be in such form and shall contain such information as may be necessary to maintain compliance with the "undertaking" entered into by ~~MnSCU~~Minnesota State in connection with each Series of Revenue Fund Bonds in order to satisfy Securities and Exchange Commission Rule 15c2-12. In disclosing financial information, ~~MnSCU~~Minnesota

State shall have no obligation to disclose financial information or statements about any of its assets, revenues or affairs other than the Revenue Fund, unless required by Rule 15c2-12.

4. Section 10.2(c) of the Indenture is hereby amended as follows:

Section 10.2. Amendments Without Consent.

~~MnSCU~~ Minnesota State and the Trustee reserve the right to enter into supplemental indentures amending this Indenture from time to time and at any time, for the purpose of:

...

(c) making a change necessary or desirable in light of changes in the Act or other applicable State and federal laws, regulations, rulings and judicial or other decisions and which are not materially prejudicial to the interests of the Holders of the then Outstanding Revenue Fund Bonds,

....

5. Except as specifically provided by the amendments set forth in paragraphs 2, 3 and 4 above, the Indenture is hereby ratified and affirmed in all respects.

6. The execution and delivery of this Second Amendment to Indenture has been in all respects duly and validly authorized by the Board.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, Minnesota State has caused these presents to be signed in its name and in its behalf by its Vice Chancellor, and to evidence its acceptance of the trusts hereby created the Trustee has caused these presents to be signed in its name and behalf by its duly authorized officers, all as of the date first above written.

MINNESOTA STATE COLLEGES AND UNIVERSITIES

By:

Its: Vice Chancellor – Chief Financial Officer

**U.S. BANK NATIONAL ASSOCIATION
Trustee**

By

Its Vice President

[Signature page to the Second Amendment to Amended and Restated Indenture]

ATTACHMENT 4

MINNESOTA STATE COLLEGES AND UNIVERSITIES BOARD OF TRUSTEES

BOARD MOTION

BOARD ACTION APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND AMENDMENT TO AMENDED AND RESTATED MASTER INDENTURE OF TRUST, PURSUANT TO WHICH MINNESOTA STATE ISSUES REVENUE FUND BONDS

WHEREAS, Minnesota State Colleges and Universities (“Minnesota State”) is a public higher education system of the State of Minnesota duly created and existing under the laws of the State, including Minnesota Statutes, Chapter 136F, as amended (the “Act”), having the rights, powers, privileges and duties provided in the Act; and

WHEREAS, in accordance with the terms of an Amended and Restated Master Indenture of Trust, dated as of June 1, 2009 (the “Master Indenture”), as amended by a First Amendment to the Amended and Restated Indenture, dated as of March 1, 2013 (the “First Amendment to Indenture,” and together with the Master Indenture, the “Indenture”), Minnesota State and U.S. Bank National Association, a national banking association, as trustee (the “Trustee”), have agreed to the terms and conditions governing the issuance, sale, and delivery of Revenue Fund Bonds; and

WHEREAS, the terms of the Indenture permit Minnesota State and the Trustee to enter into supplemental indentures amending the Indenture, without the consent of the Registered Owners of Outstanding Revenue Fund Bonds (each as defined in the Indenture), for the purpose of making any changes that Minnesota State deems necessary or desirable and not inconsistent with the Indenture, and which do not materially adversely affect the interests of the Registered Owners of Revenue Fund Bonds issued under the Indenture; and

WHEREAS, Section 1.1 of the Indenture includes the definition “MnSCU,” but on or about June 21, 2016, the Board of Trustees of Minnesota State (the “Board”) endorsed an initiative that changed its nickname from MnSCU to Minnesota State; and

WHEREAS, Minnesota State desires to amend and restate Section 1.1 of the Indenture and all uses of the term MnSCU in the Indenture to reflect the change in Minnesota State’s nickname from MnSCU to Minnesota State; and

WHEREAS, Section 4.10(a) of the Indenture is inconsistent with recent amendments to the disclosure requirements with respect to Revenue Fund Bonds under Securities and Exchange Commission Rule 15c2-12 (“Rule 15c2-12”), which added two reporting events and the defined term “financial obligation”; and

WHEREAS, Minnesota State desires to amend and restate Section 4.10(a) of the Indenture to permit compliance with the additional requirements under Rule 15c2-12; and

WHEREAS, Section 10.2(c) of the Indenture contemplates changes necessitated by changes in the Act, but does not contemplate changes necessitated by changes in other applicable State and

federal laws, regulations, rulings, and decisions; and

WHEREAS, Minnesota State desires to amend and restate Section 10.2(c) of the Indenture to permit changes to the Indenture necessitated by changes in all applicable State and federal laws, regulations, rulings, and decisions; and

WHEREAS, there has been presented before the Board a form of Second Amendment to Amended and Restated Indenture (the "Second Amendment to Indenture") proposed to be entered into between Minnesota State and the Trustee, which further amends the Indenture to reflect the change in Minnesota State's nickname and to permit compliance with the additional requirements under Rule 15c2-12 and amendment of the Indenture necessitated by changes in any other applicable State and federal laws, regulations, rulings, and decisions; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of Minnesota State as follows:

1. The Board hereby approves the Second Amendment to Indenture substantially in the form presented to the Board and hereby authorizes and directs the Vice Chancellor (or the official of Minnesota State whose functions are those of a chief financial officer) or his or her designee (the "Vice Chancellor") to execute and deliver the Second Amendment to Indenture on behalf of Minnesota State, and to carry out, on behalf of Minnesota State, Minnesota State's obligations thereunder when all conditions precedent thereto have been satisfied.

2. All of the provisions of the Second Amendment to Indenture, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The approval hereby given to the Second Amendment to Indenture includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as do not materially change the substance thereof, and as the Vice Chancellor, in his or her discretion, shall determine, and the execution thereof by the Vice Chancellor shall be conclusive evidence of such determinations.

3. Upon execution and delivery of the Second Amendment to Indenture, the officers and employees of Minnesota State are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of Minnesota State to implement the Second Amendment to Indenture, when all conditions precedent thereto have been satisfied.

4. The Board hereby determines that the execution, delivery, and performance of the Second Amendment to Indenture will help realize the public purposes of the Act.

Approved by the Board of Trustees of Minnesota State Colleges and Universities this ____ day of _____, 2019.

**ATTACHMENT 5
Fourth Draft
Tuesday, May 7, 2019**

SERIES RESOLUTION

OF

THE BOARD OF TRUSTEES

OF THE

MINNESOTA STATE COLLEGES AND UNIVERSITIES

RELATING TO

REVENUE FUND BONDS
SERIES 2019A

FIRST READING: May [21], 2019
ADOPTED: June [18], 2019

**Kennedy & Graven, Chartered (SEL)
470 US Bank Plaza
200 South Sixth Street
Minneapolis, Minnesota 55402**

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RESOLUTION

BE IT RESOLVED by the Board of Trustees (the “Board”) of the Minnesota State Colleges and Universities (the “Issuer” or “Minnesota State”) as follows:

WITNESSETH

WHEREAS:

1. Minnesota State is a public higher education system of the State of Minnesota duly created and existing under Minnesota Statutes, Chapter 136F, as amended (the “Act”), having the rights, powers, privileges and duties provided in the Act, including those set forth in the Master Indenture (defined herein).

2. In accordance with the terms of an Amended and Restated Master Indenture of Trust, dated as of June 1, 2009, as amended by a First Amendment to the Amended and Restated Indenture, dated as of March 1, 2013, as further amended by a Second Amendment to Amended and Restated Indenture, dated as of [] 1, 2019 (together, as amended, the “Master Indenture”), Minnesota State and U.S. Bank National Association, a national banking association, as trustee (the “Trustee”), have agreed to the terms and conditions governing the issuance, sale, and delivery of Revenue Fund Bonds.

3. All terms capitalized but not otherwise defined herein have the meanings assigned to those terms in the Master Indenture.

4. The Board has determined that the potential debt service savings with respect to certain outstanding Revenue Fund Bonds of Minnesota State make it necessary and desirable for Minnesota State to issue its Revenue Fund Bonds in an original aggregate principal amount of up to \$19,045,000 consisting of its Revenue Fund Bonds, Series 2019A (the “Series 2019A Bonds”), and to use the proceeds of the Series 2019A Bonds for the following purposes: (i) to the extent that appropriate savings will be realized, fund the current refunding of the outstanding Series 2009A Bonds; (ii) fund the Debt Service Reserve Account in the amount of the Reserve Requirement; and (iii) pay certain costs of issuing the Series 2019A Bonds.

5. The execution and delivery of this Series Resolution and the issuance of the Series 2019A Bonds have been in all respects duly and validly authorized by the Issuer.

6. All things necessary to make the Series 2019A Bonds, when authenticated by the Trustee and issued and secured as provided in the Master Indenture and this Series Resolution, the valid, binding, and legal limited obligations of the Issuer according to the import thereof have been done and performed; and the creation, execution, and delivery of this Series Resolution, and the creation, execution, and issuance of the Series 2019A Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS, THIS SERIES RESOLUTION WITNESSETH:

The Issuer, in consideration of the premises and the purchase and acceptance of the Series 2019A Bonds by the Holders thereof, in order to secure the payment of the principal of, interest on, and premium, if any, on the Series 2019A Bonds according to their tenor and effect, does hereby grant a security interest in and assign to the Holders of the Series 2019A Bonds and all Revenue Fund Bonds (other than Subordinate Bonds) issued pursuant to the Master Indenture and any Series Resolution (including this Series Resolution), and to the beneficiaries of any Senior Guarantees, regardless of when such Senior Bonds or Senior Guarantees were or are issued, on an equal and parity basis, except as expressly stated below, the following:

FIRST

The “Net Revenues” as defined in the Master Indenture as heretofore amended and as amended by this Series Resolution; and

SECOND

All proceeds, earnings, and investment income derived from the foregoing (except Rebate Amounts);

PROVIDED that:

First, the foregoing equal and ratable parity pledge shall not extend to Subordinate Bonds which shall be secured solely by money held in the Surplus Account as provided in the Master Indenture; and

Second, the proceeds of any Credit Enhancement Instrument issued to secure a particular Series of Revenue Fund Bonds shall benefit only that Series of Revenue Fund Bonds and the proceeds of such Credit Enhancement Instrument shall not be applied for the benefit of or payment of any other Series of Revenue Fund Bonds; and

Third, money applied to the payment of Revenue Fund Bonds and Senior Guarantees shall be withdrawn from the funds and accounts created by the Master Indenture strictly in the order of priority set forth therein.

SUCH PLEDGE having been made, upon the terms and trusts herein set forth for the equal and proportionate benefit, security, and protection of all Holders from time to time of the Revenue Fund Bonds, and all Senior Bonds and Senior Guarantees heretofore issued and to be issued under and secured by the Master Indenture and this Series Resolution and other Series Resolutions (but excluding Subordinate Bonds) without privilege, priority, or distinction as to lien or otherwise of any of such bonds or guarantees over any of the others except as otherwise provided therein and herein.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or provide fully for payment as herein provided of the principal of the Series 2019A Bonds and the interest due or to become due thereon (together with premium, if any), at the time and in the manner set forth in the Series 2019A Bonds according to the true intent and meaning thereof, and shall well and truly keep, perform, and observe all the covenants and conditions pursuant to the terms of the Master Indenture and this Series Resolution to be kept, performed, and observed by it, and shall pay to the Registrar and Paying Agent all sums of money due or to become due in accordance with the terms and provisions of the Master Indenture and this Series Resolution as from time to time supplemented, then this Series Resolution and the rights hereby granted shall cease, terminate, and be void except as otherwise provided herein; otherwise, the Master Indenture and this Series Resolution shall be and remain in full force and effect.

UNDER THE PROVISIONS OF THE ACT and the Series Resolution, the Series 2019A Bonds may not be payable from or be a charge upon any funds of the Issuer or the State other than the revenues pledged to the payment thereof nor shall the Issuer or State be subject to any pecuniary liability thereon except from money expressly pledged, and no Holder or Holders of the Series 2019A Bonds shall ever have the right to compel any exercise of the taxing power of the Issuer or the State to pay any Revenue Fund Bond or the interest and premium, if any, thereon, or to enforce payment thereof against any property of the Issuer or the State, except as above provided; the Series 2019A Bonds shall not constitute a charge, lien,

or encumbrance, legal or equitable, upon any property of the Issuer, except as above provided; but nothing in the Act impairs the rights of Holders of Series 2019A Bonds issued under the Master Indenture and this Series Resolution and any other Series Resolutions and the beneficiaries of Senior Guarantees to enforce the covenants made for the security thereof, to the extent specifically provided herein, for the equal and proportionate benefit of all Holders of the Series 2019A Bonds, all other Revenue Fund Bonds, and the beneficiaries of Senior Guarantees, as follows:

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ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions. All terms capitalized but not otherwise defined in this Series Resolution shall have the meanings assigned to such terms in the Master Indenture. In this Series Resolution the following terms have the following respective meanings unless the context hereof clearly requires otherwise.

Authorized Denomination means \$5,000, or any integral multiple thereof.

Board means the Board of Trustees of Minnesota State.

Closing Certificate means a certificate of Minnesota State executed by an Authorized Representative reflecting the final principal amounts, maturity dates, interest rates, and sinking fund redemption dates of the Series 2019A Bonds, based on the winning bid of the Original Purchaser accepted by Minnesota State with respect to the Series 2019A Bonds, as well as the allocation of the proceeds of the Series 2019A Bonds among the various funds, accounts, and subaccounts established by the Master Indenture and this Series Resolution.

Interest Payment Date means, with regard to the Series 2019A Bonds, each April 1 and October 1, commencing April 1, 2020.

Master Indenture means the Amended and Restated Master Indenture of Trust, dated as of June 1, 2009, as amended from time to time, relating to the Revenue Fund Bonds issued by Minnesota State from time to time.

Maturity Date means any date on which principal of or interest and premium, if any, on the Series 2019A Bonds is due, whether at maturity, on a scheduled Interest Payment Date, or upon redemption or acceleration, or otherwise.

Minnesota State or the Issuer means the Board of Trustees of the Minnesota State Colleges and Universities, or any successor to its functions.

Original Purchaser means the original purchaser of the Series 2019A Bonds, as determined after the acceptance of the bids in accordance with a competitive sale of the Series 2019A Bonds, as identified in the Closing Certificate.

Prior Bonds means all bonds issued and secured under the Master Indenture prior to the issuance of the Series 2019A Bonds.

Rating Agency means Moody's Investors Service, Standard & Poor's Global Ratings, or Fitch Ratings, or any other nationally-recognized credit rating agency which has been solicited to issue a rating on, and has issued a rating on, the Series 2019A Bonds; and with respect to the credit rating (claims payment ability rating) of an insurance company, A.M. Best & Company or any other nationally-recognized credit rating agency rating the claims payment ability of insurance companies.

Refunded Bonds means the Series 2009A Bonds.

Registrar and Paying Agent means U.S. Bank National Association, a national banking association.

Revenue Fund Bonds means, collectively, the Prior Bonds and the Series 2019A Bonds.

Series Resolution means this Series Resolution, adopted on June [18], 2019, by the Board.

Series 2009A Bonds means the Revenue Fund Bonds, Series 2009A, issued by Minnesota State on June 18, 2009, in the original principal amount of \$31,770,000 and currently outstanding in the principal amount of \$20,595,000.

Series 2019A Bonds means the Revenue Fund Bonds, dated as of the date of delivery, to be issued by Minnesota State in accordance with the terms and conditions of this Series Resolution in an original aggregate principal amount not to exceed \$19,045,000, consisting of the Revenue Fund Bonds, Series 2019A.

Term Bonds means the Series 2019A Bonds identified as such pursuant to Section 2.3(2) hereof and the Closing Certificate, if any.

Trustee means U.S. Bank National Association, a national banking association, its successors and assigns.

Section 1.2 Effect of this Series Resolution.

(a) Except as expressly supplemented or amended by this Series Resolution, all of the terms and provisions of the Master Indenture, as heretofore amended, shall apply to the Series 2019A Bonds.

(b) To the extent of any inconsistency between the terms and provisions of this Series Resolution and the terms and provisions of the Master Indenture, this Series Resolution shall control. Except as provided in the preceding sentence, the terms and provisions of this Series Resolution shall be construed with the terms and provisions of the Master Indenture so as to give the maximum effect to both.

(c) This Series Resolution shall take effect on the date of issue of the Series 2019A Bonds.

(d) The Rules of Interpretation stated in Section 2.02 of the Master Indenture shall apply to this Series Resolution.

Section 1.3 Exhibits. The following Exhibits are attached to and by reference made a part of this Series Resolution:

- (1) EXHIBIT A — Form of Series 2019A Bonds;
- (2) EXHIBIT B — Annual Report Information; and
- (3) EXHIBIT C — Blanket Issuer Letter of Representation.

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ARTICLE 2

THE SERIES 2019A BONDS

Section 2.1 The Series 2019A Bonds.

- (A) The Series 2019A Bonds shall be issued:
- (1) as Tax-Exempt Revenue Fund Bonds;
 - (2) in Book-Entry Form; and
 - (3) as Revenue Fund Bonds bearing interest at a fixed rate of interest.

The Series 2019A Bonds are to be issued in the aggregate principal amount not to exceed \$19,045,000, with the actual principal amount issued to be identified in the Closing Certificate relating to the Series 2019A Bonds. The total principal amount of Series 2019A Bonds which may be Outstanding hereunder is expressly limited to the amount identified in the Closing Certificate relating to the Series 2019A Bonds unless duplicate Series 2019A Bonds are issued as provided in Section 2.12 of the Master Indenture. The Series 2019A Bonds shall be issued in Authorized Denominations and in substantially the form in EXHIBIT A hereto, with such variations, additions, or deletions as may be appropriate to conform the terms of such Series 2019A Bonds to the terms of this Article 2.

The Vice Chancellor-Chief Financial is hereby authorized to provide for the sale of the Series 2019A Bonds by a competitive sale pursuant to Section 2.18(a) of the Master Indenture. The Vice Chancellor-Chief Financial Officer or another Authorized Representative is authorized to complete the Closing Certificate for the Series 2019A Bonds to establish their specific terms on the basis of the highest and best bid meeting the criteria established herein and in the Master Indenture. The maximum discount at which the Original Purchaser may purchase the Series 2019A Bonds is one and one-half percent (1.5%) of par.

(B) Upon issuance, the net proceeds of the Series 2019A Bonds (the original principal amount thereof, plus any premium or less any discount allowed to the Original Purchaser) shall be deposited into such accounts as shall be determined by the Issuer in the Closing Certificate. A portion of the amount deposited in the Capital Expenditures Account, in the amount stated in said Closing Certificate, shall be applied to pay the costs of issuing the Series 2019A Bonds.

Section 2.2 Initial Issue. The Series 2019A Bonds shall be initially issued in the aggregate principal amount set forth in the Closing Certificate relating to the Series 2019A Bonds and shall include the following terms.

- (1) The Series 2019A Bonds shall be initially dated as of the date of delivery, and thereafter, for any Series 2019A Bonds issued in exchange for any initial Series 2019A Bond or previously exchanged for such initial Series 2019A Bond, shall be dated the date to which interest has been paid on such Series 2019A Bond surrendered for exchange, as provided in Section 2.6(a) of the Master Indenture.
- (2) The Series 2019A Bonds shall be issued in Book-Entry Form and delivered by the Original Purchaser to the Depository as set forth in Section 2.15 of the Master Indenture.

(3) The Series 2019A Bonds shall mature on October 1 in the years and amounts set forth in the Closing Certificate, as provided in the Closing Certificate.

(4) Interest shall accrue on the Series 2019A Bonds from the date of issuance until the principal amount is paid or payment is duly provided for in accordance with this Series Resolution, and shall be payable on each Interest Payment Date. Interest accrued on any Series 2019A Bond or portion thereof redeemed pursuant to Section 2.3(A) and Section 2.4 hereof shall also be payable on the redemption date as to Series 2019A Bonds called for redemption. The Series 2019A Bonds shall mature on October 1 in the years and in the amounts, and bear interest at the rate or rates, set forth in the Closing Certificate. Interest on the Series 2019A Bonds shall be computed at the rates set forth in the Closing Certificate based on a 360-day year of twelve, 30-day months, for the actual number of complete months, and of days less than a complete month, and shall not exceed a true interest cost of three and one-half percent (3.50%) per annum.

(5) The Series 2019A Bonds shall be payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, at the principal trust office of the Trustee, or a duly appointed successor Trustee, except that interest on the Series 2019A Bonds shall be payable by check or draft mailed by the Trustee to the Holders of such Series 2019A Bonds on the applicable Regular Record Date (the "Record Date Holders") at the last addresses thereof as shown in the Bond Register on the applicable Regular Record Date, provided that interest shall be paid to a Holder of \$1,000,000 or more of the principal amount of the Series 2019A Bonds outstanding by electronic funds transfer if such Holder so requests in writing in a form acceptable to the Paying Agent and principal of and any premium on any Series 2019A Bonds shall be payable at the principal office of the Trustee.

(6) The Series 2019A Bonds shall be subject to redemption upon the terms and conditions and at the prices specified in Section 2.3(A) and Section 2.4 hereof.

Notwithstanding the foregoing, if the date for payment of the principal of, premium, if any, or interest on any Series 2019A Bond shall be a day which is not a Business Day, then the date for such payment shall be the next succeeding day which is a Business Day, and payment on such later date shall have the same force and effect as if made on the nominal date of payment. The Series 2019A Bonds shall be delivered by the Trustee to the Original Purchaser thereof upon receipt by the Issuer and, if applicable, the Trustee, of the items listed in Section 2.13 of the Master Indenture, and satisfaction by the Issuer of the conditions stated in Section 2.5 of the Master Indenture.

Section 2.3 Redemption.

(A) Pursuant to the provisions of Section 3.1 of the Master Indenture and 2.4 hereof, the Series 2019A Bonds are subject to redemption prior to maturity as follows:

(1) *Damage or Destruction or Condemnation.* In the event of damage to or destruction of any Facility, in whole or part, the Series 2019A Bonds are subject to redemption in whole or in part at the principal amount thereof plus accrued interest to the date of redemption, without premium, on the first day of any month for which timely notice of redemption can be given, whether or not an Interest Payment Date, from the proceeds of any insurance claim payment or condemnation award or portion thereof not applied to repair, restore, or replace the damaged or taken Facility.

(2) *Scheduled Mandatory Redemption.* The Series 2019A Bonds are subject to mandatory redemption prior to maturity by mandatory sinking fund installments in the amounts and on the dates reflected in the Closing Certificate.

(3) *Optional Redemption.* The Series 2019A Bonds are not subject to optional redemption and prepayment prior to their stated maturity date.

(4) *Excess Proceeds Redemption.* If, upon the earlier of either (i) the payment of all costs of issuing the Series 2019A Bonds, or (ii) the redemption of the Series 2009A Bonds on October 1, 2019, proceeds of the Series 2019A Bonds remain in the related subaccount in the Capital Expenditures Account, such excess shall be transferred to the Escrow Account and applied to the redemption of the Series 2019A Bonds, to the extent of the funds so transferred, at their principal amount, plus interest accrued to the redemption date, without premium, on the first day of the next succeeding month for which timely notice of redemption can be given.

(B) No Other Redemption Prior to Maturity. Except as provided in Section 2.3 herein, the Series 2019A Bonds shall not be subject to redemption prior to their stated maturity date.

Section 2.4 Method of Redemption for the Series 2019A Bonds.

(1) To effect the redemption of the Series 2019A Bonds under Section 2.3(A)(1) or (4), the Issuer, at least forty (40) days before the redemption date, shall notify the Trustee of its intention to effect such redemption. The funds required for such redemptions shall be provided to the Trustee at least three (3) business days before the redemption date.

(2) The Trustee, on or before the thirtieth day preceding any specified redemption date, shall select the Series 2019A Bonds of the applicable series to be redeemed. In the event and to the extent the Series 2019A Bonds are redeemed in part, the outstanding amounts shown on the tables in those Sections and the serial maturities of the applicable series of Series 2019A Bonds shall be reduced as the Issuer shall direct in its notice to the Trustee. In the absence of such direction, the Trustee shall make such selection which may include random selection by lot.

(3) The Trustee shall give notice of redemption of Series 2019A Bonds mailed not less than thirty (30) days prior to the redemption date by mailing a written notice of redemption, first class mail, postage prepaid, to the Holders of the Series 2019A Bonds to be redeemed at the addresses for such Holders shown on the books of the Registrar, and by sending such notice by electronic mail to the Holders of Series 2019A Bonds for whom the Registrar has an electronic mail address, and by sending a notice of such redemption to each Depository in the same manner as an “event notice” under Section 4.5(B)(2) hereof.

(4) To effect the partial redemption of Series 2019A Bonds under Section 2.3(A) after receipt by the Trustee of notice from the Issuer, as provided herein, the Trustee, prior to giving notice of redemption, shall assign to each Series 2019A Bond of the applicable Series then Outstanding a distinctive number for each Authorized Denomination of the principal amount of such Series 2019A Bond. The Trustee shall then, using such method of selection consistent with subsection (2), from the numbers so assigned to such Series 2019A Bonds, select as many numbers as, at the Authorized Denomination for each number, shall equal the principal amount of such Series 2019A Bonds to be redeemed. The Series 2019A Bonds to be redeemed shall be the Series 2019A Bonds to which were assigned numbers so selected; provided that if, as a result of partial redemption there is a Series 2019A Bond outstanding in a principal amount less than the Authorized Denomination, such Series 2019A Bond shall be redeemed first at the next succeeding redemption

date and the Trustee shall provide a written notice to that effect to the affected Holder and the Original Purchaser.

(5) As soon as Series 2019A Bonds are called for redemption pursuant to this Section 2.4, sums in the Escrow Account in the Revenue Fund sufficient to effect such redemption shall be irrevocably set aside for such purpose and applied for no other purpose under this Series Resolution.

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ARTICLE 3

ADDITIONAL PROVISIONS RELATING TO THE SERIES 2019A BONDS – SUBACCOUNTS

Section 3.1 Series 2019A Revenue Receipts Subaccount. Minnesota State is hereby directed to create a Series 2019A Revenue Receipts Subaccount pursuant to the Master Indenture. All payments derived from the Facilities financed or refinanced by the Series 2019A Bonds shall be deposited to the Series 2019A Revenue Receipts Subaccount.

Section 3.2 Series 2019A Debt Service Subaccount. The Trustee is hereby directed to create a Series 2019A Debt Service Subaccount pursuant to the Master Indenture. Net Revenues held in the Series 2019A Revenue Receipts Subaccount shall be transferred by Minnesota State on each March 1 and September 1 to the Trustee for deposit to the Series 2019A Debt Service Subaccount, and there applied prior to the use of any other funds, to pay principal of, interest on, and redemption price of Series 2019A Bonds.

Section 3.3 Series 2019A Capital Expenditure Subaccount. The Trustee is hereby directed to create a Series 2019A Capital Expenditure Subaccount pursuant to the Master Indenture, and therein a Cost of Issuance Subaccount and a Refunding Subaccount, and to deposit proceeds of the Series 2019A Bonds therein as described in Section 2.1 and Section 3.3 hereof and in the Closing Certificate relating to the Series 2019A Bonds.

(A) Cost of Issuance Subaccount. Certain proceeds of the Series 2019A Bonds, along with other available funds of Minnesota State in the amounts to be set forth in the Closing Certificate relating to the Series 2019A Bonds, shall be deposited in the Cost of Issuance Subaccount of the Series 2019A Capital Expenditure Subaccount and applied to pay the costs of issuing the Series 2019A Bonds.

(B) Refunding Subaccount. Certain proceeds of the Series 2019A Bonds, along with the funds on deposit in the Debt Service Reserve Subaccount and the Debt Service Subaccount established for the Series 2009A Bonds, and other available funds of Minnesota State in the amounts to be set forth in the Closing Certificate relating to the Series 2019A Bonds, sufficient to redeem the Series 2009A Bonds on October 1, 2019, shall be deposited in the Refunding Subaccount of the Series 2019A Capital Expenditure Subaccount. The funds in the Refunding Subaccount shall be applied by the Trustee to the redemption and prepayment of the Series 2009A Bonds.

Section 3.4 Establishment of Subaccounts. Minnesota State and the Trustee may, for ease of administration, establish additional subaccounts within any of the accounts held and maintained by them hereunder and under the Master Indenture, and shall establish such subaccounts as are necessary to: (a) separate accounts for debt service on Tax Exempt Revenue Fund Bond and Taxable Revenue Fund Bonds; (b) distinguish funds held for the benefit of different Institutions; (c) hold funds to be paid to a Credit Enhancer; (d) hold funds to be paid pursuant to Senior Guarantees; and (e) comply with Section 136F.94(b) of the Act.

ARTICLE 4

SERIES COVENANTS

Section 4.1 Payment of Principal, Purchase Price, Premium and Interest. Solely from the Net Revenues and sums held in the Accounts in the Revenue Fund, the Issuer will duly and punctually pay the principal of, premium, if any, and interest on the Series 2019A Bonds in accordance with the terms of the Series 2019A Bonds, the Master Indenture and this Series Resolution. Nothing in the Series 2019A Bonds or in this Series Resolution shall be considered as assigning or pledging funds or assets of the Issuer other than those expressly pledged to secure the Series 2019A Bonds (and other Senior Bonds and Senior Guarantees) set forth in the Master Indenture, as supplemented by this Series Resolution.

Section 4.2 Performance of and Authority for Covenants. The Issuer covenants that it will faithfully perform at all times any and all of its covenants, undertakings, stipulations, and provisions contained in the Master Indenture and this Series Resolution, in any and every Series 2019A Bond executed, authenticated, and delivered hereunder, and in all proceedings of Minnesota State pertaining thereto; that it is duly authorized under the Constitution and laws of the State of Minnesota including, particularly and without limitation, the Act to issue the Series 2019A Bonds authorized hereby, to adopt this Series Resolution, to apply a portion of the proceeds of the Series 2019A Bonds to redeem and prepay the Refunded Bonds, and to pledge the Net Revenues and money held in the Revenue Fund and its Accounts equally and ratably to secure the Series 2019A Bonds (and other Senior Bonds and any Senior Guarantees), in the manner and to the extent set forth in the Master Indenture and herein; that all action on its part for the issuance of the Series 2019A Bonds and the execution and delivery of this Series Resolution has been duly and effectively taken; and that the Series 2019A Bonds in the hands of the Holders thereof are and shall be valid and enforceable obligations of the Issuer according to the terms thereof.

Section 4.3 Books and Records. The Registrar and Paying Agent will, so long as any Outstanding Series 2019A Bonds issued hereunder shall be unpaid, keep proper books or records and accounts, in which full, true, and correct entries will be made of all its financial dealings or transactions in relation to the Series 2019A Bonds. At reasonable times and under reasonable regulations established by the Registrar and Paying Agent, such books shall be open to the inspection of the Original Purchaser, the Holders, and such accountants or other agencies as the Registrar and Paying Agent may from time to time designate.

Section 4.4 Bondholders' Access to Bond Register. At reasonable times and under reasonable regulations established by the Registrar and Paying Agent, the Bond Register or a copy thereof may be inspected and copied by Holders (or a designated representative thereof) of twenty-five percent (25%) or more in principal amount of the then Outstanding Series 2019A Bonds, such authority of any such designated representative to be evidenced to the satisfaction of the Registrar and Paying Agent. Except as otherwise may be provided by law, the Bond Register shall not be deemed a public record and shall not be made available for inspection by the public, unless and until notice to the contrary is given to the Registrar and Paying Agent by the Issuer.

Section 4.5 Continuing Disclosure.

(A) Purpose; Definitions. Disclosure of information about the Series 2019A Bonds shall be made as provided in this Section. This Section is intended for the benefit of the Holders of the Series 2019A Bonds.

For the purposes of this Section, the following terms shall have the following meanings:

(1) *EMMA* means the Electronic Municipal Market Access system operated by the MSRB and designated by the SEC as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule (Website: <http://emma.msrb.org/>).

(2) *Financial Obligation* means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a Financial Obligation as described in clause (a) or (b). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(3) *Holder* means the person in whose name a Revenue Fund Bond is registered or a beneficial owner of such a Revenue Fund Bond.

(4) *MSRB* means the Municipal Securities Rulemaking Board.

(5) *Obligated Person* means:

(a) the Issuer; and

(b) any person who provides ten percent (10%) or more of the Net Revenues securing the Revenue Fund Bonds (but an Institution shall not be deemed a person independent of the Issuer); and

provided that “Obligated Person” shall not mean a Credit Enhancer.

(6) *Revenue Fund Bonds* means the Prior Bonds and the Series 2019A Bonds.

(7) *Rule* means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

(8) *SEC* means the Securities and Exchange Commission, and any successor thereto.

(9) *Series 2019A Bonds* means the Revenue Fund Bonds issued pursuant to this Series Resolution.

(B) Periodic and Occurrence Notices. Except to the extent this subsection (B) is modified or otherwise altered in accordance with subsection (F) below, the Registrar and Paying Agent or Financial Advisor on behalf of the Issuer shall make or cause to be made public, as provided in subsection (D) below, the information set forth in subsections (1), (2), and (3) below:

(1) Periodic Reports.

(a) the annual audited financial statements for the Revenue Fund of the Issuer; and

(b) annual financial information as to each Obligated Person (subject to subsection (E)(1) below); and

(c) an Annual Disclosure Report in substantially the form of Exhibit B hereto disclosing financial and operating data of the type disclosed in the Official Statement relating to the Series 2019A Bonds; provided that the form of Annual Disclosure Report shall be amended or changed each year so as to fairly and accurately present financial and operating data required to be disclosed under the Rule.

(2) Occurrence Notices. The Issuer shall give, or shall cause to be given notice of the occurrence of any of the following events within a timely manner, not in excess of ten (10) business days, after the occurrence of the event, and in accordance with the Rule, by filing such notice with the MSRB, in an electronic format prescribed by the MSRB:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Senior Bonds, or other material events affecting the tax status of the Senior Bonds;
- (g) modifications to rights of Holders, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution or sale of property securing repayment of the Senior Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Obligated Person;
- (m) consummation of a merger, consolidation, or acquisition involving an Obligated Person, the or sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect Holders, if material; and

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

(3) Notice of Failure to Provide Information. In the event the information described in (1) or (2) above is not made public as required by this Section, such failure shall itself be made public by a notice filed with the MSRB.

(C) Information Provided to the Public.

(1) The Registrar and Paying Agent on behalf of the Issuer shall make public every communication which the Registrar and Paying Agent is required to make (or is permitted to make and in fact makes) to Holders, in each case in accordance with subsection (D) and on the same day such communication is transmitted to Holders hereunder.

(2) The Registrar and Paying Agent on behalf of the Issuer shall make public in accordance with subsection (D) and within the time frame set forth in subsection (3) below, the following, but only to the extent information is actually known by the Issuer or Registrar and Paying Agent or is within the possession, custody or control of the Issuer or Registrar and Paying Agent:

(a) all information which the Registrar and Paying Agent on behalf of the Issuer has agreed to make public under subsections (1), (2), and (3) of subsection (B); and

(b) such other information which the Issuer shall in writing request to be made public, so long as such information is permitted by law to be made public.

(3) (a) The Registrar and Paying Agent, on behalf of the Issuer, shall make public the periodic information described in subsection (B)(1), within thirty (30) days after receipt by the Registrar and Paying Agent of each annual audited financial statement of the Issuer.

(b) The Registrar and Paying Agent shall, within three (3) business days of obtaining actual knowledge of the occurrence of any of the events described in subsection (B)(2) contact the Issuer, inform the Issuer of the event, and request that the Issuer promptly notify the Dissemination Agent in writing whether or not the event is required to be reported. If the Registrar and Paying Agent has been instructed by the Issuer to report the occurrence, the Registrar and Paying Agent shall file a notice of such occurrence with the MSRB with a copy to the Issuer. Notwithstanding the foregoing, notice of an event described in subsection (B)(2)(d) and (e) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Holders of affected Bonds pursuant to the Master Indenture.

(D) Means of Making Information Public. The SEC has designated the EMMA system operated by the MSRB as the nationally recognized municipal securities information repository and the exclusive portal for complying with continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB or the SEC, the Registrar and Paying Agent and/or Dissemination Agent shall make all filings required under this Section 4.5 solely with EMMA.

(E) Obligated Persons; Financial Information.

(1) In making information about Obligated Persons which file financial information with the SEC or the MSRB public, the Issuer may, for each Obligated Person that has complied or will comply with the next sentence, disclose financial information about such Obligated Person by cross-reference to information on file with, and publicly available from, the SEC or the MSRB. The Issuer shall cause each such Obligated Person to provide an annual notice stating (a) where its annual reports have been filed, and (b) that the annual reports so filed constitute its annual financial information as an Obligated Person hereunder. Annually the Issuer shall provide to each such Obligated Person a form of such notice and shall direct that such notice be executed by the Obligated Person and returned to the Issuer. In the event such Obligated Person fails or refuses to provide the executed notice, the Issuer shall provide to the Registrar and Paying Agent a notice stating (a) the identity of such Obligated Person and the fact that such Obligated Person has failed and refused to provide the annual notice required by this subsection, and (b) if known to the Issuer, the place where annual financial information about such Obligated Person may be found. The Issuer shall then provide all such notices to the Registrar and Paying Agent concurrently with delivery of the Issuer's annual financial statements and shall direct the Registrar and Paying Agent to forward such notices to the MSRB.

(2) In determining whether a specific person is an "Obligated Person" who provides ten percent (10%) or more of the Net Revenues securing the Revenue Fund Bonds, the Institution shall

(a) aggregate all contracts executed by such person;

(b) aggregate all buildings or structures, or portions thereof, owned, leased, or operated by such person; and

(c) aggregate all entities under common control or ownership.

(3) The Issuer shall determine who are Obligated Persons for each fiscal year and disclose in the Annual Disclosure Report the identity of each such Obligated Person; the disclosure relating to the identity of Obligated Persons in each Annual Disclosure Report shall be for the same fiscal year as that covered by the audited financial statement of the Issuer made public concurrently with the Annual Disclosure Report.

(4) Financial information about the Issuer, and about each Obligated Person, shall be prepared in accordance with, as applicable, generally accepted accounting principles, accounting principles applicable to state and local governments and agencies, or for persons whose equity or debt securities are registered with the State, the accounting principles then in effect governing filings of financial information with the SEC. Financial information about Obligated Persons who are public entities shall be prepared in accordance with Financial Accounting Standards Board principles as modified by Government Accounting Standards Board principles and by the accounting principles then applied by the Minnesota State Auditor, if applicable.

(F) Amendment of this Section. This Section shall be subject to modification or amendment as provided in Sections 10.2, 10.3, and 10.4 of the Master Indenture. In addition to the requirements and limitations of the Master Indenture, no modification or amendment of this Section shall be made unless:

(1) the amendment or modification is made in connection with a change of circumstance arising from a change of legal requirements, change in law, or change in the identity, nature, or status of the Obligated Person(s); and

(2) this Section, as amended or modified, would have complied with the Rule on the date of issue of the Series 2019A Bonds, taking into account any subsequent amendments or interpretations of the Rule and any change of circumstances.

The Registrar and Paying Agent and the Issuer may rely in good faith upon an opinion of counsel familiar with the law governing disclosure in connection with municipal securities as to compliance with the requirements of this Section and of the Rule.

Section 4.6 Resignation or Removal of Registrar and Paying Agent. Notwithstanding anything to the contrary contained herein or in the Master Indenture, the Registrar and Paying Agent shall not resign or be removed until a successor Registrar and Paying Agent has been appointed. The Issuer shall promptly (within thirty (30) days) appoint a successor Registrar and Paying Agent upon the resignation or removal of the then serving Registrar and Paying Agent. Any successor Registrar and Paying Agent shall be a financial institution having trust powers and a capital and surplus of not less than \$50,000,000.

Section 4.7 Compliance with DTC Requirements. So long as the Series 2019A Bonds are held in Book-Entry Form at The Depository Trust Company, as Depository, the Registrar and Paying Agent shall comply with the provisions of the Blanket Letter of Representations between the Issuer and The Depository Trust Company, and shall also comply with the letter from the Issuer to The Depository Trust Company dated _____, 2019, and attached hereto as Exhibit C.

Section 4.8 Notices to Rating Agency. Annually, at or about the time that the Issuer provides its Annual Disclosure Report pursuant to Section 4.5 hereof, the Issuer shall provide the same information to each Rating Agency then maintaining a rating in effect for the Series 2019A Bonds. In addition, the Issuer shall provide to such Rating Agencies such other information relating to the Series 2019A Bonds, all other Revenue Fund Bonds issued under the Master Indenture, and the Revenue Fund, as they may reasonably request.

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EXHIBIT A

FORM OF SERIES 2019A BOND

R-___

\$_____

**UNITED STATES OF AMERICA
STATE OF MINNESOTA**

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES
REVENUE FUND BOND
SERIES 2019A**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	October 1, 20__	August __, 2019	60414F __

Registered owner: Cede & Co.

Stated Principal Amount: _____ **DOLLARS**

KNOW ALL MEN BY THESE PRESENTS that Board of Trustees, Minnesota State Colleges and Universities (the "Issuer"), for value received, acknowledges itself to be specially indebted and promises to pay to the registered owner named above, or registered assigns, but only from the sources specified herein, the Stated Principal Amount specified above on the maturity date specified above, with interest thereon from the date hereof at the annual rate specified above, payable semiannually on April 1 and October 1 in each year, commencing April 1, 2020, to the person or entity in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) preceding the date on which the interest is payable (all subject to the provisions hereof with respect to the redemption of this Bond prior to the maturity date specified above). The interest hereon and, upon presentation and surrender hereof at maturity or upon earlier redemption, the principal hereof, are payable in lawful money of the United States of America, by check or draft issued on each interest payment date by U.S. Bank National Association, in Saint Paul, Minnesota (the "Trustee"), which has been designated as Registrar and Paying Agent for the Revenue Fund Bonds; or at the office of such successor, if any, to said bank as may be designated by the Issuer in accordance with the Master Indenture.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Master Indenture until the Certificate of Authentication hereon shall have been executed by the Registrar and Paying Agent by the manual signature of one of its authorized representatives.

This Bond is one of a Series in the Stated Principal Amount of \$_____, each of like date and tenor except as to registration number, interest, maturity date, redemption privilege, and denomination, issued for the purpose of redeeming and prepaying certain outstanding obligations of the Issuer. The Revenue Fund Bonds of this Series are issued under authority of, and in strict conformity with, the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapter 136F, as amended (the "Act"), and under and pursuant to an Amended and Restated Master Indenture of Trust, dated as of

June 1, 2009, as amended (the “Master Indenture”), between the Issuer and the Trustee, and a Series Resolution adopted by the Issuer on June [18], 2019 (the “Series Resolution”).

Under the Act and the Master Indenture, the principal of and interest on this Bond are payable solely from and secured by an irrevocable pledge of certain Net Revenues (as defined in the Master Indenture) to be derived by the Issuer from the operation of certain revenue producing Facilities of the System which have been pledged and appropriated to the Debt Service Account in the Issuer’s Revenue Fund, on a parity as to both principal and interest with certain other Senior Bonds heretofore or hereafter issued under and pursuant to the Master Indenture, and are further secured by a Reserve Requirement required to be established and maintained in the Debt Service Reserve Account. All covenants and provisions made for the payment and security of Revenue Fund Bonds payable from the Debt Service Account are set forth in the Master Indenture which is available for inspection by the registered owner of this Bond at the Issuer’s administrative office in Saint Paul, Minnesota, and which is incorporated herein by reference.

This Bond is not a general obligation of the Issuer, and the full faith and credit of the Issuer is not pledged for its payment. The Issuer has no taxing authority. This Bond does not constitute a debt or obligation of the State of Minnesota within the meaning or application of any constitutional or statutory limitation or provision.

Revenue Fund Bonds of this Series are not subject to optional redemption and prepayment.

[Revenue Fund Bonds of this Series maturing on October 1 in the years ____ and ____ are subject to mandatory redemption prior to maturity by mandatory sinking fund installments, and are to be redeemed by lot, at one hundred percent (100%) of the principal amount thereof plus accrued interest to the redemption date, on the following dates and in the following principal amounts:

[to be provided]]

In the event of partial or complete damage to or destruction or condemnation of any Facility, these Revenue Fund Bonds are subject to redemption in whole or in part at the principal amount thereof plus accrued interest to the date of redemption, without premium, on the first day of any month for which timely notice of redemption can be given, whether or not an Interest Payment Date, from the proceeds of any insurance claim payment or condemnation award or portion thereof not applied to repair, restore or replace the damaged or taken Facility.

Notice of redemption shall be given by first class mail, postage prepaid, mailed not less than thirty (30) days prior to the Redemption Date, to each holder of Revenue Fund Bonds to be redeemed at the address of the holder appearing in the Bond Register. No defect in or failure to give notice by mail to any holder shall affect the validity of the proceedings for redemption of any Revenue Fund Bond held by any holder to which proper notice by mail has been given. If notice by publication is required by law, the Paying Agent shall cause publication to be made in the form and at the time provided by law. All notices of redemption shall state: (i) the Redemption Date; (ii) the Redemption Price; (iii) the principal amount of Revenue Fund Bonds to be redeemed and the identification (and, in the case of partial redemption, the respective principal amounts) of the Revenue Fund Bonds to be redeemed, specifying their CUSIP number, their registration number, and Maturity Date; (iv) that on the Redemption Date, the Redemption Price will be due and payable upon each Revenue Fund Bond, and interest will cease to accrue from and after such date (unless, under a redemption conditioned on sufficient funds, such condition is not met); and (v) the place or places where such Revenue Fund Bonds are to be surrendered for payment.

The Revenue Fund Bonds of this Series are issuable only as fully registered Bonds, in Stated Principal Amounts of \$5,000 or any multiple thereof of a single maturity.

As provided in the Master Indenture and subject to certain limitations set forth therein, this Bond is transferable upon the books of the Issuer at the principal corporate trust office of the Trustee, as Registrar and Paying Agent, in Saint Paul, Minnesota, or its successor, by the registered owner hereof, in person or by his attorney, duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar and Paying Agent, duly executed by the registered owner or his duly authorized attorney, and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange, the Issuer will cause to be issued in the name of the transferee or owner a new Bond or Bonds of the same aggregate Stated Principal Amount, Series, type, maturity, interest rate and terms as the surrendered Bond, subject to reimbursement for any tax, fee or governmental charge required to be paid by the Issuer or the Registrar and Paying Agent with respect to such transfer. The Issuer and the Registrar and Paying Agent shall treat the person in whose name this Bond is registered upon the books of the Issuer as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment of or on account of the principal, redemption price or interest and for all other purposes, and all such payments so made to the registered owner or upon his order shall be valid and effectual to satisfy and discharge the Issuer's liability upon this Bond to the extent of the sum or sums so paid, and neither the Issuer nor the Registrar and Paying Agent shall be affected by any notice to the contrary.

IT IS CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to exist, to happen, and to be performed precedent to and in the issuance of this Bond in order to make it a valid and binding special obligation of the Issuer in accordance with its terms, do exist, have happened, and have been performed in due form, time and manner as so required; that prior to the issuance of this Bond, the Issuer has provided for the payment of the principal of and interest on this Bond as described herein; and that the issuance of this Bond does not cause the indebtedness of the State or the Issuer to exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed by the manual or printed facsimile signature and countersignature of its Authorized Representative, and by a manual imprint or printed facsimile of its official seal, and has caused this Bond to be dated as of the date set forth below.

Dated: _____

[Authorized Representative]

CERTIFICATE OF AUTHENTICATION

This is one of the Revenue Fund Bonds delivered pursuant to the Authorizing Resolution described within.

U.S. BANK NATIONAL ASSOCIATION

By _____
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ (Please Print or Typewrite Name and Address of Transferee) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature

Please Insert Social Security Number or Other Identifying Number of Assignee.

Notice: The signature to this assignment must correspond with the name as it appears on the face of this Bond in every particular without alteration or any change whatever.

EXHIBIT B

ANNUAL REPORT INFORMATION

The Annual Report Date will be the date that is 210 days after each fiscal year end, commencing with the fiscal year ending June 30, 2019.

1. The audited financial statements for the Revenue Fund most recent complete fiscal year.
2. The following financial and operating data:
 - a. Revenues
 - Gross Revenues
 - Maintenance and Operations Costs
 - Net Revenues
 - b. Facilities
 - Repair and Replacement Expenditures
 - Costs for New Facilities
 - Debt Financed Capital Expenditures (other than for new facilities)
 - c. Revenue Fund Bonds
 - Principal Amount of Bonds Outstanding
 - Senior Bonds
 - Subordinate Bonds
 - Annual Debt Service
 - Senior Bond Principal
 - Senior Bond Interest
 - Subordinate Bond Principal
 - Subordinate Bond Interest
 - Unscheduled Redemptions
 - Senior Bonds
 - Subordinate Bonds
 - d. Debt Service Coverage Ratio [Net Revenues divided by annual debt service]
 - Senior Bonds
 - Last fiscal year
 - Preceding fiscal year
 - Second preceding fiscal year
 - Subordinate Bonds
 - Last fiscal year
 - Preceding fiscal year
 - Second preceding fiscal year
 - e. Guarantees
 - Maximum exposure
 - Amount paid in the last fiscal year

EXHIBIT C

BLANKET ISSUER LETTER OF REPRESENTATIONS

[insert]



MINNESOTA STATE

Committee of the Whole

June 19, 2019

11:00 AM

Minnesota State

30 7th Street East

St. Paul, Minnesota

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

Committee of the Whole, Michael Vekich, Chair

1. **NextGen Phase 2, including Finance Plan (Second Reading) (pp 1-7)**
2. NextGen Project Risk Review #4 (pp 8-22)

Bolded items indicate action is required.



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

Name: Committee of the Whole

Date: June 19, 2019

Title: NextGen Phase 2, including Finance Plan (Second Reading)

Purpose (check one):

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

Brief Description:

Minnesota State launched the Next Gen ERP replacement project in March 2016 with the endorsement of the business case. Phase 1 is nearing completion. Business process reviews are complete and the project is prepared to issue an RFP for several vendor engagements. Staff will provide a review of progress to date, introduce the options for the finance plan, summarize legislative and Leadership Council engagement and outline the project's next steps.

Scheduled Presenter(s):

Laura M. King, Vice Chancellor – CFO
Ramon Padilla, Jr., Vice Chancellor – CIO
Executive Director of Internal Auditing Eric Wion

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION – SECOND READING

NEXT GEN PHASE 2 INCLUDING FINANCE PLAN

BACKGROUND

Minnesota State launched the Next Gen ERP replacement project in March 2016 with the endorsement of the business case. Phase 1 is nearing completion. Business process reviews are complete and the project is prepared to issue an RFP for several vendor engagements. Staff will provide a review of progress to date, introduce the options for the finance plan, summarize legislative and Leadership Council engagement and outline the project's next steps.

PAST BOARD AND COMMUNITY ENGAGEMENTS

Replacement of the system's ERP first emerged as a priority in strategic listening sessions held across the system in 2013-2014. There was widespread support expressed for the wholesale replacement of ISRS with functionality that was more student centric and mobile friendly. A business case for the effort was reviewed and endorsed by the Leadership Council and Board of Trustees in March 2016. A funding request was subsequently included in the system's 2018-2019 legislative request and supported in part by the Governor and the legislature. Funding for the project was then included in the system's 2018 supplemental budget request and was not supported. Funding was once again included in the system's 2020-2021 legislative request and supported in part by the Governor and the legislature.

The Board authorized the launch of Phase 1 in June 2017. The ERP Steering Committee and the Phase 1 vendor were introduced to the Leadership Council and Board in January 2018. At that time the board approved the overall project design and the Phase 1 timeline. The project organization structure, dashboard, communication plan and change management strategy were reviewed with the Leadership Council and endorsed by the board at meetings in March and June 2018.

PROJECT TIMELINE AND DELIVERABLES

Phase 1

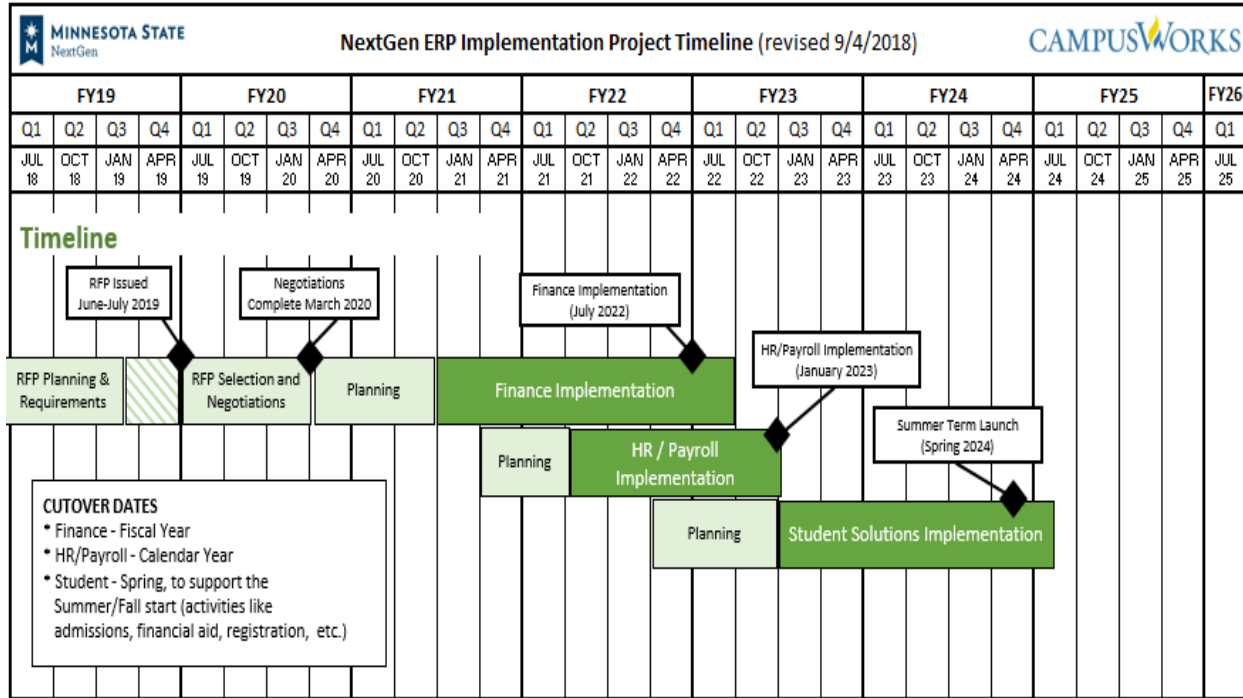
Business process reviews for HR, Finance and Student functionality began in January 2018 and were completed in January 2019. Planning for the RFP requirements and drafting of the RFP began in July 2018, to be completed in June 2019.

The RFP will be released to the market in June 2019 pending authorization from the Board of Trustees. Vendor selection and board review is planned for December 2019 /January 2020 and execution of the contract is intended by the end of March 2020.

Phase 2

Phase 2 (Implementation) will begin with implementation planning in April 2020 once a contract is in place with the selected vendor. The current phasing plan contemplates the following dates for implementation of each component.

Finance July 2022
 Human Resources/Payroll January 2023
 Student Solutions Spring 2024



PROJECT FINANCE PLAN (Phase 1 and phase 2)

All amounts are approximate pending the advice of the implementation vendor and the bids on the software solution. A revised budget is expected in the spring of 2020.

Internal requirements – Internal work includes working team expenses, change management, communications, training teams, and support of implementation teams.

Period: FY2018-FY2025
Estimated costs over the term: \$32M

External requirements – External work includes the Phase 1 contractor (CampusWorks), project manager, owner’s representative, implementation partner, and vendor training, data integrations and technology investments in a data hub. External requirements also include software license costs. The project budget includes an annual license cost for the software with the assumption that the cost begins in 2020. The start date, and the annual cost will be negotiated when the vendor is selected. For project planning purposes, the project budget

assumes the license cost during the period of implementation. Upon implementation, the license cost will be assumed by the ITS base budget.

Period: FY2018-FY2025
Estimated costs over the term: \$111.5M

Data hub/ISRS refresh and overall project coordination

Period: FY2018-FY2025
Estimated costs over the term: \$7.6M

Total estimated Project costs **\$151.1M**

The project plan includes spending actual and estimated amounts that range from \$1.4M in 2018 to a high of \$35M in 2022.

OVERVIEW OF EXTERNAL VENDORS/RFPs

2015 CONTRACT -

Phase 1 Program Manager

In 2015, Minnesota State contracted with KMH Consulting to provide project management resource(s) for strategic IT initiatives, responsibilities include:

- Provide services related to specific project initiatives identified by Minnesota State in all of the enterprise areas: development, infrastructure, network, security and business process management.
- Facilitate meetings, manage communications, address resource issues, manage change, assess risk, escalate issues to project sponsor, project owner and other stakeholders, as needed, and ensure project is meeting all documented milestones and overall project timeline.

2018 CONTRACTS –

Phase 1 Vendor

In January 2018, Minnesota State contracted with CampusWorks to work with the project team and cross-functional working teams to complete the following:

- Business process reviews of current and future state for Academic and Student Services, HR and Finance.
- Draft the RFP and evaluation criteria for a software as a service vendor and implementation partner.
- Establish a change management strategy and deploy an enterprise-wide organizational readiness assessment.
- Provide consultation during vendor negotiations.

Exadata Upgrade: Data HUB for data integrations (2018)

- On May 2018, Minnesota State purchased a data hub and professional services from Boomi Incorporated in order to integrate ISRS with the selected software as a service (SaaS) solution. This work will continue as interfaces are designed over the next several years.

2019/2020 CONTRACTS –

Phase 2 Project Manager (2019 – 2024)

Established master contract to provide project management resource(s) for strategic IT initiatives, responsibilities include:

- Provide services related to specific project initiatives identified by Minnesota State in all of the enterprise areas: development, infrastructure, network, security and business process management.
- Facilitate meetings, manage communications, address resource issues, manage change, assess risk, escalate issues to project sponsor, project owner and other stakeholders, as needed, and ensure project is meeting all documented milestones and overall project timeline.

This contract was approved by the Board of Trustees in March 2019.

Phase 2 Software as a Service (SaaS) Vendor and Implementation Vendor (2020 – 2025)

The Board will be asked to authorize the RFP for this vendor in June 2019. By the end of March 2020, Minnesota State will execute one contract for the solution and the implementation partner for implementation services and SaaS technology solution(s) to meet the needs of Academic and Student Services, Finance and Human Resources. The Board will be asked to approve the vendor selection in winter of 2019.

Phase 2 Owners Representative (2020 – 2025)

The Board will be asked to authorize the RFP for this vendor in October 2019. By March 2020, Minnesota State will contract with a vendor to provide planning and implementation advisory services throughout planning and implementation:

- Take part in planning to identify risks, issues and mitigation strategies for addressing each.
- Take part in deliverable reviews to ensure contract compliance with the selected SaaS vendor and ensure deliverables meet the approved scope.
- Ensure plans and deliverables meet industry best practices.

The Board will be asked to approve the vendor selection in fall 2019. It is expected that a revised budget and project timeline will come forward to the Leadership Council and Board of Trustees in March 2020.

WAY FORWARD IN FINANCE PLANNING

Design of the project finance plan was approached with three goals:

- Maintain project timeline with June 2019 RFPs issuance
- Identify total finance plan with flexibility for future additional state assistance

- Commitment to partnership with campuses to minimize financial impact
- Continue clear and consistent internal communications

The Board has expressed strong and unwavering commitment to this project. There is wide agreement that both for functionality and enterprise risk mitigation, the work must proceed. The finance plan was designed to execute on the Board's commitment while maintaining as much flexibility as possible.

All finance plan modeling is preliminary and subject to change when the results of the RFPs are established. In order to move forward, all modeling assumes a project investment requirement of \$25 million per year from 2020 to 2025. The modeling further assumes a maximum system contribution rate of \$12.5 million per year. The level of state support will dictate the amount and term of system support.

The project plan includes both internal spending and external contractor commitments. Internal spending can be financed with annual commitments. External contractor commitments require all funds secured before contract(s) signed. Under all funding scenarios, the finance plan requires internal system contributions and internal cash flow loans in order to match the revenue pattern with the expected spending pattern. The finance plan should provide a solution for the entire cost of the project and allow for future state support as well.

The finance plan design goals and financing options were reviewed and endorsed by the Leadership Council at its May and June 2019 meetings. Advice from the presidents endorsed the design goals and supported the desire for consistency, transparency and simplicity of messaging around the finance method. Presidents also expressed appreciation for the recognition of the stress this will place on their financial profile. Staff will work with campus leadership to execute the annual contribution. The contribution method will continue the 2019 method which is a \$12.5M charge tied to student and staff headcount. This option assigns a contribution amount to the system office and each college and university and funds will pass from the schools and the system office to the project. Colleges and universities can use any appropriate resources to cover the charge.

Cash flow

The finance plan assumes state and system support sufficient to complete the scope of work. The system contribution amount is dependent on state funding levels. System contributions can be reduced in the future as more state support is available. All modeling assumes system contribution amounts will be level over the term, and reduced in the future with any new state support.

The project plan contemplates execution of the Phase 2 contracts outlined above in March 2020 and the created of the related encumbrances. The external contracts will include workplans that are expected to execute between 2020 and 2024. The estimated spending pattern for external and internal work peaks at \$35M in 2022 and concludes with \$3M in 2025.

An internal cash flow loan is required under all current assumed state funding levels to support annual spending rates that exceed annual assumed revenues. It is expected that internal agreements will be negotiated providing the loan of campus fund balances to the project, to be repaid with interest from future project revenues.

Contingency provisions

The finance plan has been built based on the estimated project costs provided in the 2016 business case. It is understood that the total project cost may be revised when the RFPs are completed. The finance plan includes recognition that state and campus/system office funding levels may be adjusted in the fall of 2019.

The Finance committee recommends that the Board of Trustees approve the following motion:

RECOMMENDED COMMITTEE MOTION:

The Board of Trustees approves the project plan and finance plan as outlined in this report. The Chancellor or the Chancellor’s designee are authorized to issue the RFPs as described above. The Board will be asked to approve final vendor selection prior to negotiation of contract terms and conditions. The Chancellor will establish a regular project status reporting program with the Board after consultation with the chair of the Board and the chair of Finance committee.

RECOMMENDED BOARD MOTION:

The Board of Trustees approves the project plan and finance plan as outlined in this report. The Chancellor or the Chancellor’s designee are authorized to issue the RFPs as described above. The Board will be asked to approve final vendor selection prior to negotiation of contract terms and conditions. The Chancellor will establish a regular project status reporting program with the board after consultation with the chair of the Board and the chair of Finance committee.

Date of Adoption: 06/19/2019
Date of Implementation: 06/19/2019

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

Name: Committee of the Whole

Date: June 19, 2019

Title: NextGen Project Risk Review #4

Purpose (check one):

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

Brief Description:

Internal auditing will provide an overview of the results of the fourth NextGen Project Risk Review (PRR). The PRR provides ongoing and objective assessments of NextGen to provide assurance to the board on project risk management and also provide assurance and advisory guidance to the project steering committee on project risk leading practices.

Scheduled Presenter(s):

Eric Wion, Executive Director of Internal Auditing
Mike Cullen, Baker Tilly

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

BOARD INFORMATION

NEXTGEN UPDATE AND PROJECT RISK REVIEW #4

BACKGROUND

Internal auditing will provide an overview of the results of the fourth NextGen Project Risk Review (PRR). The PRR provides ongoing and objective assessments of NextGen to provide assurance to the board on project risk management and also provide assurance and advisory guidance to the project steering committee on project risk leading practices.

Date Presented to the Board of Trustees: June 19, 2019



June 19, 2019

Office of Internal Auditing

Internal Audit Report

NextGen Project Risk Review – Checkpoint 4 – Results

NextGen PRR – Background

- Approved as part of the annual Audit Plan
- Provides ongoing and objective assessments of NextGen for two purposes:
 1. Providing assurance to the Board on project risk management
 2. Providing assurance and advisory guidance to the project Steering Committee on project risk leading practices



NextGen PRR – Categories of Risk Areas Reviewed

Project governance and management

Leadership, oversight, guidance, and decision-making over the project

Organizational change management

Planning, communications, training, support related to the successful transition and adoption

Stakeholder involvement

Participation of key business process and control owners in definition and validation of requirements

Project execution

Evidence of all implementation activities, including operational, technical, and compliance controls



NextGen PRR – Leading Practices for Board’s Role

Project governance and management

- Approve upcoming key milestones as recommended by the Steering Committee
- Monitor project risks (via regular project team updates and PRRs)

Organizational change management

- Promote and support the project goals
- Direct any individual wanting to provide feedback to the project team

Stakeholder involvement

- Promote and support the participation of key stakeholder constituencies in the project

Project execution

- No board role in project execution



NextGen PRR Checkpoint 4 – Conclusion



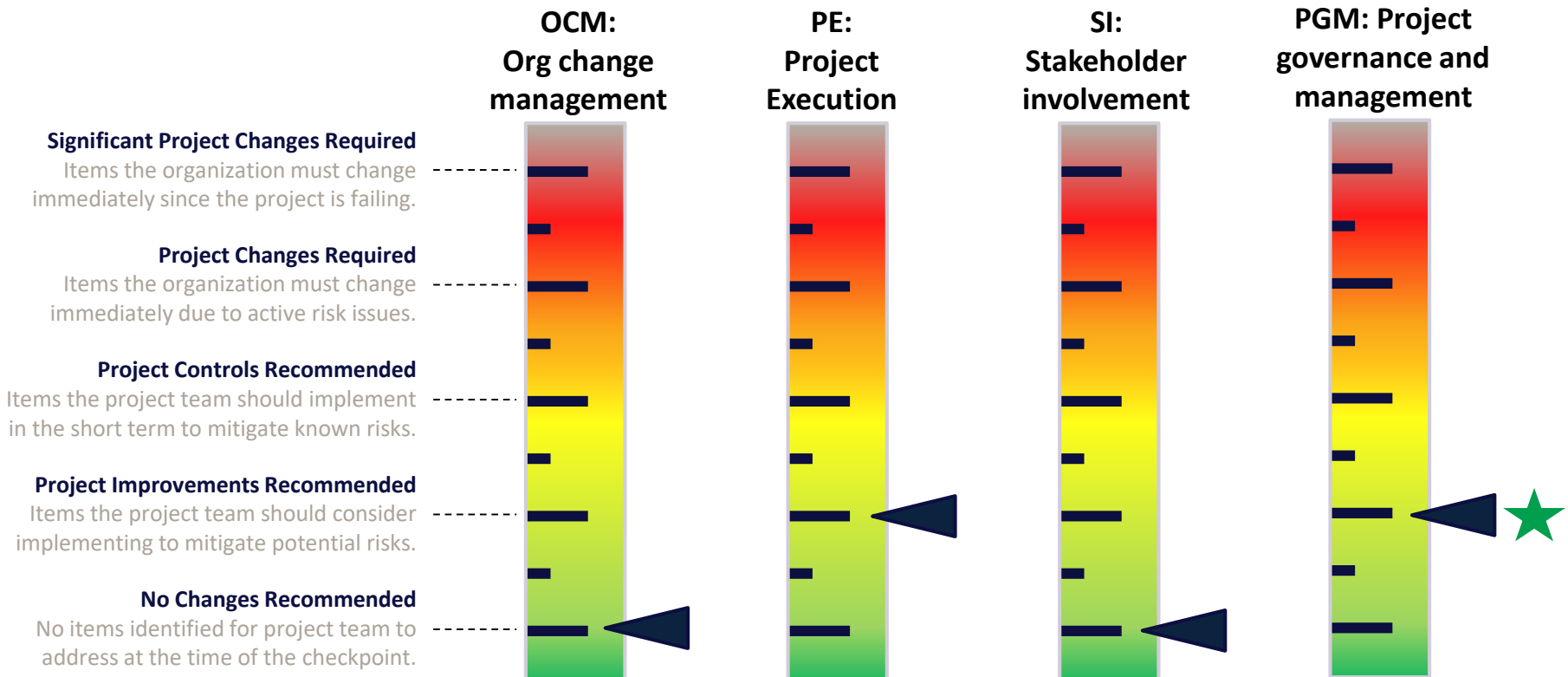
Current Checkpoint Conclusion

Current stage of NextGen Phase 1 is finalizing the request for proposal (RFP) document and the supporting RFP review and scoring processes; at this time, the overall risk of not achieving success, not meeting the revised timeline, and not staying within budget for Phase 1 is still low.

Note: Conclusion is based on the information available to Internal Audit and analyzed as of May 31, 2019.

NextGen PRR Checkpoint 4 – Current Results

Internal Audit noted ongoing opportunities to enhance certain project activities in one of the four PRR process areas.



 = Recommendation identified was addressed by the project team during the checkpoint.

NextGen PRR Checkpoint 4 – Strengths

- RFP document review and feedback received from third-party consultant, legal counsel, and Internal Audit, which is in addition to the RFP review process of the project team
- Project funding options were discussed and the specific funding plan has been determined based on state appropriations and current project plans



NextGen PRR Checkpoint 4 – Review Activities

- Provided on-going feedback to project leadership
- Participated in briefing OLA on NextGen project risks
- Reviewed the draft RFP and scoring documentation and provided recommendations for improvements
- Validated results with project leadership



NextGen PRR Checkpoint 4 – Recommendations

- Internal Audit identified one new recommendation during this checkpoint, which the project team has already addressed
- One prior recommendation remains open, the project team will address during future implementation phases



NextGen PRR Checkpoint 4 – New Recommendation

Recommendation	Impact	Status
<p>PGM-4-01: Loss of key project personnel could impact various project risks, depending on the timing of such loss during the project. While turnover (e.g., retirements, terminations, job/role changes) is common in any organization, turnover amongst key project personnel can have a larger impact on a project such as NextGen, more so than on normal operations. Specific key project personnel may be identified or determined using various methods depending on project roles, project timelines, and organizational roles. These identified project roles should be specific and limited to only those roles that are truly critical to project success.</p> <p><i>[Project Improvement Recommended]</i></p>	<p>Without specific plans to identify and address these key project roles, unplanned personnel turnover events occurring during the project may have significant impact on the NextGen project, especially during key project milestones.</p> <p><i>[PMI PMBOK, 5th Edition; Section 3]</i></p>	<p><i>Resolved - The project team has identified that there are only two critical project roles for this current phase and point in the project schedule, the project manager and chief information officer (CIO). For those two roles the project team has plans to address any loss of these two key roles. For the project manager role, the project team will exercise its options within the current PM contract to bring on another PM. For the CIO, a combination of the current direct reports to the CIO would serve the project, depending on timing and subject matter expertise, as well as receiving additional support from the other existing NextGen steering committee members.</i></p>



NextGen PRR Checkpoint 4 – Prior Recommendations

Recommendation	Impact	Status
<p>PE-2-01: Future state business process documentation should identify (i.e., mark with a symbol on the process flow documents) preliminary or likely internal control activities (e.g., approvals, reviews, reconciliations). This initial effort should attempt to identify the most important system/automated controls for each business process.</p> <p>The project team can leverage Internal Audit’s initial identification of control activities in the current state documentation as a starting point for the identification of future state controls (see annotated current state business process documentation provided under separate cover).</p> <p><i>[Project Improvement Recommended]</i></p>	<p>Internal controls, both automated and manual, are critical to effective and compliant business processes that are implemented with the new system. Identifying those control requirements and including them in the request for proposal is important for evaluating vendor proposals and implementing the control activities as part of the system implementation project, instead of attempting to add controls after the fact.</p> <p><i>[PMI PMBOK, 5th Edition; Section 1]</i> <i>[CMMI for Services, V1.3; Section 11]</i></p>	<p><i>Partially Resolved - Future state documentation does include control activities, such as approvals, reviews, decision points, however these controls are not yet explicitly identified in the documentation. The specific controls will be identified and confirmed during implementation phases, as the controls will be dependent on system functionality.</i></p>



NextGen PRR Checkpoint 4 – Prior Recommendations

Internal Audit will continually track all checkpoint recommendations and report on the status of each during every checkpoint report. The summary of the prior recommendations is reflected in the table below. The specific details of the prior recommendations are included on the following pages.

PRR Process Area	Total Prior Recommendations	Total Resolved Recommendations	Total In progress Recommendations	Total Unresolved Recommendations
Project governance and management [PGM]	5	5	0	0
Project Execution [PE]	2	1	1	0
Organizational change management [OCM]	4	4	0	0
Stakeholder involvement [SI]	3	3	0	0

NextGen PRR – Next Steps

- Work with project team to implement recommended improvements
- Continue serving as ex-officio member of Steering Committee
- Execute and Report on Checkpoint 5 activities in FY20, exact timing still to be determined based on the RFP activities





MINNESOTA STATE

Human Resources Committee
June 19, 2019
12:45 pm
McCormick Room 4th Floor

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 May 22, 2019 (pp. 2-4)**
2. Proposed Amendment to Board Policy 4.2: Appointment of Presidents (First Reading)
(pp. 5-11)
3. **Appointment of Interim President of Saint Paul College (pp. 12-13)**
4. **Appointment of Interim President of Northeast Higher Education District (pp. 14-15)**
5. **Appointment of Interim President of North Hennepin Community College (pp. 16-17)**

Committee Members:

Jay Cowles, Chair
Cheryl Tefer, Vice Chair
Alex Cirillo
Dawn Erlandson
Bob Hoffman
Roger Moe
Samson Williams

President Liaisons:

Ginny Arthur
Adenuga Atewologun

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
HUMAN RESOURCES COMMITTEE MEETING MINUTES
May 22, 2019**

Committee Members Present: Trustees Jay Cowles, Chair; Cheryl Tefer, Vice Chair
Trustees Alex Cirillo, Robert Hoffman, Roger Moe, and Samson Williams (phone).

Committee Members Absent: Dawn Erlandson.

Other Trustees Present: Trustees Ashlyn Anderson, Jerry Janezich, April Nishimura, George Soule, Louise Sundin, and Michael Vekich.

The Minnesota State Colleges and Universities Audit Committee held its meeting on May 22, 2019, in the 4th Floor McCormick Room, 30 East 7th Street in St. Paul. Trustee Cowles called the meeting to order at 11:35 a.m.

1. Minutes of Joint Meeting of the Audit and Human Resources Committee of April 16, 2019

The minutes of the April 16, 2018 joint audit and human resources committee were approved as published.

2. Minutes of April 17, 2019

The minutes of the April 17, 2018 human resources committee were approved as published.

3. Appointment of Vice Chancellor for Finance and Facilities

Chancellor Malhotra began by expressing his deep appreciation for work of outgoing Vice Chancellor Laura King. Vice Chancellor King has served as vice chancellor and chief financial officer since October 1996. She has devoted her career to accurate, transparent and mission driven financial management. Throughout her tenure at Minnesota State, Vice Chancellor King has been an astute counsellor to the five chancellors she has served, helped the college and universities chief financial officers navigate the ups and downs that is higher education budgeting, and served as an advocate for our students at the legislature and the funding needed to deliver on our commitment to the citizens of Minnesota. Chancellor Malhotra added that for many years he has sought her advice, and in the past two years in particular, he has learned a lot and benefited from her sage counsel. He thanked Vice Chancellor King, for her unwavering work ethic and her immeasurable contributions to Minnesota State. She leaves the system with strong financial and facility fundamentals, and a strong foundation to build on to secure our future. [Standing ovation for Vice Chancellor King]

Chancellor Malhotra explained that the position had been advertised nationally in a variety of higher education and diversity publications. There were a total of 17 applicants. From this pool, the search advisory committee, led by Pat Johns, president of Lake Superior College selected

nine individuals for initial interviews and forwarded its assessment of the candidates to Chancellor Malhotra. On the committee's recommendation, Chancellor Malhotra invited four finalists to participate in public interviews at the system office. Three finalists accepted the invitation and on May 7, 2019 participated in sessions, including an open forum which included Minnesota State students, faculty, and staff. Reference checks were completed. Each of the three candidates went through a rigorous interview process that included interviews with Chancellor Malhotra, members of the chancellor's cabinet, presidents, leadership team from the Finance and Facilities division, a forum that was open to all Minnesota State students, faculty and staff, and additional interviews by Chair Michael Vekich and Trustees Dawn Erlandson and Roger Moe.

Chancellor Malhotra thanked all those that participated in the process and provided feedback. He stated that it was evident from the feedback that all understood the critical role that this position serves for the organization and the importance of finding the candidate with the right mix of qualities, experience and background. He stated that as he considered the merits of each candidate they focused on four key characteristics; their understanding of the core academic and enterprise of the colleges and universities, financial acumen and experience relevant to a large complex academic organization facing major changes and disruptions, the ability to build strong relationships with stakeholders, both internal and external, as well as the facility for leading and managing change, and finally the understanding and ability to drive our narrative and advocate for students, faculty, and staff.

Chancellor Malhotra stated that all of the finalists had substantial strengths in many areas and brought with them tremendous expertise and experience. The task was to see how that experience was relevant to the leadership of finance and facilities at this point in our history. He expressed his gratitude for the time that each finalist spent with the committee as they worked to discern the appropriate path forward for Minnesota State. Although each candidate had excellent skills in certain areas, after review of all the materials, the feedback from Minnesota State community, and his own reflection, Chancellor Malhotra believed that none of the candidates in the pool possessed the composite set of skills that will move Minnesota State securely into the future.

After considerable reflection and careful consideration of the position and the needs of Minnesota State over the coming years, Chancellor Malhotra recommended Mr. William Maki as the Interim Vice Chancellor for Finance and Facilities effective July 1, 2019 for a term of up to two years.

Chancellor Malhotra stated that President Maki has served as the president of the Northeast Higher Education District since 2015. NHED is a consortium of five colleges of Minnesota State that include Hibbing Community College, Itasca Community College, Mesabi Range College, Rainy River Community College, and Vermilion Community College. In addition, before leading NEHED, President Maki served both Bemidji State University and Northwest Technical College as Vice President for Finance and Administration for 11 years (2004-2011). Prior to his role in Bemidji, President Maki served as the chief financial and facilities officer for NHED and served

Itasca Community College for eight years (1995-2003).

Chancellor Malhotra stated that President Maki understands very well the financial challenges that Minnesota State faces. He is well respected as a leader who can create an environment of collaboration among multiple independent campuses to help them find and implement innovative, financially sustainable ways to meet the needs of students. The work that President Maki has launched and led around regional academic planning is positioning the NHED colleges on a path toward long term programmatic and a financially sustainable future.

Chancellor Malhotra expressed his gratitude to President Maki for his willingness to serve in this interim capacity while the search for a permanent vice chancellor picks up again in 2020. He further stated that in his many visits to the NHED colleges he has been impressed by their commitment to their students and to their communities, and he assured the NHED college community that the whole Minnesota State community was equally committed to their success and would partner with them during this transition.

Trustee Williams thanked the chancellor for his recommendation and stated that having an interim vice chancellor was the right decision. He added that Vice Chancellor King had done extremely well at managing her responsibilities for the system and finding a replacement would not be an easy task. He supported Chancellor Malhotra's recommendation to appoint President Maki as the interim vice chancellor.

Trustee Cowles called for a motion. Trustee Hoffman made the motion and it was seconded by Trustee Cirillo. Trustee Cowles called for the vote and the motion passed unanimously.

RECOMMENDED COMMITTEE ACTION

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 William Maki as Interim Vice Chancellor for Finance and Facilities effective July 1, 2019 for a term of up to two years, subject to the completion of an employment agreement. The Board authorizes the chancellor, in consultation with the chair of the board and the 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 meeting adjourned at 11:51 a.m.

Respectfully submitted by Darla Constable

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Human Resources Committee

Date: June 19, 2019

Title: Proposed amendment to Policy 4.2 Appointment of Presidents

Purpose (check one):

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

Brief Description:

The policy was reviewed as part of the five year review cycle pursuant to Board Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration, Part 6, Subpart H, Periodic review.

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

Scheduled Presenter:

Eric Davis, Vice Chancellor of Human Resources

**BOARD OF TRUSTEES
MINNESOTA STATE**

INFORMATION ITEM
APPOINTMENT OF PRESIDENTS

BACKGROUND

Board Policy 4.2 Appointment of Presidents was adopted and implemented by the Board of Trustees on November 18, 1998. The policy was reviewed as part of the five year review cycle pursuant to Board Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration, Part 6, Subpart H, Periodic review.

The proposed amendment allows interim presidents to be considered as candidates in the search process, and clarifies that the campus student association nominates the student representative on the search committee.

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

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD POLICY – FIRST READING			
Chapter	4	Chapter Name	Human Resources
Section	2	Policy Name	Appointment of Presidents

1 **4.2 Appointment of Presidents**

2

3 **Part 1. Presidents.**

4 The president is the chief executive officer of the college or university. The president shall
5 report to the chancellor and is responsible for leading the college and/or university faculty,
6 staff, and students in developing and implementing the college or university mission, consistent
7 with the board mission and goals. The president is the primary spokesperson for college or
8 university interests and shall consult regularly with students, faculty, staff, and members of the
9 community. The president shall advise the chancellor, the staff of the system office, and the
10 Board of Trustees on matters of system policy as appropriate, and otherwise administer and
11 support all Minnesota State Colleges and Universities policies and programs. The president shall
12 also lead in generating and sustaining the ~~university/college~~/university vision as an integral part
13 of the Minnesota State Colleges and Universities system. The duties and responsibilities of the
14 president ~~shall~~ include, but are not ~~be~~ limited to, adhering to board policies and system
15 procedures, employing personnel, providing innovative educational leadership, allocating
16 campus resources, and implementing the board’s strategic plan.

17

18 **Part 2. Presidential Appointments.**

19 Presidents are appointed by the board upon the recommendation of the chancellor.
20 The chancellor shall use one of the following options in recommending a presidential
21 appointment to the board.

22

23 **Subpart A. Acting President.**

24 Upon advance notification to the board chair, the chancellor may appoint an acting
25 president for the period of an incumbent president’s approved leave of absence.

26

27 **Subpart B. Interim President.**

28 An interim president may be appointed, upon the recommendation of the chancellor and
29 approval by the board, to temporarily fill a vacant presidency for a term of up to one year
30 with the option to extend the appointment for additional periods.

31

32 **Subpart C. President.**

33 Minnesota State Colleges and Universities is committed to hiring extraordinary leaders who
34 meet the needs of colleges, universities, and their communities through a selection process
35 that is broadly consultative and transparent. The board chair and chair of the board's
36 human resources committee oversee the presidential selection process. The chancellor will
37 provide regular updates to the chairs throughout the process. The chancellor shall use one
38 of the following options in recommending a presidential appointment to the board.
39

- 40 1. **Search.** When there is a presidential vacancy, it is the board's expectation that a
41 search will be conducted. An acting or interim president ~~may shall not~~ be considered
42 as a candidate in a search process for the presidency at of the searching college or
43 university.
- 44 2. **Search Waiver.** The board may waive the search process and appoint a candidate
45 who best fits the needs of the college or university and the system. Consideration of
46 a waiver is initiated by a written recommendation to the board by the chancellor.
47 The board must determine the waiver is in the best interests of the system.
48

49 **Part 3. Search Process**

50 **Subpart A. Initial consultation**

51 At the start of each search, the chancellor shall solicit input from internal and external
52 constituent groups at the affected college or university about the qualities sought in the
53 new president.
54

55 **Subpart B. Appointment of search advisory committee**

56 The chancellor shall appoint a local presidential search advisory committee and name the
57 chair of the committee. The committee will identify presidential candidates and make
58 recommendations of candidates to the chancellor.
59

60 **Subpart C. Application review and screening interviews**

61 The search advisory committee shall have access to all application materials received. The
62 committee shall select candidates to interview and conduct initial screening interviews. The
63 committee shall forward to the chancellor the names of the candidates they believe should
64 be considered to continue in the process, along with detailed assessments of the relative
65 strengths and weaknesses of each candidate.
66

67 **Subpart D. Identification of candidates to visit campuses**

68 Following receipt of input from the committee, the chancellor shall consider the
69 committee's assessment, as well as any reports from confidential referencing and
70 background checks. The chancellor shall select two to four candidates to visit the college or
71 university and participate in public meetings. The chancellor shall communicate with the
72 committee on the rationale for the chancellor's selection from the committee's
73 recommendations.
74
75

76 **Subpart E. Opportunity for constituent group meetings with candidates and constituent**
77 **group feedback.**

78 Once the finalists are publicly identified, internal and external constituent groups at the
79 affected college or university shall be invited to meet with the candidates on campus. All
80 internal and external constituent groups shall be invited to give confidential feedback
81 directly to the chancellor following the candidate visits to campus.
82

83 **Subpart F. Trustee participation.**

84 At least two and up to three members of the Board of Trustees will participate in interviews
85 for the purpose of providing counsel to the chancellor in the formation of the chancellor's
86 recommendation to the board.
87

88 **Subpart G. Chancellor's recommendation to the Board of Trustees.**

89 The chancellor shall present a recommendation with a detailed explanation to the board
90 which includes what the internal and external constituent groups expressed about the
91 qualities the new president needs and how the chancellor's recommended candidate fits
92 that description.
93

94 **Subpart H. Communication throughout the search process.**

95 The chair of the search advisory committee is responsible for communication about the
96 search. Throughout the search process, the chair shall provide regular updates to the
97 committee and shall work with college or university staff to post updates on the search
98 website, as appropriate, so that the broader community has the opportunity to follow the
99 public process from start through completion. Following the conclusion of the search, the
100 committee may meet to be debriefed on the search.
101

102 **Subpart I. Notification to the board of unsuccessful search.**

103 The chancellor shall notify the board in writing that a search was unsuccessful when none of
104 the interviewed candidates are acceptable.
105

106 **Part 4. Search Advisory Committee.**

107
108 **Subpart A. Charge.**

109 The search advisory committee is advisory to the chancellor as the chancellor develops a
110 recommendation to the board. Committee members shall serve as stewards on behalf of
111 the interests of the entire college or university community.
112

113 **Subpart B. Composition.**

114 Committee members shall be knowledgeable of the duties and responsibilities of the
115 position to be filled and broadly representative of the interests of the faculty, staff,
116 students, administration, community, alumni, and friends of the college or university.
117

118 **1. Chair.**

119 The committee shall be chaired by a Minnesota State Colleges and Universities
120 sitting or former president appointed by the chancellor.

121 **2. Members-**

- 122 a. The chancellor will invite nominations for members of the committee from
123 all internal constituent groups and from external constituent groups in the
124 community.
- 125 b. The chancellor shall seek to balance the committee to the extent possible in
126 areas such as gender and other diversity; geographic diversity (multiple
127 campuses); liberal arts and technical programs; and student-facing and back
128 office staff. To facilitate committee balance, each constituency nominating a
129 committee member shall submit more nominations than slots attributed to
130 the constituency.
- 131 c. The committee shall be comprised as follows:
- 132 i. two members of the teaching faculty at an affected college or
133 university selected by the faculty organization;
 - 134 ii. one member of the service faculty at an affected university
135 nominated by the service faculty organization;
 - 136 iii. one student (two students for multi-campus colleges or universities)
137 nominated by the campus student association;
 - 138 iv. one member from each additional affected college or university
139 bargaining unit nominated by their bargaining unit;
 - 140 v. up to three members of the public with a connection to the affected
141 college or university having knowledge of the affected college or
142 university and its needs nominated by the public; and vi. two
143 administrators who are employees at the affected college or
144 university.

145
146 **Subpart C. Committee support-**

147 The system office shall coordinate the overall search process and provide training to the
148 committee. The chief human resources officer of the affected college or university will be
149 the liaison between the affected college or university and the committee and will provide
150 professional human resources support to the committee. The chancellor may engage a
151 professional search consultant to assist in the recruitment of candidates.

152
153 **Subpart D. Expense reimbursement allowed-**

154 Members of the committee shall receive no compensation for their services, but shall be
155 reimbursed for actual expenses incurred in performing services for the committee,
156 consistent with expense procedures for state employees.

157
158 **Part 5. Salaries-**

159 In consultation with the board chair and the chair of the human resources committee, the
160 chancellor shall determine salaries for the position of president within the parameters of the
161 Personnel Plan for MnSCU Administrators as approved by the board and within board approved

162 salary ranges. The chancellor is the designated appointing authority for all other personnel
163 actions pursuant to Minnesota statutes.

164

165 **Part 6. Terminations and Contract Expiration-**

166

167 **Subpart A. Termination of employment-**

168 The chancellor, upon advance notification to the board chair, may terminate a president in
169 accordance with the Personnel Plan for MnSCU Administrators and, if applicable, the
170 president's employment contract.

171

172 **Subpart B. Contract expiration-**

173 A president's employment ends upon expiration of the employment contract, unless
174 otherwise provided in the employment contract. Expiration of a contract without extension
175 or renewal does not constitute termination under this policy.

Related Documents

- [Board Policy 4.1](#) Personnel Plan for MnSCU Administrators

Policy History

Date of Adoption: 11/18/98

Date of Implementation: 11/18/98

Date of Last Review: xx/xx/xx

Date and Subject of Amendments:

Xx/xx/19 – Amended Part 2, subpart C, 1 to allow interim presidents to be considered a candidate in the search process, and Part 4, subpart B, 2, c, iii to clarify the campus student association nominates the student representative on the committee.

11/18/15 - Amended throughout to be in compliance the a law that requires that the search process for hiring presidents be codified in board policy, specifically new Part 2A, 2B, 2C, Part 3, and Part 4.

11/16/11 - Effective 1/1/12, the Board of Trustees amends all board policies to change the term "Office of the Chancellor" to "system office," and to make necessary related grammatical changes.

7/18/07 - Amended Part 1 to clarify and update the language. Amended Part 6, Subpart A, Termination of Employment, the chancellor may terminate a president during the term of the presidential employment agreement with advance notice to the chair of the board.

Additional [HISTORY](#)

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Human Resources Committee

Date: June 19, 2019

Title: Appointment of Interim President of St. Paul College

Purpose (check one):

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

Brief Description:

It is anticipated that Chancellor Malhotra will recommend an individual to appoint as Interim President of St. Paul College.

Scheduled Presenter: Devinder Malhotra, Chancellor
Eric Davis, Vice Chancellor for Human Resources

**MINNESOTA STATE
BOARD OF TRUSTEES**

ACTION SHEET

APPOINTMENT OF INTERIM PRESIDENT OF ST. PAUL COLLEGE

BACKGROUND

It is anticipated that Chancellor Malhotra will recommend an individual to appoint as Interim President of St. Paul 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 St. Paul College effective July 1, 2019, 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: June 19, 2019

Date of Implementation: July 1, 2019

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Human Resources Committee

Date: June 19, 2019

Title: Appointment of Interim President of Northeast Higher Education District

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 to appoint as Interim President of Northeast Higher Education District.

Scheduled Presenter: Devinder Malhotra, Chancellor
Eric Davis, Vice Chancellor for Human Resources

**MINNESOTA STATE
BOARD OF TRUSTEES**

ACTION SHEET

APPOINTMENT OF INTERIM PRESIDENT OF NORTHEAST HIGHER EDUCATION DISTRICT

BACKGROUND

It is anticipated that Chancellor Malhotra will recommend an individual to appoint as Interim President of Northeast Higher Education District.

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 Northeast Higher Education District effective July 1, 2019, 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: June 19, 2019

Date of Implementation: July 1, 2019

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Human Resources Committee

Date: June 19, 2019

Title: Appointment of Interim President of North Hennepin Community College

Purpose (check one):

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

Brief Description:

It is anticipated that Chancellor Malhotra will recommend an individual to appoint as Interim President of North Hennepin Community College.

Scheduled Presenter: Devinder Malhotra, Chancellor
Eric Davis, Vice Chancellor for Human Resources

**MINNESOTA STATE
BOARD OF TRUSTEES**

ACTION SHEET

APPOINTMENT OF INTERIM PRESIDENT OF NORTH HENNEPIN COMMUNITY COLLEGE

BACKGROUND

It is anticipated that Chancellor Malhotra will recommend an individual to appoint as Interim President of North Hennepin Community 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 North Hennepin Community College effective July 1, 2019, 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: June 19, 2019

Date of Implementation: July 1, 2019



Board of Trustees Meeting

Minnesota State

McCormick Room

Wednesday, June 19, 2019

1:30 PM

In addition to the board members attending in person, some members may participate by telephone.

Call to Order, Michael Vekich, Chair

Chair's Report, Michael Vekich

- **Report on Reimagining Minnesota State**

Chancellor's Report, Devinder Malhotra

- Recognition of Vice Chancellor Laura M. King

Consent Agenda

1. **Minutes of Nominating Committee, May 17, 2019**
2. **Minutes of Board Meeting, May 22, 2019**
3. **Revised FY2020 and Proposed FY2021 Board Meeting Dates (Second Reading)**
4. **Approval of Mission Statement: Northwest Technical College**
5. **Students United Fee Renewal (Second Reading)**
6. **FY2020 Annual Operating Budget (Second Reading)**
7. **FY2020 Capital Program Recommendations (Second Reading)**
8. **Revenue Fund Current Refunding Bond Sale (Second Reading)**
9. **NextGen Phase 2, Including Finance Plan**
10. **Approval of FY2020 Internal Audit/Project Plan**
11. **Contracts Exceeding \$1 Million**
 - a. **Annual Baker Tilly Contract Amendment**
 - b. **Guaranteed Energy Savings Program, Hennepin Technical College, Brooklyn Park and Eden Prairie**
 - c. **Admissions Recruitment Software Contract, Minnesota State University, Mankato**
 - d. **Library Information Software and Services (PALS)**

Board Policy Decisions (Second Readings)

Proposed Amendments to Policies:

- a. **2.3 Student Involvement in Decision-Making**
- b. **3.36 Academic Programs**
- c. **3.8 Students Complaints and Grievances**

Board Standing Committee Reports

Human Resources Committee, Jay Cowles, Chair

1. **Appointment of Interim President of Saint Paul College**
2. **Appointment of Interim President of Northeast Higher Education District**
3. **Appointment of Interim President of North Hennepin Community College**

Audit Committee, Michael Vekich, Chair

1. Compliance Practices Assessment Advisory Project Report
2. Enrollment Forecasting Advisory Project Report

Diversity, Equity, and Inclusion Committee, Rudy Rodriguez, Chair

- Campus Climate Update

Joint Human Resources and Diversity, Equity, and Inclusion Committees, Jay Cowles and Rudy Rodriguez, Co-chairs

- Minnesota State Faculty and Staff Diversity: Current Demographics and Strategies

Outreach and Engagement Committee, Dawn Erlandson, Chair

1. Strategic Recruitment of High School Graduates: Normandale Community College and Minnesota State University, Mankato
2. Engagement with Philanthropic Partners: Pine Technical and Community College and the Hormel Foundation

Academic and Student Affairs, Alex Cirillo, Chair

- Guided Learning Pathways- Part II: Transfer Pathways and Credit for Prior Learning

Facilities Committee, Jerry Janezich, Chair

- Report of the Committee

Finance Committee, Roger Moe, Chair

- Report of the Committee

Committee of the Whole, Michael Vekich, Chair

- NextGen Project Risk Review #4

Student Associations

1. Lead MN
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

Trustee Reports

Other Business, Election of Officers

- **Nominating Committee's Recommendation of Chair and Vice Chair**

Adjournment

Bolded items indicate action is required



Board of Trustees Meeting

Minnesota State
McCormick Room
Wednesday, June 19, 2019
1:30 PM

In addition to the board members attending in person, some members may participate by telephone.

Consent Agenda

- 1. Minutes of Nominating Committee, May 17, 2019 (p. 1)**
- 2. Minutes of Board Meeting, May 22, 2019 (pp. 2-6)**
- 3. Revised FY2020 and Proposed FY2021 Board Meeting Dates (Second Reading) (pp. 7-11)**
- 4. Approval of Mission Statement: Northwest Technical College (pp. 1-6 of the Academic and Student Affairs Committee's meeting materials)**
- 5. Students United Fee Renewal (Second Reading) (pp. 17-22 of the Finance Committee's meeting materials)**
- 6. FY2020 Annual Operating Budget (Second Reading) (p. 23 of the Finance Committee's meeting materials)**
- 7. FY2020 Capital Program Recommendations (Second Reading) (pp. 25-26 of the Finance Committee's meeting materials)**
- 8. Revenue Fund Current Refunding Bond Sale (Second Reading) (pp. 27-26 of the Finance Committee's meeting materials)**
- 9. NextGen Phase 2, Including Finance Plan**
- 10. Approval of FY2020 Internal Audit/Project Plan (pp.4-15 of the Audit Committee's meeting materials)**
- 11. Contracts Exceeding \$1 Million**
 - a. Annual Baker Tilly Contract Amendment (pp. 16-20 of the Audit Committee's meeting materials)**
 - b. Guaranteed Energy Savings Program, Hennepin Technical College, Brooklyn Park and Eden Prairie (pp. 9-16 of the Finance Committee's meeting materials)**
 - c. Admissions Recruitment Software Contract, Minnesota State University, Mankato (pp. 9-16 of the Finance Committee's meeting materials)**
 - d. Library Information Software and Services (PALS) (pp.9-16 of the Finance Committee's meeting materials)**

Bolded items indicate action is required

Minnesota State Board of Trustees
Nominating Committee Meeting Minutes
May 17, 2019
Conference Room 3310
30 7th Street East
St. Paul, MN 55101

Committee members present: Trustees George Soule, chair, Rudy Rodriguez, and Cheryl Tefer
Other trustees present: April Nishimura

Trustees Soule, Tefer, and Nishimura participated by phone.

Call to Order 2:30 pm

Committee Chair George Soule called the meeting to order at 2:30 pm.

Identification of Candidates for Chair and Vice Chair

Committee Chair Soule commented that the committee's mission is to consider officers for the board chair and vice chair positions. The committee has received only two nominations, Jay Cowles for chair, and Roger Moe for vice chair. More than one name can be sent to the board if there are other nominations. There were no additional nominations.

Trustee Rodriguez commented that he is concerned about the lack of diversity. The committee acknowledged that the gender composition on the Board of Trustees is not diverse and that going forward they will work to improve it.

Nomination of Candidates

The members agreed that both candidates are very qualified and that they support their nominations.

The Nominating Committee is pleased to nominate the following candidates for board officer positions to the Board of Trustees:

Chair: Jay Cowles

Vice Chair: Roger Moe

Chair Soule suggested adding language in the committee's report to the board that they support diversity and equity in the composition of the board members and its officers and committees. Trustee Rodriguez will draft the language. Trustee Rodriguez added that the Nominating Committee, in consultation with the board chair, is also authorized to advise the governor's office on preferred qualifications and attributes for effective trustees.

Adjournment

The committee meeting adjourned at 2:37 pm

Minnesota State Colleges and Universities

Board of Trustees

St. Paul, MN

May 22, 2019

Present: Chair Michael Vekich, Vice Chair Jay Cowles, Treasurer Roger Moe, and Trustees AbdulRahmane Abdul-Aziz, Ashlyn Anderson, Alex Cirillo, Jerry Janezich, April Nishimura, George Soule, Louise Sundin, Cheryl Tefer, Samson Williams, and Chancellor Devinder Malhotra.

Absent: Trustees Rudy Rodriguez and Dawn Erlandson

Call to Order

Chair Vekich called the meeting to order at 2:38 pm and announced a quorum was present. Trustee Samson Williams participated in the meeting by telephone.

Chair's Report, Michael Vekich

- Revised FY2020 and Proposed FY2021 Board Meeting Dates
The revised FY2020 and proposed FY2021 board meeting dates were reviewed as a first reading. The meeting calendar will be presented for a second reading and approval at the June meeting.

Update on Reimagining Minnesota State

Chancellor's Fellow, Dr. Lisa Foss, who has been staffing the work on Reimagining Minnesota State, gave an update on the project. The Minnesota State Forums wrapped up on April 4, 2019. The focus is now on gathering the thoughts and reactions from the Minnesota State community. Dr. Terry MacTaggart and Dr. Foss have had conversations with each of the trustees. The survey has closed, there were over 200 Responses.

Dr. Foss and Dr. MacTaggart have begun writing the report on Reimagining Minnesota State. The report will be a synthesis of the information that has been shared and discussed over the last six months. It will be a rich information set for the board to consider as they do the difficult work of guiding the Minnesota State system into an unknown future. The board will convene in a study session at the June meeting. The board will also receive commentary from the Forum Advisory Group. The commentary will provide their observations and perspectives from the forums.

Chancellor's Report, Devinder Malhotra

Chair Vekich, Vice Chair Cowles, and members of the board, during the past few weeks, like many of you, I had the opportunity to attend commencement ceremonies at Minnesota West Community and Technical College, Jackson campus and Minneapolis College.

It goes without saying, this is the time of the year that we all look forward to. Joining family and friends to celebrate the accomplishments of our students. Each one of us had the opportunity to meet the graduates and to hear their stories. Stories just like 18-year old Melinda Cassandra Lopez who two weeks ago graduated from Minnesota West Community & Technical College, earning her associate of science degree in nursing. A few weeks later, in June, she will graduate from Fairmont High with her high school diploma. She plans to transfer to Southwest Minnesota State University to continue her nursing education.

Miss. Lopez is the first high school student to graduate from Minnesota West with a degree in nursing and very likely the state. But her story is not unique to our colleges and universities. When we say our institutions are places of hope and opportunity, it means different things to different people. It means:

- Hope for the PSEO student who graduates with their associate degree to accelerate their learning opportunities,
- Hope for the student who was told that college wasn't for them,
- Hope for the adult student who sought out new career opportunities and wanted to share the experience of achieving their goals with their children.

It is that hope and opportunity that we shared with the legislature this year. It is evident to me through our partnership tours and through our conversations with legislators, Governor Walz and Commissioner Olson – that they all feel the same pride when they hear our success stories.

Vice Chancellor King updated us yesterday on the legislative outcome and in the next few weeks we will consult and carefully consider our options and present to you our recommendations regarding the manner in which we will fund our operations over the next biennium. As I mentioned to MPR yesterday, given the overall target for higher education was \$150 million and we are at about \$81 million – I think given those realities and the competing priorities we should be pleased where we ended.

I would like to thank Trustees, Presidents, campus leaders, faculty, staff and student leaders for lending their advocacy and voice during the legislative session. I also want to thank the campus advocacy group which comprised of legislative liaisons at each of our campuses who worked with our government relations team to mobilize folks on our campuses to ensure legislators received our messages loud and clear. The advocacy group works hard and is the key connection to ensuring the priorities of Minnesota State and concerns from our campuses are heard directly. This group in addition to the efforts by students, faculty, and staff engage multiple constituencies to communicate with policy makers.

And a final thank you to Governor Walz, Lt. Governor Flanagan, Speaker Hortman, Majority Leader Gazelka, and Chairs Anderson and Bernardy for their support and listening to our message from our campuses and the communities they represent. I also sincerely

appreciate the work of Commissioner Dennis Olson and look forward to continuing our partnership.

I feel our message was articulated well and we were listened to and for that we thank all the members of the legislature and know they sacrifice a great deal to serve their communities. I did learn a few lessons that at times democracy can be a bit messy and politics often resemble a contact sport. Again thank you all for your partnership and I personally am committed to continuing our outreach work as Minnesota needs a strong Minnesota State to sustain its social and economic vitality.

Chair Vekich, Vice Chair Cowles that concludes my remarks.

Consent Agenda

- 1. Minutes of Board of Trustees, April 17, 2019**
- 2. Minutes of the Executive Committee on May 1, 2019**
- 3. Contracts Exceeding \$1 Million**
 - a. Lease Agreement: Lake Superior College**
 - b. Construction Agreement: Richards Hall Updating, Winona State University**
 - c. Lease Agreement: Minnesota State University, Mankato**
 - d. Purchasing Card Agreement**
 - e. Zoom for Education Video Conferencing System**

Following a motion by Trustee Jerry Janezich and a second by Vice Chair Cowles, the Consent Agenda was adopted.

Board Policy Decisions (Second Readings)

Proposed Amendments to Policies:

- a. 3.18 Honorary Degrees**
- b. 3.31 Graduate Follow-up System**
- c. 3.40 Recognition of Veteran Status**

Trustee Cirillo, chair, Academic and Student Affairs Committee reported that the committee has recommended that the board approve the proposed amendments to Policies 3.18 Honorary Degrees, 3.31 Graduate Follow-up System, and 3.40 Recognition of Veteran Status.

The motion to approve all three policy amendments carried unanimously.

Board Standing Committee Reports

Human Resources Committee, Jay Cowles, Chair

Appointment of Vice Chancellor of Finance and Facilities

Committee Chair Cowles reported that the Human Resources Committee received Chancellor Malhotra's recommendation of an Interim Vice Chancellor for Finance and Facilities. Chancellor Malhotra recommended William Maki, current president of the Northeast Higher Education District.

Committee Chair Cowles read the following motion:

The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoints William D. Maki as Interim Vice Chancellor for Finance and Facilities, effective July 1, 2019 for a term of up to two years, 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 carried unanimously.

Bill Maki thanked Chair Vekich, Trustees, Chancellor Malhotra and his colleagues.

Facilities Committee, Jerry Janezich, Chair

- FY2020 Capital Program Recommendations (First Reading)

Chair Janezich stated that the Higher Education Asset Preservation and Replacement of \$130 million is the number one priority in the FY2020 Capital Program Recommendation. There are \$121 million dollars in projects. Associate Vice Chancellor Brian Yolitz indicated that some of the projects are going to have big numbers and that we should be aware of that.

Finance Committee, Roger Moe, Chair

Committee Chair Moe commented that the committee heard a first reading of the FY2020 operating budget. The budget will be presented for a second reading and approval at the June meeting. The committee also reviewed NextGen Phase 1, including the Finance Plan, and a first reading of the FY2020 Capital Program Recommendations. Two additional first readings included the Revenue Fund Current Refunding Bond Sale that will result in some savings with refinancing, and a request by Students United to renew its fees. Both items will be brought forward for second readings and approval in June. Last, the committee received a report on the supplier diversity issue that includes a strategy on how to increase more woman and minority contracts in the system.

Academic and Student Affairs Committee, Alex Cirillo, Chair

Committee Chair Cirillo commented that in addition to the work on proposed amendments to board policies, the committee learned about strategic enrollment management strategies from St. Cloud State University and Hennepin Technical College. It is defined as a comprehensive approach to integrating all of the college's or university's programs, practices and policies and planning related to achieving the optimal recruitment, retention, and graduation of students.

Student Associations

Students United

Kayla Shelley, state chair, introduced the incoming officers whose terms begin July 1, 2019. They are: State Chair-Ola Abimbola, Vice Chair-Sandra Shimba, and Treasurer-Prapti Niroula.

**Minnesota State Colleges and Universities Bargaining Units
Inter Faculty Organization**

President Brent Jeffers introduced Becky Omdahl, statewide academic affairs coordinator for the IFO. Ms. Omdahl addressed the Board of Trustees.

Minnesota State University Association of Administrative and Service Faculty

President Tracy Rahim, addressed the Board of Trustees.

Adjournment

The Executive Committee will meet on June 5 and the board meeting is June 18-19. The July Board of Trustees meeting will be held at Hibbing Community College.

The meeting adjourned at 1:20 pm.

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION – SECOND READING
REVISED FY2020 AND PROPOSED FY2021 BOARD MEETING DATES

1 **BACKGROUND**

2 On May 1, 2019, the Executive Committee reviewed the revised FY2020 and proposed FY2021
3 board meeting dates. The meeting dates are shown on Attachment A. The Board of Trustees
4 will approve the meeting dates at their annual meeting on June 19, 2019. Once the calendars
5 are approved, changes to the calendar can be made with the approval of the board chair. Any
6 changes to the calendar will be publicly noticed.

7
8 The meeting days are typically two-days on the third Tuesday and Wednesday on the months in
9 which the board is meeting. If the agendas require less time, one of the days will be cancelled.
10 No meetings are scheduled in August, December, and February.

11
12 Three off-site meetings are scheduled during FY2020: A joint meeting of the Board of Trustees
13 and the Leadership Council at Hibbing Community College on July 23 and 24, 2019; the board’s
14 retreat will be at Madden’s on Gull Lake in Brainerd on September 17 and 18, 2019; and a
15 board meeting at Bemidji State University on November 19 and 20, 2019.

16
17
18
19 **RECOMMENDED BOARD MOTION**

20 **The Board of Trustees approves the revised FY2020 and proposed FY2021 meeting dates as**
21 **shown on Attachment A.**

22
23 *Date of Implementation: July 1, 2019*

Revised FY2020 and Proposed FY2021 Board Meeting Dates

The revised FY2020 and proposed FY2021 meeting dates are listed below. The calendar is subject to change. Changes to the calendar will be publicly noticed.

Revised FY2020 Meeting Calendar

Meeting	Date	If agendas require less time, these dates will be cancelled.
Board Meeting/Combined meeting with Leadership Council <i>Hibbing Community College</i>	July 23-24, 2019	July 24, 2019
Board Retreat	September 17-18, 2019	
Executive Committee	October 2, 2019	
Committee / Board Meetings Combined meeting with Leadership Council on October 15	October 15-16, 2019 <i>ACCT Leadership Congress, October 16-19, San Francisco</i>	October 16, 2019
Executive Committee	November 6, 2019	
Committee / Board Meetings <i>Bemidji State University and Northwest Technical College</i>	November 19-20, 2019	November 19, 2019
No December meeting		
Executive Committee	January 8, 2020	
Committee / Board Meetings Combined meeting with Leadership Council on January 28	January 28-29, 2020	
No February meeting	<i>ACCT National Legislative Summit, Feb. 9-12, Washington, D.C.</i>	
Executive Committee	March 4, 2020	
Committee / Board Meetings	March 17-18, 2020	March 17, 2020

Meeting	Date	If agendas require less time, these dates will be cancelled.
Executive Committee	April 1, 2020	
Committee / Board Meetings Awards for Excellence in Teaching	April 21-22, 2020 <i>AGB National Conference April 5-7, Washington, D.C.</i>	
Executive Committee	May 6, 2020	
Committee / Board Meetings	May 19-20, 2020	May 19, 2020
Committee / Annual Board Meetings	June 16-17, 2020	June 16, 2020

Proposed FY2021 Meeting Calendar

Board Meeting/Combined meeting with Leadership Council	July 21-22, 2020	July 22, 2020
Orientation for new trustees	<i>August or after governor makes the appointments</i>	
Executive Committee	September 2, 2020	
Board Retreat	September 15-16, 2020	
Executive Committee	October 7, 2020	
Committee / Board Meetings	October 20-21, 2020 <i>ACCT Leadership Congress Sept. 30-Oct. 3, Chicago</i>	October 21, 2020
Executive Committee	November 3, 2020	
Committee / Board Meetings	November 17-18, 2020	
No December meeting		
Executive Committee	?	
Committee / Board Meetings	January 26-27, 2021	

Combined meeting with Leadership Council		
No February meeting	<i>ACCT National Legislative Summit, Feb. 7-10, Washington, D.C.</i>	
Executive Committee	March 3, 2021	
Committee / Board Meetings	March 16-17, 2021	March 16, 2021
Executive Committee	April 7, 2021	
Committee / Board Meetings	April 20-21, 2021 <i>AGB National Conference, Apr. 11-13, San Diego</i>	April 20, 2021
Executive Committee	May 5, 2021	
Committee / Board Meetings	May 18-19, 2021	May 18, 2021
Executive Committee	June 2, 2021	
Committee / Annual Board Meetings	June 15-16, 2021	June 15, 2021

National Higher Education Conferences:

- AGB National Conference April 14-16, 2019, Orlando
- ACCT Leadership Congress: October 16-19, 2019, San Francisco
- ACCT National Legislative Summit: February 9-12. 2020, Washington, DC
- AGB National Conference: April 5-7, 2020, Washington, DC
- ACCT Leadership Congress: September 30-Oct. 3, 2020, Chicago
- ACCT National Legislative Summit: February 7-10, 2021, Washington, DC.
- AGB National Conference: April 11-13, 2021, San Diego
- ACCT Leadership Congress: October 13-16, 2021, San Diego
- ACCT National Legislative Summit: February 2022 (dates not posted)
- AGB National Conference: April 10-12, 2022, Orlando

AGB is the Association of Governing Boards of Universities and College
ACCT is the Association of Community College Trustees



MINNESOTA STATE

Board of Trustees

30 East 7th Street
St. Paul, MN 55101

651-201-1705

Board of Trustees Meeting

Minnesota State

McCormick Room

Wednesday, June 19, 2019

1:30 PM

In addition to the board members attending in person, some members may participate by telephone.

Board Policy Decisions (Second Readings)

Proposed Amendments to Policies:

- a. **2.3 Student Involvement in Decision-Making (pp. 7-9 of Academic and Student Affairs Committee's meeting materials)**
- b. **3.36 Academic Programs (pp. 10-15 of Academic and Student Affairs Committee's meeting materials)**
- c. **3.8 Students Complaints and Grievances (pp. 16-18 of Academic and Student Affairs Committee's meeting materials)**

Bolded items indicate action is required



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

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

BOARD ACTION
ELECTION OF OFFICERS

BACKGROUND

The election of a chair and a vice chair shall be conducted at the annual meeting of the Board of Trustees on June 19, 2019.

The Nominating Committee met on May 17, 2019 and discussed the two candidates who had submitted their names for candidacy as prescribed in Board Policy 1A.2, Part 4, Officers of the Board, subpart E. The Nominating Committee sent its recommendations of Jay Cowles as chair and Roger Moe as vice chair to the Board of Trustees on May 21, 2019. Related excerpts of Policy 1A.2, Board of Trustees are attached.

RECOMMENDED MOTION FOR CHAIR

The Board of Trustees approves the Nominating Committee's recommendation to elect Jay Cowles as chair of the Board of Trustees effective July 1, 2019.

RECOMMENDED MOTION FOR VICE CHAIR

The Board of Trustees approves the Nominating Committee's recommendation to elect Roger Moe as vice chair of the Board of Trustees effective July 1, 2019.

Excerpts from Policy 1A.2, Board of Trustees

Part 4, Officers of the Board, Subpart E. Election of officers

The election of the chair and vice chair must be conducted at the annual meeting of the board. Any board member who wishes to run for chair or vice chair shall submit her/his name in writing to the Nominating Committee at least sixty days prior to the date of the annual meeting. The Nominating Committee may also solicit members to be candidates. At least 30 days prior to the date of annual meeting, the Nominating Committee shall deliver to the board office a list of at least one candidate for each office. The board office shall, at least 25 days prior to the date of the election, mail to each board member the list of candidates identified by the Nominating Committee.

The election for each officer of the board must be conducted separately in the following manner: (a) If there is one nominee, voting must be by acclamation or, on request, by roll call. (b) If there are two or more nominees, the vote must be by secret ballot with the individual receiving a majority of the votes being elected.

Part 5. Standing Committees, Committees, and Working Groups of the Board

Subpart H. Nominating Committee

The Nominating Committee of the board consists of no more than three members to be appointed by the chair annually. The Nominating Committee shall meet at the call of its chair. The Nominating Committee is charged with nominating and slating candidates for chair and vice chair of the board. The Nominating Committee shall follow Part 4, Subp. E of this policy. The Nominating Committee, in consultation with the board chair, is also authorized to advise the governor's office on preferred qualifications and attributes for effective trustees.

Charter of the Nominating Committee

Purpose:

The Nominating Committee provides the list of candidates for board offices to be used for the election of officers at the board's annual meeting. The Nominating Committee shall choose candidates from those board members who have submitted their names for candidacy as prescribed by Board Policy 1A.2, subpart E. The Nominating Committee shall select a list of nominees that are best suited by experience and temperament to lead a high functioning board. The Nominating Committee, in consultation with the board chair, is also authorized to advise the governor's office on preferred qualifications and attributes for effective trustees.

Committee Structure:

The Nominating Committee shall be comprised of no more than three members appointed by the chair of the board. The chair and vice chair of the Nominating Committee shall also be appointed by the chair for the board.

Authority:

The principal elements of the Charter of the Nominating Committee shall be:

1. Receive nominations from board members interested in serving as officers.
2. Soliciting board members to be candidates for board offices.
3. Determining a list of at least one candidate each for board chair and vice-chair.

4. Transmitting the list of candidates to the board office at least thirty days before the board's annual meeting.
5. Advise the governor's office, in consultation with the board chair, on preferred qualifications and attributes for effective trustees.

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">• Advance IT Minnesota• 360° Manufacturing and Applied Engineering Center of Excellence• HealthForce Minnesota• Minnesota Center for Engineering and Manufacturing Excellence (MNCEME)• Center for Agriculture - Southern Minnesota• Minnesota Agriculture Center for Excellence – North – AgCentric• Minnesota Energy Center• Minnesota Transportation Center

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 States Department of Labor