

Minnesota State Colleges and Universities
Board of Trustees Meeting Minutes
January 27, 2016

Present: Chair Michael Vekich, Trustees Ann Anaya, Margaret Anderson Kelliher, Duane Benson, Kelly Charpentier-Berg, Alexander Cirillo, John Cowles, Dawn Erlandson, Robert Hoffman, Philip Krinkie, Maleah Otterson, Thomas Renier, Elise Ristau, Louise Sundin, and Chancellor Steven Rosenstone

Absent: Trustees Duane Benson and Erma Vizenor

1. Call to Order

Chair Michael Vekich called the meeting at Minneapolis Community and Technical College to order at 2:00 PM and announced that a quorum was present. He thanked Interim President Mills-Novoa, and the faculty, administration, and students for hosting the meeting. Chair Vekich introduced Kaley Taffe, the administrator for the Higher Education Budget and Finance Committee, chaired by Representative Bud Nornes.

2. Consent Agenda

- a. **Minutes of the Board of Trustees Study Session on the Allocation Framework Redesign Principles, November 18, 2015**
- b. **Minutes of the Board of Trustees Meeting, November 18, 2015**
- c. **Approval of Contracts Exceeding \$1M for:**
 - **Retirement Program Recordkeeping**
 - **E-Procurement Vendor**
 - **Oracle Service Agreement**
 - **Microsoft Office 365 License**
 - **Student Housing Module Vendor**
 - **Grant Award to Minnesota West Community and Technical College**
 - **MSU, Mankato Bookstore Vendor**
 - **MSU Moorhead Renovation of South Snarr**
 - **Bemidji State University Phone Service Vendor**

Chair Vekich called for approval of the Consent Agenda. The motion was made by Trustee Renier and seconded by Trustee Cowles and carried.

3. Chair's Report: Michael Vekich

- **Chancellor's FY15 Merit Increase**

Chair Vekich called upon Trustee Cirillo, who chaired the FY15 Chancellor Performance Review Committee. Trustee Cirillo reported that the FY15 Chancellor Performance Review Committee set performance goals for the chancellor. The committee reviewed the chancellor's performance relative to the goals and shared their report at a closed meeting of the board on the chancellor's annual performance evaluation on September 28, 2015. At the October 21, 2015 Board of Trustees meeting, the board reported that they identified progress on all of the chancellor's objectives and that they were pleased with the chancellor's overall performance. Trustee Cirillo commented that the Chancellor Performance Review Committee is recommending that the chancellor receive a salary increase for the fiscal year ending June 30, 2015.

The increase would be retroactive to July 1, 2014. The chancellor's salary is subject to the Personnel Plan for MnSCU Administrators. The Plan covering FY15 was approved by the Board of Trustees on July 23, 2014, and by the Legislative Subcommittee on Employee Relations on October 22, 2014. The Plan sets out the salary ranges for all administrators, including the range for the chancellor's salary. The Plan in effect for FY15 (7/1/2013 – 6/30/2015) sets the top of the range for the chancellor's salary at \$390,000. The Plan allowed for merit increases; the target merit increase for administrators in FY15 was 2.5%.

The chancellor's current salary is \$387,250. The maximum he can receive under the Plan is \$390,000. Thus, the maximum salary increase the board has authority to award is \$2750. An increase of \$2750 amounts to a 0.7 percent increase. The salary increase will be effective upon the ratification of all employee contracts.

Trustee Cirillo moved that the Board of Trustees, having conducted an assessment of the chancellor's performance, approve and authorize an adjustment which brings the salary to the top of the range as allowed under the MnSCU Personnel Plan for Administrators. The adjustment amounts to a 0.7 percent increase in the chancellor's salary,

The motion carried unanimously.

Chair Vekich thanked Trustee Cirillo, who chaired the FY15 Chancellor Performance Review Committee and its members, Trustees Anderson Kelliher, Erlandson and Renier.

4. Chancellor's Report: Steven Rosenstone

Chancellor Rosenstone thanked the Board of Trustees for their kind words and confidence that they have placed in him. He also thanked Governor Dayton for his support of the board's bonding request. The governor's bill provides \$154 million for college and university projects and Higher Education Asset Preservation and Renovation. The governor's support was informed by the more than 50 bonding tours held at our campuses over the past 5 months. Chancellor Rosenstone thanked the presidents, students, faculty, and staff who shared their stories with legislators and members of the governor's administration.

The HEAPR funds are our highest priority in order to preserve and protect academic buildings across Minnesota, keeping them warm, safe, and dry. The additional capital projects in the board's request will build opportunities for students from all backgrounds to become the homegrown talent Minnesota needs to prosper. Chancellor Rosenstone commented that we are committed to these priorities and look forward to continuing to work with students, faculty, staff, and legislators in the months ahead.

Chancellor Rosenstone also thanked President Bill Maki of the Northeast Higher Education District for his leadership of MnSCU's response to an issue that is of great concern to the people and communities on the Iron Range. That issue: finding ways to help retool more than 1,000 workers who have been displaced from jobs and whose unemployment benefits are being exhausted.

President Maki has worked closely with state agencies and his colleagues across our colleges and universities to identify a systemwide response, to meet the needs of the Range including the expansion of the menu of educational options available for laid-off workers. President Maki's leadership on this issue has been outstanding.

Chancellor Rosenstone extended congratulations to the faculty and staff across our colleges and universities for ways their important work serving our students and communities has been recognized recently. Specifically, an article that was published in this month's *Twin Cities Business* magazine entitled "Building Minnesota's STEM Workforce" recognized the vital role our colleges and universities play in meeting the needs of the 21st century economy. The article describes how our colleges and universities have expanded our eight centers of excellence as well as math and science programs across the state. One example cited is the 360 Manufacturing and Applied Engineering Center of Excellence, a collaboration of 15 of our colleges and universities led by Bemidji State University.

The article also highlights some powerful evidence of the success of our advanced manufacturing programs:

- 36% growth over four years in the number of graduates from the 360-affiliated manufacturing programs;
- 85% of graduates have gotten jobs in their field of study right out of college.

Chancellor Rosenstone referred to a citation from the Tekne Awards, sponsored by the Minnesota High Tech Association, at an event held last November. The Tekne Awards honor organizations and individuals who have played a significant role in developing new technologies that have a positive impact on the lives and future of people living around the world. The award for educational technology went to South Central College and its new distance learning model – iMEC – a set of online simulators that gives students access to the college's mechatronics program anytime, anywhere. Students can access instructors and participate in distance classes while at the same time experiencing real hands-on training using online, simulation, and remote access delivery methods. The development of iMEC was supported by a grant from the National Science Foundation. Chancellor Rosenstone congratulated South Central College, President Annette Parker, and the team that developed these tools led by mechatronics instructor Doug Laven.

6. Student Associations

a. Minnesota State College Student Association

Kevin Parker, president, addressed the board. He introduced Tim St. Claire, vice president, who also addressed the board.

7. Minnesota State Colleges and Universities Bargaining Units

a. Inter Faculty Organization

Jim Grabowska, president, addressed the board.

8. Comments Regarding Presidents

Chancellor Rosenstone made the following statement:

I want the Board of Trustees to understand that I have complete confidence in Tim Wynes, as president of both Inver Hills Community College and Dakota County Technical College. President Wynes has worked closely with students, faculty, and staff to create a remarkable community that collaboratively delivers on the missions of both colleges. The actions that were taken by a set of the faculty were the actions of a single faculty unit on a single campus. The Dakota County Technical College faculty are not scheduling a vote. None of the other bargaining units on either campus – MAPE, AFSCME, or MMA – are participating, nor are the students. In fact, the Student Senate at Inver Hills has issued a statement of support for President Wynes. I hope that those who have differences with President Wynes will resume open face-to-face dialog to resolve their differences and return their focus to serving students.

I want the board to also understand that I have complete confidence in the leadership of Doug Allen. During his tenure as Ridgewater College president, the college has received national acclaim as one of the top community colleges in the nation by respected authorities as the Aspen Institute, Washington Monthly magazine, and ACT. Ridgewater's job placement rate in career and technical programs is over 96 percent during the last five years, and it is a model for colleges across the state and demonstrates their success in meeting the talent requirements of employers in the region. In short, Ridgewater College has an outstanding track-record under the leadership of Doug Allen – one that should make Doug, the faculty, and staff, and the students, and this board very proud. The no-confidence vote from nearly a year ago was driven by a single campus bargaining unit – the faculty union. No other bargaining units – including MAPE, AFSCME, and MMA – participated. As the board knows, we have received literally dozens and dozens of messages from students, faculty, staff, and most importantly, leaders of the community expressing their enthusiastic and full support of President Allen.

I continue to believe that the best way to resolve differences is through face-to-face open dialog and I encourage all involved to resume their conversations as soon as possible. If faculty leaders at either Inver Hills Community College or Ridgewater College – or for that matter at any other college or university in the state – feel that they need help in facilitating these conversation with college leadership, human resources professionals both at the college level and at the Minnesota State Colleges and Universities system level stand ready to assist in those conversations. Enrollment challenges and budget pressures are being felt by colleges and universities across the nation, and I think it is not appropriate that these should be used to question the leadership of an individual college. Instead, my hope would be that these challenges would inspire faculty, staff, students, and the community to be working together with college leadership to strategize on how best to address these challenges.

I personally think that the faculty union's strategy of 'being loud in public' as they put it as a means of addressing challenges or bringing about change is short sighted.

I personally think it is counterproductive, and ultimately does a disservice to our students. Open dialog, face-to-face, sitting down together to resolve disagreements in a spirit of mutual respect and collaboration, I believe is the most effective way to bring about change, and I call upon our faculty colleagues at both campuses to resume these discussions with their campus presidents as soon as possible.

Chair Vekich thanked the chancellor, and he made the following statement:

I join the chancellor in his support of our presidents. The Board of Trustees knows that the presidents of our colleges and universities have very challenging jobs. They lead continually innovative places of higher learning that are responsive to the needs of students and communities across the state while delivering excellent education at an affordable cost. In fact, we have asked many of our presidents to lead more than one college. The board appreciates their dedicated work. The savings from these shared administrative services help us meet our commitment to students and the state of Minnesota to provide an affordable education.

True leaders, by definition, are called to make hard decisions; decisions that can sometimes be unpopular. Our college and university presidents make these kinds of hard decisions only after thoughtful consultation, and when those decisions cause discord, we expect campus communities to come together in a professional manner to discuss differences of opinion and solve issues at the campus level. On behalf of the Board of Trustees, I want to express our unwavering support for, and confidence in, our presidents at every one of our colleges and universities.

9. Branding Initiative Update, Noelle Hawton, Chief Marketing and Communications Officer

Noelle Hawton, chief marketing and communications officer, gave an update on the branding initiative. The newly expanded steering committee has met three times. In December, the committee met for a project orientation and input on naming alternatives. In January, the committee met twice to review brand alternatives recommended by PadillaCRT, continue brainstorming, and review an outline of the plan and timeline for the entire project.

PadillaCRT also has completed an environmental inventory documenting all potential elements to be impacted by a change in the brand name. The purpose of the inventory is to properly scope the remainder of the work and to develop a realistic cost estimate for implementing a brand plan. Costs are being categorized as recurring and non-recurring. Recurring costs will require no new budget (e.g., a brochure will be updated with the new brand when it is normally reprinted). Non-recurring costs are one-time costs, such as replacing a sign with the new brand.

PadillaCRT also held one-on-one telephone interviews with representatives from each of our 31 colleges and universities to get input on the brand names under consideration, understand any specific local branding challenges or opportunities, and gather any ideas about systemwide branding. Each local representative was asked to complete an environmental inventory of where the system name is included for their local campus.

Brand Names under Consideration

CMCO Hawton noted that the branding effort faces some challenges. First, a literal name is difficult to replace and moving it to something more aspirational or creative can be seen as too big of a change, and not particularly academic. For example, the current name is literal – it describes exactly what we are. Another challenge is that because we have not successfully demonstrated how to leverage a system brand name in the past, colleges and universities may not recognize the need for a brand or the opportunity to be leveraged. CMCO Hawton added that she has found that many people within the system are confused about our intentions. The plan is to change our collective brand so that prospective students, parents, and community leaders can understand how all of our colleges and universities are linked together, making it easier to navigate and less debt-producing than other options.

The impact on the campuses will be minimal and the impact on our collective system, if fully leveraged, could be game-changing. We plan to create system brand guidelines that can be phased in over time. After reviewing more than a dozen brand name options, the steering committee is favoring the idea of sticking with the existing name or a condensed version, such as “Minnesota State,” or “Minnesota State Colleges and Universities” or “Minnesota State System.” The Minnesota State condensed approach builds on a well-used and understood approach throughout the higher education world – such as Cal State, Michigan State, Penn State, etc.

The committee also is thinking about how we will determine if we have accomplished our objectives. The following criteria are under consideration:

- adoption rate (how many colleges and universities use the new brand)
- awareness research (to see if key stakeholders know and understand the new brand)
- enrollment (whether any joint messaging and marketing efforts increase enrollment)

CMCO Hawton reiterated that she believes that this work is urgent. The work plan is on track and expected to be done on time and by June. She offered the following question for the board:

- Does creating a brand platform from which to build a presence that makes it simpler for prospective students to understand our colleges and universities’ value proposition continue to be a priority?

Board Discussion

Trustee Sundin commented that this is a long overdue priority; she urged full speed ahead. There was broad agreement among the board members with Trustee Sundin’s comments. Responding to a questions, Chancellor Rosenstone replied that the work will be completed by June 1. He explained that the transition in leadership in Marketing and Communications delayed the timeline, but the purpose of today’s update was to check-in with the board on the progress made to date.

CMCO Hawton added that the new name and new logo will be presented to the board in June. There is a board policy on use of the system name and logo, but it is not being followed consistently.

10. Board Standing Committee Reports

a. Human Resources Committee, Dawn Erlandson, Chair

1. Appointment of Interim President of Rochester Community and Technical College

Committee Vice Chair Anaya moved that the Board of Trustees, upon the recommendation of Chancellor Rosenstone, appoints Joyce Helens as interim president of Rochester Community and Technical College, effective January 27, 2016, subject to the completion of an employment agreement. The board authorizes the chancellor, in consultation with the chair of the board and chair of the Human Resources Committee, to negotiate and execute an employment agreement in accordance with the terms and conditions of the MnSCU Personnel Plan for Administrators.

The motion carried unanimously.

2. Introduction of Margaret Shroyer, Acting President of St. Cloud Technical and Community College

Chancellor Rosenstone commented that he was delighted to introduce Dr. Margaret Shroyer as acting president of St. Cloud Technical and Community College. She has served as vice president for academic affairs since 2009. Dr. Shroyer is a graduate of our executive leadership program and she is a critical member of the college's leadership team. He explained that Dr. Shroyer had planned to retire in May but she has graciously agreed to accept the appointment as acting president of St. Cloud Technical and Community College.

Chair Vekich welcomed Acting President Shroyer. She thanked the chancellor and the board for their support.

b. Academic and Student Affairs Committee, Alex Cirillo, Chair

1. Metro Baccalaureate Update

Committee Chair Cirillo reported that the committee heard a presentation on the efforts to grow baccalaureate degrees in the metro area. The seven state universities will strategically and collegially expand baccalaureate degrees in the Twin Cities. It will be anchored by Metropolitan State and augmented by the universities in Greater Minnesota.

2. Transfer Degree Pathways for Baccalaureate Completion

Committee Chair Cirillo reported that the work that has been done on the Transfer Degree Pathways to allow students to complete degrees will take care of 25-30 pathways.

3. Proposed Amendment to Policies (First Readings)

- 2.1 Campus Student Associations
- 3.7 Statewide Student Association
- 3.29 College and University Transcripts

Committee Chair Cirillo reported that the committee reviewed the proposed amendments.

c. Audit Committee, Robert Hoffman, Chair

1. NCAA Agreed Upon Procedures External Audit
Committee Chair Hoffman reported that representatives from CliftonLarsonAllen summarized the results of the audit which is required every three years.
2. Progress on Recommendations from January 2015 Payroll Special Review
Committee Chair Hoffman reported that the committee heard a report on the progress that has been made following the payroll review at Metropolitan State University. In addition, the review has resulted in improvements to systemwide human resources functions.
3. MSU, Mankato Internal Control and Compliance Audit
Committee Chair Hoffman reported on the internal control and compliance audit of MSU, Mankato.

d. Finance and Facilities Committee, Jay Cowles, Chair

1. Proposed Amendments to Policy 5.9 Biennial Budget Planning (First Reading)
Committee Chair Cowles reported that committee reviewed the language in the proposed amendments to Policy 5.9.
2. FY2015 Finance Statement Review and FY2016-FY2017 Operating Budget Update
Committee Chair Cowles reported that the update on the FY2016-FY2017 operating budget raised a number of issues. Vice Chancellor King will review the procedures around financial health to be more responsive to changing conditions such as market and demographics. The subject of the supplemental budget request was discussed and Committee Chair Cowles will consult with the chair, chancellor and vice chancellor on a proposal for consideration for the next biennium.
3. Discussion of FY2018 Capital Planning Guidelines (First Reading)
Committee Chair Cowles reported that the FY2018 planning guidelines were presented as a first reading. Committee members had some suggestions that will be incorporated into the second reading which will be presented at the March meeting.
4. Update on the Work of the Long Term Financial Sustainability Workgroup
Committee Chair Cowles reported that the committee heard an update from Vice Chancellor King and Associate Vice Chancellor Phil Davis on the workgroup.
5. FY2018-FY2019 Operating Budget Outlook
Committee Chair Cowles commented that this was an information item.

11. Trustee Reports

Trustee Sundin introduced Denise Specht, president, Education Minnesota, the 70,000 educators in Minnesota. She thanked her for attending the meeting. Trustee Sundin also thanked the faculty members in the audience.

Trustee Otterson reported that she attended Saint Paul College's ground-breaking ceremony for its Health and Science Center.

Trustee Renier commented that he likes the electronic board meeting materials and he will not be receiving a paper board packet in the future.

12. Adjournment

Chair Vekich announced that the Executive Committee will meet on February 16 at 8:00 AM. The next Board of Trustees meetings are on March 15 and 16, 2016.

Chair Vekich adjourned the meeting at 3:30 PM.

Ingeborg K. Chapin, Secretary to the Board