

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
JOINT COMMITTEE MEETING OF ACADEMIC AND STUDENT AFFAIRS
AND FINANCE AND FACILITIES
MEETING MINUTES
April 19, 2011**

Committee Members Present: Trustees Duane Benson, Cheryl Dickson, Christopher Frederick, Clarence Hightower, Phil Krinkie, Dan McElroy, Tom Renier, Louise Sundin, and James Van Houten

Others Present: Board Chair Scott Thiss, Trustees Jacob Englund and Thomas Renier and Vice Chancellor Laura King, Interim Vice Chancellor Scott Olson, President Sue Hammersmith and President Richard Davenport

Committee Members Absent: Christine Rice, David Paskach and Michael Vekich,

The Minnesota State Colleges and Universities Board of Trustees held a joint meeting of the Academic and Student Affairs and Finance and Facilities Committees on April 19, 2011, at Wells Fargo Place, 4th Floor, Board Room, 30 East 7th Street in St. Paul. The Academic and Student Affairs Committee Vice Chair Duane Benson called the meeting to order at 11:00 a.m.

1. RESOURCES FOR RESULTS (*Information*)

Vice Chancellor King began the discussion by noting that the Board of Trustees directed the Chancellor to develop a proposal to allocate a portion of the system's state appropriations to colleges and universities on the basis of their performance. Since late summer 2010, the ASA and Finance Leadership Council Committees and Allocation Framework Technical Advisory Committee have been formally involved in reviewing development of Resources for Results.

Leslie Mercer, Associate Vice Chancellor: System Research, Planning and Effectiveness and Craig Schoenecker, System Director for Research detailed the progress made on the proposal. Consistent with the Board's January discussion, Resources for Results is being designed to recognize achievement on two types of measures: student success (persistence, transfer and completion), and the number of degrees and other awards conferred.

The Student Success Measure (persistence and completion rate) would track cohorts of undergraduate regular and transfer students from their initial fall term of entry to the following (second) fall. Students would be counted as successful if they remain enrolled, have graduated or are enrolled in another institution (within MnSCU or at another U.S. institution) the second fall following entry. This measure is now reported on the system Accountability Dashboard.

The Completion Measure (graduate to degree-seeking headcount ratio) would measure graduates who earned any award—certificates, diplomas, and associate, bachelor's and graduate degrees—granted by colleges and universities. To recognize the lag between enrollment changes and changes in the numbers of

graduates produced, the number of graduates who earned one or more awards in a given year would be compared to the college or university credit degree-seeking headcount in an earlier year.

Ms. Mercer noted that adjustments in the measures may be needed to recognize the success and completion of underrepresented students. Vice Chancellor King remarked that it is her goal to keep the model as simple as possible while seeking measures that cover a range of unique missions among the colleges and universities.

Vice Chancellor King reported that one percent of the system's appropriation or approximately \$5M would be set aside for each college and university to earn back. She recommended however that the Resources for Results project be delayed until FY2013 at least. The legislature is very likely to decrease the system's appropriation for FY2012. The Leadership Council seeks time to absorb the reductions before new data measurements are instituted. In addition, the program would have a better chance for success if implemented after the larger adjustment expected in FY2012. The Leadership Council supports the delay to implement as does the Chancellor. Chancellor McCormick remarked that staff developed the Resources for Results model in response to the Board's request for bold ideas.

Presidents Hammersmith and Davenport also expressed concern about having 1% of their budgets designated for the program in such a difficult budgeting environment. Vice Chair Benson expressed the Committee's view that staff should continue to develop the concept but that implementation would be a question of better timing. Vice Chancellor King noted that on the basis of feedback today the Resources for Results will not be brought to the Board of Trustees in May for implementation as part of the FY2012 college and university operating budget.

The Committee also discussed HF1101, the omnibus higher education funding bill, which was adopted by the state House of Representatives. If enacted into law, the bill would implement performance-based funding that incorporates similar provisions to the design of Resources for Results currently under development in the Office of the Chancellor. The performance-based funding provisions of HF 1101 would make release of a portion of the system appropriation contingent on achievement of specified goals. To earn the performance-based appropriation, three out of the five performance goals would need to be achieved. Although it is highly likely the system could meet the goals, several trustees expressed concern about the legislation. Mary Davenport, Director of Government Relations, noted that the message to legislators has consistently been that the Board of Trustees should have the authority to govern the system and there should be no language of this type.

Trustee Benson adjourned the meeting at 12:00 noon.

Respectfully submitted,
Nancy Lamden, Recorder