

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

Name: Academic and Student Affairs Committee

Date: November 20, 2013

Title: Pine Technical College - Change in Institution Type and Change in Name (First 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:

Pine Technical College is requesting a change in institution type to become a comprehensive technical and community college. A request by a college or university for a change in institution type is subject to approval by the Board, following a first and second reading in accordance with Policy 3.24, Part 3, Change in Institution Type. The college will also be requesting a change in name which is subject to approval by the Board in accordance with Policy 3.23, Part 2, Name Change.

Scheduled Presenter(s):

John O'Brien, Interim Vice Chancellor for Academic and Student Affairs
Robert Musgrove, President, Pine Technical College
Leslie Mercer, Associate Vice Chancellor for Research, Planning and Policy

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

BOARD ACTION ITEM

**PINE TECHNICAL COLLEGE – CHANGE IN INSTITUTION TYPE
AND CHANGE IN NAME (FIRST READING)**

1 INTRODUCTION

2
3 Pine Technical College is requesting a change in institution type to expand its mission (hereafter
4 referred to as mission change) to a comprehensive technical and community college. board
5 approval of this request will enable the college to offer the Associate in Arts degree and to
6 change its official name. A request by a college or university for a change in institution type is
7 subject to approval by the board, following a first and second reading in accordance with Policy
8 3.24. A mission change will require approval of the Higher Learning Commission subsequent to
9 board approval.

10
11 After extensive review, the interim vice chancellor for academic and student affairs fully
12 supports the proposed mission change by Pine Technical College. The college has demonstrated
13 the capacity to offer the Associate in Arts degree and the benefit that it will bring to the region
14 and students.

15
16 ***Current mission:*** Provide superior education and social services that enhance the communities
17 we serve.

18
19 ***Proposed mission:*** Through extraordinary technical and transfer education and superior
20 services, Pine Technical and Community College develops innovative workers, fosters educated
21 citizens, builds strong communities, and promotes healthy economies.

22
23 ***Current Vision:*** Pine Technical College will be a vibrant, comprehensive college and
24 community resource for quality education and services that improve lives and empower learners.

25
26 ***Proposed Vision:*** No change is proposed. The proposed mission change does not alter the vision
27 of Pine Technical College. The vision for the college is intended to be far-reaching and to
28 encompass a time span during which Pine Technical College would achieve mission change and
29 become a comprehensive technical and community college.

30
31 The proposed name change will be considered in concert with the mission change.

32
33 **BACKGROUND**

34
35 A mission change at Pine Technical College would enable students to complete an Associate in
36 Arts degree. The mission change would also support students interested in exploring a technical
37 career but unsure of which path to take by providing them with access to financial aid. The Pine

1 Technical College application for a mission change and for the ability to offer an Associate in
2 Arts degree addressed the following elements based in system procedures that are elaborated
3 below:

- 4 • Mission Alignment
- 5 • Market Demand
- 6 • Partnership Opportunities
- 7 • Comprehensive Planning
- 8 • Current and Future Capacity

9
10 Over the past decade, a number of colleges have requested and received approval for the same
11 changes requested by Pine Technical College, including Saint Paul College and South Central
12 College – along with, more recently, Alexandria Technical and Community College and St.
13 Cloud Technical and Community College. The proposal from Pine Technical College to offer the
14 Associate in Arts degree and change its mission is in line with those previous requests.

15
16 Pine Technical College consulted extensively with internal constituent groups including the Pine
17 Technical College Student Senate, the Academic Affairs and Standards Council, faculty shared
18 governance, and the college’s leadership team. In addition, the college consulted with civic
19 clubs, local school boards, city council and county commissions, as well as the Pine Technical
20 College Foundation. The college also met with its regional legislative delegation and all of its
21 program advisory committees to seek input. The response was extremely positive, including
22 numerous letters of support from regional workforce agencies, local community organizations,
23 and our state universities.

24 25 **Mission Alignment**

26 The proposed mission change will advance strategic framework objectives of the Minnesota
27 State Colleges and Universities in the following ways:

28 29 **1. Ensure access to an extraordinary education for all Minnesotans**

- 30 ○ Access to the Associate in Arts degree advances the strategic framework in an
31 underserved region of the state, where bachelor’s degree attainment rates are half of
32 the state average. Pine Technical College’s mission change would ensure more
33 people (many of whom are place bound) have that access.
- 34 ○ The change will position Pine Technical College as a place of opportunity by
35 making education accessible to Minnesotans who seek a postsecondary education,
36 who want to update their skills, or who need to prepare for new careers.

37 38 **2. Be the partner of choice to meet Minnesota’s workforce and community needs**

- 39 ○ The real-world challenge of inadequate basic and soft skills will be addressed with
40 this change, positioning Pine Technical College to keep Minnesotans at the leading
41 edge of their professions.
- 42 ○ Pine Technical College, through this change, will enable east central Minnesota to
43 meet the need for a better educated workforce by increasing the number of
44 Minnesotans who have access to and complete Associate in Arts degrees.

1 **3. Deliver to students, employers, communities and taxpayers the highest value/most**
2 **affordable option**

- 3 ○ As one of the most affordable system institutions, Pine Technical College will be in
4 a position to make that affordability available to transfer-minded Minnesotans in
5 this region.
6

7 The college recognizes potential concerns about the impact of a mission change on technical
8 education and remains committed to its technical college mission. As noted in the recent
9 workforce listening sessions, general education will provide more options and access for students
10 and will complement rather than compete with skills requested by employers. The proposed
11 name change to Pine Technical and Community College is based on the interest in maintaining
12 the college’s tradition of providing technical education and being referred to as Pine Tech.
13

14 **Market Demand**

15 Expansion of the college mission to include the Associate in Arts degree has been driven by
16 student interest and community input. Surveys of regional high school students indicate
17 substantial interest in career paths that require a four-year degree. Input from technical program
18 advisory committees, system workforce listening sessions, and other employer input indicate
19 strong support for a mission change to increase opportunities and options for students and
20 employees in the region.
21

22 A balanced offering of liberal arts and sciences and workforce programs is a critical need in the
23 region. The system workforce assessment survey findings highlight a pervasive need for the so-
24 called “soft skills” across all sectors. Consequently, a mission change and the ability to teach
25 those skills through liberal arts courses and a transfer degree are essential for the competitiveness
26 and civic and economic health of the region. A comprehensive approach to the needs of the
27 region requires a comprehensive college able to provide workforce and transfer options.
28

29 The statewide workforce listening sessions revealed significant needs for the types of skills most
30 closely associated with the Minnesota Transfer Curriculum. Regardless of the sector, employers
31 call for communications skills, interpersonal skills, analytical and problem-solving ability,
32 teamwork and critical thinking. The statewide, multi-sector assessment noted the importance of
33 foundational knowledge provided in the Associate in Arts degree as a platform for meeting those
34 expressed needs and required job skills. These types of skills match up with the program and
35 course outcomes ingrained in the Pine Technical College liberal arts and sciences courses and are
36 aligned with the intended program and college outcomes developed as part of the Pine Technical
37 College learner outcomes and assessment processes.
38

39 The college has experienced substantial enrollment growth, resulting in a much-improved fiscal
40 picture and a growing faculty and staff. Student full-year equivalents (FYE) at Pine Technical
41 College have increased from 410 in 2006 to 667 in 2013 – an increase of 63%. The increase in
42 headcount is even more substantial, with unduplicated credit hour headcount rising from 963 to
43 1865 – a growth of over 94% over the same time period. This growth has generated tuition
44 revenue and has improved the college’s share of the state appropriation as driven by the system
45 allocation formula. The college projects continued 3% per year enrollment growth in FYEs and

1 headcount. Based on recent growth, the large percentage of the region's population with little or
2 no higher education, and employment demand, this projection is a reasonable one.

3
4 Despite that enrollment growth, participation and education attainment rates remain a critical
5 issue in East Central Minnesota. In 2009, only 42% of high school graduates from the region
6 went on to enroll at a Minnesota institution. In Pine County, the rate is even lower at 32%. The
7 Pine Technical College service area remains well below state averages in bachelor's degree
8 attainment and that deficit ultimately results in lower per capita incomes, greater levels of
9 poverty, and higher rates of unemployment than the rest of Minnesota and Wisconsin.

- 10 • Pine County's bachelor's degree attainment is among the lowest in the state with 12.9%
11 and neighboring Kanabec County at 13.8% (statewide figure is 20%).
- 12 • Pine County had the highest poverty rate (15.2%) in the region, which was much higher
13 than the state of Minnesota as a whole (11.5%) in 2010.

14
15 Another troubling aspect is the significant gap in the intentions of local high schools students and
16 their eventual postsecondary participation rates. According to the ACT PLAN survey, almost
17 70% of 10th graders in the region intend to seek a bachelor's degree. However, as noted earlier,
18 the reality is that only around 40% of graduates in the region actually do enroll in postsecondary
19 education after high school graduation.

20 21 **Partnership Opportunities**

22 Pine Technical College has attempted to use partnerships to offer the Associate in Arts degree.
23 However, much like the previous partnership efforts and mission changes proposed by
24 Alexandria Technical and Community College and St. Cloud Technical and Community College,
25 the college has found that partnership in offering the Associate in Arts degree is not a workable
26 model for students.

27
28 Through a mission change and the implementation of an Associate in Arts degree, the college
29 would remove barriers that prevent students from taking advantage of higher education because
30 of location or financial issues. The requested mission change will allow undecided students to
31 enter Pine Technical College with a declared major (the Associate in Arts) and meet Federal
32 regulatory requirements that limit student access to financial aid for those courses required for a
33 particular program. Since the Associate in Arts degree is not as narrowly proscribed as many
34 technical degree programs, students can maintain eligibility for financial aid while they are
35 exploring degree and career options.

36
37 Despite efforts to partner with Mesabi Range Community and Technical College and Lake
38 Superior College in offering the Associate in Arts degree, barriers related to Federal Title IV
39 financial aid eligibility for undeclared majors and enrollment at the degree-granting institution
40 make it unnecessarily burdensome for students to co-enroll at Pine Technical College and the
41 partner institutions. The mission change and offering of the Associate in Arts degree is the best
42 solution to this problem and the best option for Pine Technical College students.

43 44 **Comprehensive Planning**

45 The planning process undertaken by the college has involved the entire college community and
46 many external stakeholders, including city and county governments, school districts, employer

1 groups, and program advisory committees. Campuswide strategic planning days in the spring
2 and fall of 2012 focused on this project and mission change. Each unit of the college examined
3 ways in which it could make a positive contribution to the success of the mission change effort,
4 and each has developed action goals with measurable outcomes.

5
6 The college community and external stakeholders support the ways that the mission change
7 will substantially increase higher education opportunities for the region. Two primary
8 objectives identified by these stakeholders are to provide additional transfer opportunities and
9 to enable students who are undecided to take courses and receive support in establishing an
10 educational plan.

11 **Current and Future Capacity**

12 Pine Technical College has demonstrated the capacity to offer the Associate in Arts degree
13 through its improved financial condition, growth in enrollment, and increased course offerings.
14 The primary additional capacity and costs are associated with increased library staff and
15 faculty credit load, support for advising, a transfer specialist, and marketing. The system office
16 finance division has reviewed the college estimates on projected enrollment, existing capacity,
17 and potential emerging costs to offer and support the Associate in Arts degree and is satisfied
18 with the financial pro forma that supports the proposed mission change.

19
20
21 Pine Technical College has increased its available inventory of general education courses from
22 a total of 121 semester credit hours in 2006 to 243 semester credit hours in 2012. The college
23 has 79 courses across the ten goal areas of the Minnesota Transfer Curriculum with excess
24 capacity in those offerings to accommodate projected enrollment. The college employs 18 core
25 general education faculty members, and all of the faculty members meet credentialing
26 requirements.

27
28 Fiscally, the college's three-year average Composite Financial Index (CFI) stands at 3.17,
29 which is above the system average of 2.98 for all colleges. Some fluctuation occurs,
30 particularly in 2012, when a large capital project was completed. The college's reserves as a
31 percentage of operating revenue stand at 8.0%, better than the 6.6% for all colleges as
32 identified by system accounting. Actual available cash is nearly 25% of operating revenue. In
33 addition, the college has strengthened its regional partnerships to position itself to be
34 competitive in the acquisition of grant funds. Since 2009, Pine Technical College and its
35 partner colleges have received \$39.6 million in Federal grant funds to significantly enhance
36 and expand programs in allied health, manufacturing and information technology. These funds
37 have covered the first three years of start-up costs for additional programs and enabled the
38 college to broaden its program inventory and enhance its enrollment and viability. Due to the
39 college's negotiated Federal indirect cost rate of 29.7%, Pine Technical College has been able
40 to add to its strategic reserves for future investment.

41
42 With regard to facilities, the college has demonstrated that there is substantial room for growth
43 to accommodate the classroom-based courses taught in the Associate in Arts degree. The
44 college's new science laboratory provides a modern facility for teaching its lower division
45 science course inventory. At present the laboratory is used 33 hours per week, with availability

1 in the evenings and on weekends to accommodate additional course sections, should those be
2 needed.

3

4 **Conclusion**

5 Pine Technical College's history, heritage, and culture are centered on technical education. This
6 proposed change in mission to become a comprehensive college will strengthen, not diminish,
7 this focus. The mission change is not a wholesale change for the college but the completion of a
8 process that has been underway for some time. The substantial benefits of providing educational
9 access to students in this part of the state far outweigh the costs and risks. It is clear the college
10 intends to retain its heritage as a college that educates students primarily for the workforce – but
11 also enhances its ability to provide an extraordinary education for students in its service area in
12 the most accessible and effective way possible.

13

14 **RECOMMENDED COMMITTEE ACTION**

15

16 This is a first reading, no action is required.

17

18 **RECOMMENDED MOTION**

19

20 NA