

MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
RETREAT NOTES
SEPTEMBER 15-16, 2015

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, Erma Vizenor, and Chancellor Steven Rosenstone

Welcome, Introductions and Overview of Schedule

Chair Michael Vekich convened the retreat at 2:00 PM on September 15, 2015, at Fitger's Inn in Duluth. He introduced Mike Felmlee, the facilitator, and reviewed the schedule.

Enterprise Risk Management

Chair Vekich explained that the topic of Enterprise Risk Management is on the schedule because the board has oversight of leadership's management of strategic and operational risks. The current practice has been that at the beginning of the year the board receives a report from the chancellor on the top risks and the strategies that are being employed to address them. At the end of the year, the board receives a status report. How does the board want to exercise its oversight?

The trustees reviewed and identified additional risks and potential disruptors and discussed strategies to mitigate them. They also had suggestions for ways that the board could be more engaged with its oversight of ERM, such as: having specific risks assigned to a corresponding committee that would monitor the administration's management of the risk; creating a new committee; or drafting a board policy on risk policy. Chair Vekich commented that the board has an opportunity to design a model for how it wants to exercise its oversight. He suggested that the board may want to review its committee structure as a starting point. Following discussion, the Executive Committee will review the current committee structure as a starting point and bring a recommendation to the board.

Long-Term Financial Sustainability

Chair Vekich explained that there is some urgency for a long-term financial model for the colleges and universities. The goal of this discussion is to give clear direction to the chancellor. The trustees reviewed a draft model for a workgroup on financial sustainability that included a timeline and suggested membership.

The trustees agreed that there is a sense of urgency, and they urged the chancellor to have the workgroup on this topic in place before the October board meeting.

Charting the Future Work Plan

The goals for this portion of the retreat were for the trustees to receive an update on the work to date including the Steering Committee's charge to the Leadership Council, and to review and provide feedback on the work plan.

Jaime Simonsen, system director, reported that all eight implementation teams finalized their recommended strategies and submitted their reports by July 1. There were 42 strategies in all. At its July meeting, the Leadership Council discussed the recommendations and asked the Executive Committee of the Leadership Council to develop a work plan for the full council to review at its September retreat.

In early August, 170 students, faculty, and staff attended a two-day Change Leadership Workshop at North Hennepin Community College. The sessions gave each campus team tools to improve engagement as a campus team and to interact with colleagues across the system.

Director Simonsen introduced the Executive Committee of the Leadership Council: Richard Hanson, president, Bemidji State University and Northwest Technical College; Joyce Ester, president, Normandale Community College; Doug Allen, president, Ridgewater College; and Earl Potter, president, St. Cloud State University.

The presidents explained that the Executive Committee of the Leadership Council struggled with how to prioritize the recommendations. The Leadership Council saw value in all 42 recommendations, but knew that they could not do all of them at once. Based around the three commitments in the strategic framework, the focus of the draft work plan is on student success, controlling costs, and a three-year plan. The work plan incorporates and honors the work of the implementation teams and the need for campus-based solutions. The work plan was shared at the Leadership Council's retreat. Leaders from each bargaining unit and both student associations were invited to the Leadership Council retreat and they offered suggestions to the work plan.

Charting the Future is about communication and shared leadership. A great organization offers consistency, and our students do not have a consistent experience across our colleges and universities. Our third strategic commitment focuses on affordability. ISRS touches every single employee and student. The Allocation Framework touches all, as well. The scholarship program raised \$36 million, but students need additional resources besides financial resources to succeed. Over the past years of discussions, the focus of *Charting the Future* has narrowed to student success.

Chancellor Rosenstone commented that the work plan is not a document that says this is everything we need to do. For example, developmental education is not mentioned, but it is relevant. The sequencing of the work plan was also a consideration.

The board's commitment to the three goals in the Strategic Framework is high. Similarly, the board's sense of urgency on *Charting the Future* is also high. Chair Vekich commented that *Charting the Future* is the largest initiative undertaken in the history of the system.

The Executive Committee of the board will meet to discuss the roles of the committees and whether they are the right committees. The goal is to make the work of the committees more strategic.

Proposed Amendments to Board Policy 4.2 Appointment of Presidents (First Reading)

Trustee Erlandson explained that this is before the board because the legislature asked the board to outline the process for conducting presidential searches. The legislature's original bill assigned a trustee from the congressional district of a given college or university to serve on the search committee. The other issue is the role of the vice chancellor for human resources in the search process. At other institutions, the person in that role is more involved in the search.

Chancellor Rosenstone introduced Vicki DeFord, chief human resources officer, and Mark Carlson, vice chancellor for human resources. Both human resource professionals have been involved in the searches. Vice Chancellor Carlson highlighted the amendments and explained that they codify processes that have been customary.

Trustees were interested in the existing policy provision which prohibits allowing an interim or acting president to be considered a candidate in a search. Chancellor Rosenstone explained that the first question he is asked on searches is, "Is there an internal candidate?" If there is, the pool is not as diverse and large.

Chancellor Rosenstone noted that a second reading of the proposed amendments will be presented at the November board meeting. Until then, there will be a lot of consultation on the amendments, and the legislature will receive a report on the timeline for the board's adoption. Trustee Erlandson urged trustees to forward any suggestions or thoughts to her, Vice Chancellor Carlson, or Chief Human Resources Officer DeFord.

Top Strategic Priorities for the Board and Board Committees

Chair Vekich said traditionally the board has looked at each committee's work for the whole year. He proposed that the committees strategically focus their work on two or three items and that one of the items is *Charting the Future*. The board committee chairs and their respective cabinet members hosted roundtable discussions on strategic topics for agenda items.

Summary

Chair Vekich thanked Mike Felmlee for his work, and he asked the trustees to comment on the following:

1. Did we accomplish what we wanted out of this session?
2. Think of one highlight from the meeting.

Trustees responded that the retreat was well organized and that the goals established at the beginning were accomplished. Chancellor Rosenstone thanked Chair Vekich for his consultation on the agenda and he thanked the trustees for their engagement and counsel.

Chair Vekich noted that this retreat included the most laughter and camaraderie that he could remember. Everyone was engaged and working together and the agenda was completed. He thanked the Executive Committee of the Leadership Counsel and the Cabinet for their participation.

Board Secretary Chapin will send out a calendar with dates over the next six months for Board of Trustees Executive Committee meetings. Meeting dates can be cancelled if they are not needed. The first agenda item is looking at the committees.

Retreat Concludes

Chair Vekich concluded the retreat at 2:00 pm