



MINNESOTA STATE

Board of Trustees

30 East 7th Street
St. Paul, MN 55101

651-201-1705

Board of Trustees Meetings May 18-19, 2021



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



Board of Trustees
May 18 - 19, 2021
Virtual Meeting

The Board of Trustees is adhering to Governor Walz's Executive Order 20-01, the State of Minnesota Peacetime Emergency Declaration, and the Center for Disease Control's social distancing guidelines. Meetings will be conducted on a virtual meeting platform. Interested parties can listen to the live stream of the proceedings from the [Board website](#). Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings.

Tuesday, May 18, 2021

- 9:00 a.m. Outreach and Engagement Committee, Dawn Erlandson, Chair
Other board members may be present constituting a quorum of the board.
- 1. Minutes of January 27, 2021**
 2. Marketing and Engagement Results
- 10:00 a.m. Joint Meeting: Audit and Workforce and Organizational Effectiveness Committees, Co-Chairs George Soule and Michael Vekich
Other board members may be present constituting a quorum of the board.
1. Update on Human Resources Shared Services (formerly HR-TSM)
- 11:00 a.m. BREAK
- 11:15 a.m. Audit Committee, George Soule, Chair
Other board members may be present constituting a quorum of the board.
- 1. Minutes of April 20, 2021**
 2. Audit Results: Federal Student Financial Aid and CARES Act funding
- 11:45 a.m. Academic and Student Affairs Committee, Cheryl Tefer, Chair
Other board members may be present constituting a quorum of the board.
- 1. Minutes of March 17, 2021**
 - 2. Mission Statement Change - Dakota County Technical College**
 - 3. Mission Statement Change - Inver Hills Community College**
 4. Workforce Development and Engaging the Future of Work
- 1:00 p.m. Meeting ends



Wednesday, May 19, 2021

8:30 a.m. Joint Meeting: Facilities and Finance Committees, Co-Chairs Jerry Janezich and Roger Moe

Other board members may be present constituting a quorum of the board.

1. Revenue Fund Bond Refunding: 2011 Issuance (1st Reading)
2. 2022 Capital Program Recommendation (1st Reading)

9:30 a.m. Finance Committee, Roger Moe, Chair

Other board members may be present constituting a quorum of the board.

1. Minutes of April 20, 2021

2. Contracts Requiring Board Approval:

- a. **D2L Learning Management System Master Contract Extension, System Office**
- b. **Online Program Manager Academic Partnership, St. Cloud State University**
- c. **Classroom Technology Refresh Project, Century College**
- d. **Private Study/Video Conferencing Booths, Minnesota State University, Mankato**
- e. **CollegeSource – New Master Contract for Transfer Evaluation System, System Office**
- f. **MNIT Inter-Agency Agreement, System Office**

3. Surplus Property Designation: Alexandria Technical and Community College

4. Proposed Amendment to Board Policy 7.1 Finance and Administrative Authority of Board, Chancellor, and Presidents (2nd Reading)

5. Proposed Amendment to Board Policy 7.5 Financial Institutions and Investments (2nd Reading)

6. LeadMN Fee Proposal (1st Reading)

7. 2021 Legislative Summary

8. FY2022 Annual Operating Budget (1st Reading)

12:00 p.m. BREAK

12:15 p.m. Closed Session: Workforce and Organizational Effectiveness Committee, Michael Vekich, Chair

Other board members may be present constituting a quorum of the board.

Pursuant to Minn. Stat. § 13D.03, (2019) Closed Meetings for Labor Negotiations Strategy (Minnesota Open Meeting Law)

1. Update on Labor Negotiations Strategy

1:00 p.m. BREAK

1:30 p.m. Board of Trustees, Jay Cowles, Chair

3:00 p.m. Meeting ends

Bolded items indicate action is required.



Committee Rosters

2020 - 2021

(Updated April 14, 2021)

Executive

Jay Cowles, Chair
Roger Moe, Vice Chair/Treasurer
Alex Cirillo
Dawn Erlandson
April Nishimura
Cheryl Tefer
Michael Vekich

Academic and Student Affairs

Cheryl Tefer, Chair
Alex Cirillo, Vice Chair
Asani Ajogun
Dawn Erlandson
Javier Morillo
Oballa Oballa
Rudy Rodriguez

President Liaisons:

*Michael Berndt
Robbyn Wacker*

Audit

George Soule, Chair
April Nishimura, Vice Chair
Asani Ajogun
Jerry Janezich
Michael Vekich

President Liaisons:

*Richard Davenport
Michael Seymour*

Diversity, Equity, and Inclusion

Rudy Rodriguez, Chair
George Soule, Vice Chair
Ahmitara Alwal
Javier Morillo
April Nishimura
Oballa Oballa
Cheryl Tefer

President Liaisons:

*Jeffery Boyd
Anne Blackhurst*

Facilities

Jerry Janezich, Chair
Roger Moe, Vice Chair
Alex Cirillo
Kathy Sheran
Oballa Oballa

President Liaisons:

*Kent Hanson
Faith Hensrud*

Finance

Roger Moe, Chair
April Nishimura, Vice Chair
Ahmitara Alwal
Jerry Janezich
Kathy Sheran
George Soule
Michael Vekich

President Liaisons:

*Joe Mulford
Scott Olson*

Workforce and Organizational Effectiveness

Michael Vekich, Chair
Dawn Erlandson, Vice Chair
Ahmitara Alwal
Alex Cirillo
Roger Moe
George Soule
Cheryl Tefer

President Liaisons:

*Annette Parker
Ginny Arthur*

Outreach and Engagement

Dawn Erlandson, Chair
Alex Cirillo, Vice Chair
Asani Ajogun
Kathy Sheran
Cheryl Tefer

President Liaisons:

*Carrie Brimhall
Ginny Arthur*

Nominating

Alex Cirillo, Chair
Rudy Rodriguez, Vice Chair
Dawn Erlandson

Chancellor Performance Review

Jay Cowles, Chair
Roger Moe, Vice Chair
Dawn Erlandson
Michael Vekich



Approved FY2021 and FY2022 Board Meeting Dates

The meeting calendar is subject to change. Changes to the calendar will be publicly noticed.

FY2021 Meeting Calendar

Meeting	Date	If agendas require less time, these dates will be cancelled.
Board Meeting/Combined meeting Leadership Council <i>Anoka-Ramsey Community College, Coon Rapids</i>	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: Date change	September 22-23, 2020	
Executive Committee	October 7, 2020	
Committee / Board Meetings	October 20-21, 2020	October 20, 2020
Executive Committee	November 3, 2020	
Committee / Board Meetings Combined with Leadership Council	November 17-18, 2020	November 17, 2020
No December meeting		
Executive Committee	January 6, 2021	
Committee / Board Meetings Combined with Leadership Council	January 26-27, 2021	
No February meeting		

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	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

FY2022 Meeting Calendar

Meeting	Date	If agendas require less time, these dates will be cancelled.
Board Meeting/Combined meeting Leadership Council	July 20-21, 2021	July 21, 2021
No meetings in August		
Board Retreat	September 21-22, 2021	
Executive Committee	October 6, 2021	
Committee / Board Meetings	October 19-20-2021	October 19, 2021
Executive Committee	November 3, 2021	
Committee / Board Meetings Combined with Leadership Council	November 16-17, 2021	November 16, 2021
No meetings in December		

Executive Committee	January 5, 2022	
Board Meeting/Combined meeting with Leadership Council	January 25-26, 2022	January 26, 2022
No meetings in February		
Executive Committee	March 2, 2022	
Committee / Board Meetings	March 15-16, 2022	March 15, 2022
Executive Committee	April 6, 2022	
Committee / Board Meetings	April 19-20, 2022	April 19, 2022
Executive Committee	May 4, 2022	
Committee / Board Meetings	May 17-18, 2022	May 17, 2022
Executive Committee	June 1, 2022	
Committee / Board Meetings	June 21-22, 2022	June 21, 2022

National Higher Education Conferences:

ACCT Virtual Leadership Congress: October 5-8, 2020
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

Recommended Motion – June 17, 2020

The Board of Trustees approves the revised FY2021 and proposed FY2022 meeting calendars. Changes to the calendar will be publicly noticed.



Outreach and Engagement Committee
May 18, 2021
9:00 a.m.
Virtual Meeting

Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings.

- 1. Minutes of January 27, 2021 (pp 1-2)**
2. Marketing and Engagement Results (pp 3-4)

Committee Members

Dawn Erlandson, Chair
Alex Cirillo, Vice Chair
Asani Ajogun
Kathy Sheran
Cheryl Tefer

Presidents Liaisons

Carrie Brimhall
Ginny Arthur

Bolded items indicate action required.





**Outreach and Engagement Committee
Meeting Minutes
January 27, 2021**

A meeting of the Outreach and Engagement Committee of the Board of Trustees was held on Jan. 27, 2021.

Committee members present: Dawn Erlandson, Chair; Alex Cirillo, Vice Chair; Asani Ajogun, Kathy Sheran, Cheryl Tefer.

Other board members present: Ahmitara Alwal, Jay Cowles, Roger Moe, Rudy Rodriguez, George Soule, and Michael Vekich.

Staff present: Devinder Malhotra, Chancellor; Noelle Hawton, Chief Marketing and Communications Officer.

The meeting materials for this meeting are available [here](#), starting on page 103. An audio recording of the meeting is available [here](#).

Committee Chair Erlandson called the meeting to order at 10:05 a.m.

Agenda Item 1: Approval of the Meeting Minutes for Nov. 17, 2020

Committee Chair Erlandson asked if there are any changes or amendments to the minutes then asked for a motion to approve. Trustee Cirillo made the motion and Trustee Sheran provided a second.

A roll call vote was conducted and the minutes were approved unanimously.

Agenda Item 2: Campus partnerships to alleviate food insecurity – Metropolitan State University.

Committee Chair Erlandson invited Noelle Hawton, along with Metropolitan State University President Ginny Arthur, Dean of Students Maya Sullivan, Student Parent and Resource Coordinator Khou Vue, and Good in the 'Hood Executive Director Shawn Morrison to present on the university's partnerships to alleviate food insecurity, as detailed in the meeting materials. The meeting materials for this item begin on page 108.

This being an informational item, there was no vote taken.

Agenda Item 3: Campus partnerships to alleviate food insecurity – Pine Technical and Community College.

Committee Chair Erlandson invited Noelle Hawton, along with Pine Technical and Community College President Joe Mulford, Student Success Advisor Erin White, and Director of Student Success Kierstan Peck to present on the college's partnerships to alleviate food insecurity, as detailed in the meeting materials. The meeting materials for this item begin on page 106.

This being an informational item, there was no vote taken.

Adjournment

The committee chair adjourned the meeting at 10:56 a.m.

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

Name: Outreach and Engagement Committee

Date: May 18, 2021

Title: Marketing and Engagement Results

Purpose (*check one*):

Proposed New Policy or
Amendment to Existing Policy

Approvals Required
by Policy

Other Approvals

Monitoring/Compliance

Information

Brief Description:

The Outreach and Engagement Committee will be briefed about efforts to position Minnesota State and its colleges and universities with key stakeholders, as well as the results of this work.

Scheduled Presenter(s):

- Noelle Hawton, Chief Marketing and Communications Officer, Minnesota State
- Barbara Hein, Director of Marketing, Minnesota State
- Brian Jones, Director of Admissions, Minnesota State University, Mankato
- Sara Frederick, Senior Director for Marketing and Communication, Minnesota State University, Mankato
- Lori Kloos, Vice President of Administration, St. Cloud Technical & Community College
- Kate Wallace, Public Relations Specialist, St. Cloud Technical & Community College

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD INFORMATION ITEM

MARKETING AND ENGAGEMENT RESULTS

BACKGROUND

With the challenges of the ongoing pandemic and long-term demographic shifts affecting enrollment, Minnesota State provides the colleges and universities macro marketing campaigns and statewide engagement platforms upon which to build local efforts. Representatives from Minnesota State, St. Cloud Technical & Community College, and Minnesota State University, Mankato will discuss their approach and how local campuses leverage this work.



Joint Meeting: Audit and Workforce and Organizational Effectiveness Committees
May 18, 2021
10:00 a.m.
Virtual Meeting

Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings.

1. Update on Human Resources Shared Services (formerly HR-TSM) (pp 1-12)

Audit Committee Members

George Soule, Chair
April Nishimura, Vice Chair
Asani Ajogun
Jerry Janezich
Michael Vekich

Presidents Liaisons

Richard Davenport
Michael Seymour

Workforce and Organizational
Effectiveness Committee Members

Michael Vekich, Chair
Dawn Erlandson, Vice Chair
Ahmitara Alwal
Alex Cirillo
Roger Moe
George Soule
Cheryl Tefer

Presidential Liaisons

Annette Parker
Ginny Arthur

Bolded items indicate action required.



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

Name: Joint Audit and Workforce and Organizational
Effectiveness Committees

Date: May 18, 2021

Title: Update on Human Resources Shared Services (formerly HR-TSM)

Purpose (check one):

Proposed New Policy or
Amendment to Existing Policy

Approvals Required
by Policy

Other Approvals

Monitoring/Compliance

Information

Brief Description:

The Human Resources Transaction Service Model (HR-TSM) project began in 2015 as an initiative to create a shared service model for the delivery of human resource (HR) and payroll transaction services across the system. The final phase of the project was completed in June 2020.

The Vice Chancellor for Human Resources and Internal Audit will update the committees on steps taken to address the observations and recommendations summarized in Internal Auditing's November 5, 2020 Advisory Project report. Among other actions, the system is proposing a tiered service option to better partner with campuses in achieving a stabilized, cost effective, and customer-centered operation.

Scheduled Presenter(s):

Eric Wion, Executive Director of Internal Auditing
Christine Smith, Director with Baker Tilly
Eric Davis, Vice Chancellor for Human Resources

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD INFORMATION ITEM

Update on Human Resources Shared Services (formerly HR-TSM)

BACKGROUND

The Human Resources Transaction Service Model (HR-TSM) project began in 2015 as an initiative to create a shared service model for the delivery of human resource (HR) and payroll transaction services across the system. The primary objectives of this HR and Payroll Transaction Shared Service Model (service center) are to:

- Create consistent practices and deliver high-quality service to all employees.
- Mitigate risks and reduce errors.
- Provide opportunity for transformational (e.g., strategic) HR work on campuses.

The transition from the work being performed by campus HR staff to the service centers was divided in three phases: Phase 1 was the transition of faculty transactions (began January 2017), Phase 2 was the transition of classified employee transactions (began July 2018), and Phase 3 was the transition of payroll (began July 2019). All phases of work have transitioned to the service center as of June 2020.

On November 5, 2020, Internal Auditing published results of its HR-TSM advisory project. The project report contained observations and recommendations relating to the progress toward shared service stabilization, real and perceived level of return on investment realized, and the extent to which the desired project goals and objectives had been achieved. The results of the project were discussed with the Board at the November 2020 meeting.

The Vice Chancellor for Human Resources and Internal Audit will update the committees on steps taken to address the observations and recommendations summarized in the Advisory Project report. Among other actions, the system is proposing a tiered service option to better partner with campuses in achieving a stabilized, cost effective, and customer-centered operation.



May 18, 2021
Office of Internal Auditing

Joint Audit and Workforce and Organizational Effectiveness Committee

Project Results – Human Resources Transaction Service Model (Advisory Project)

MINNESOTA STATE

Agenda

- HR Shared Services Update
- Internal Audit Review
 - Scope
 - Progress and Successes since November 2020 Report
 - Management Action Plan Assessment
- Next Steps
- Appendix: Definitions (review only)

Vice Chancellor for HR Remarks

- Progress on Advisory Project Recommendations
- Alternative Models

Themes from Sector Meetings

- Responsiveness especially to short notice changes in workload
- Timeliness for on-boarding new faculty & short notice hires
- Accuracy of assignments (right cost-center; right encumbrance)
- Timeliness of encumbrances / charges
- Efficiency of HR transaction process; problem resolution
- Return on investment / Cost concerns

Chancellor Malhotra's Four Key Criteria

The Chancellor specified four criteria that will be important for him in evaluating alternative models / demonstration projects:

1. The overall, collective cost will not exceed the current arrangement
2. The quality / effectiveness of the service is improved
3. The likelihood of errors is reduced
4. There is consistency / conformity to established standard procedures across the system

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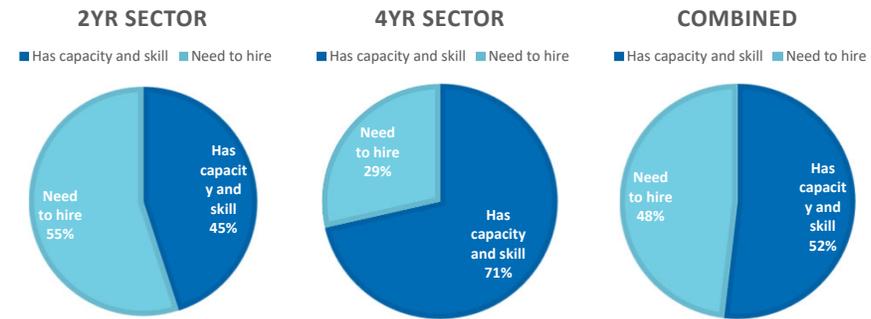
Alternative Models Considered

- Status quo with continuous quality improvement
- Status quo with a two-year demonstration of returning selected transactions to a limited number of institution(s)
- Return teaching faculty transactions to selected campuses who can demonstrate they have both the competency and capacity to perform that work.
- Permit campuses access to augment center in high demand times
- Increase HRSS staffing to support/train campuses

6



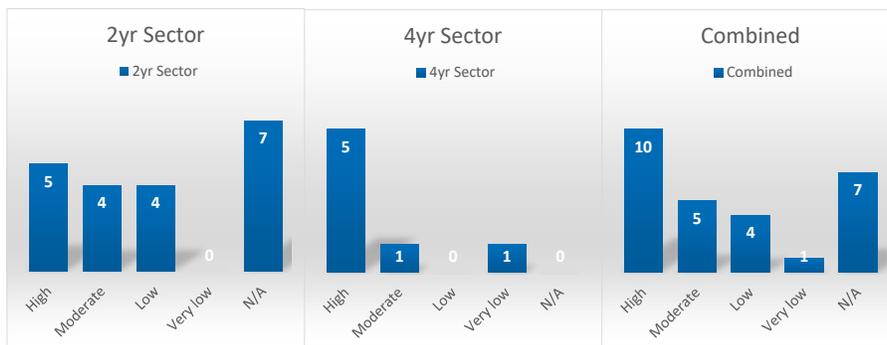
Capacity for campus to take back work



7



Self-Assessed level of confidence to take back work today



• N/A = "Not interested in taking back HR transactions"

8



The Future of HR Shared Services

- Actively engaging with campus leaders and collecting feedback. Based on feedback received and conversations with leadership, we are preparing to offer a tiered approach to shared services.
- **In response to the HR-TSM Advisory Project findings and recommendations, HR is preparing to offer campuses an opportunity to elect one of two options as early as Jan 2022:**
 - **Baseline services:** The service center performs only non-teaching faculty transactions and processes payroll; campus HR team takes back teaching faculty transactions and pays a reduced rate
 - **Full services** (current model): The service center continues to process all HR and payroll transactions for the campus

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The Future of HR Shared Services

In considering the alternative model proposed, we must first:

- Consider how to best leverage current resources and structure so that additional resources are not required and to minimize necessity for layoffs and the effects on individuals and the system
- Evaluate the revised pricing model and rate levels for different models to ensure financial sustainability and perceived/actual ROI. Chancellor has agreed to keep the teaching-faculty head-count rate at \$155 until January 2022.
- Determine which activities, by which institutions, and under what agreement and timeline the system will delegate to campuses the ability to resume transactional work for teaching faculty.
 - Specific parameters and capacity criteria will need to be met, a plan for auditing of institutional inputs for accuracy and conformity to standards, and key modifications mutually agreed to by all parties outlined in service-level agreements.

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Internal Audit Update

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Internal Audit Review

Scope

- Review Management's action plans and assess whether they address the observations noted in the November 2020 internal audit report
- Attend project status meetings with the Vice Chancellor for Human Resources and the Associate Vice Chancellor for Human Resources to understand activities completed to date and next steps
- Attend the December, February, and April HR Shared Services Advisory meetings

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Internal Audit Review

Progress and Successes since November 2020 Report

- ✓ Stakeholder involvement and input
 - ✓ Priority issues
 - ✓ Alternative model consideration
- ✓ Repair of Cherwell ticketing system and pilot for new ticketing system
- ✓ Development of monthly dashboards
 - Accuracy (over/under payments and root cause)
 - Responsiveness (issue response time)
 - Payroll reconciliation items

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Internal Audit Review

Management Action Plan Assessment

Recommendation Area		Assessment
Risk Areas Impacting Service Center Stabilization	Evolution of the Governance Structure	Partially Addressed
	Process Standardization	Opportunity for Improvement
	Employee Onboarding and Reoccurring Training	Partially Addressed
	Internal Controls	Opportunity for Improvement
	Business Partnership Approach and Mindset	Addressed
	Roles of the Service Center Supervisors and Managers and Opportunity for Strategic HR Initiatives	Addressed
	Communication Protocol	Addressed
	Ticketing System Gaps	Partially Addressed
	Payroll Transition	Addressed
	System Leadership Accountability	Opportunity for Improvement
Institution and Service Center Accountability	Partially Addressed	
Scorecard Implementation	Key Metrics to Assess Service Center Performance	Addressed* <i>*Ideally automated, real time, comprehensive ROI</i>
Alternative Shared Service Model Options	Funding Constraints	Addressed
	Alternative Model Options	If an alternative model is considered, the model design should take into consideration and address the other observations noted above.
	Change Scope of Services Performed	

Internal Audit Review

Priority Open Items

- Approach for prioritizing issues and challenges
- Standard process repository
- Training and onboarding program for campus stakeholders
- Internal control assessment
- New ticketing system (pilot stage)
- Formal system leadership accountability plan
- Investment in IT solutions (e.g., automated accountability metrics)

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Internal Audit Review

Key Next Steps

- Define the criteria required from institutions to be approved for the alternate model option
- Develop clear parameters for monitoring and ensuring consistent processes for faculty transactions
- Determine how performance metrics will be tracked and monitored
- Define the reporting requirements for accountability

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Alternative Model – Next Actions

- Present to Joint Committee
- Consult with HR Shared Services Advisory Group on follow-up actions
- Inform and consult on FY22 business plan and next actions with key stakeholders to include but not limited to statewide bargaining group leaders, service center management and campus leaders
- Solicit and evaluate applications from campuses who seek to resume processing teaching faculty transactions – starting as early as spring semester 2022
- Address remaining Advisory Project Open Items

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Appendix (Review Only)

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Appendix: Definitions

Assessment Rankings
Addressed: An action plan has been defined to appropriately address the observation and recommendation.
Opportunity for Improvement: Although an action plan has been defined to address the recommendation, the plan may not appropriately address the risk identified, or the plan does not include sufficient detail to determine whether it will appropriately address the observation.
Partially Addressed: An action plan has been developed for select items included in the recommendation, however, the recommendation in its entirety has not been addressed.
Not Addressed: An action plan has not been defined to address the observation and recommendation.



MINNESOTA STATE

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



Audit Committee
May 18, 2021
11:15 a.m.
Virtual Meeting

Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings.

- 1. Minutes of April 20, 2021 (pp 1-2)**
2. Audit Results: Federal Student Financial Aid and CARES Act Funding (pp 3-10)

Committee Members

George Soule, Chair
April Nishimura, Vice Chair
Asani Ajogun
Jerry Janezich
Michael Vekich

Presidents Liaisons

Richard Davenport
Michael Seymour

Bolded items indicate action required.





**Audit Committee
Meeting Minutes
April 20, 2021**

A meeting of the Audit Committee of the Board of Trustees was held on April 20, 2021 at 8:30 a.m.

Committee members present: George Soule, Chair; April Nishimura, Vice Chair; Asani Ajogun, Jerry Janezich, Michael Vekich

Committee members absent: None

Other board members present: Alex Cirillo, Roger Moe, Oballa Oballa, Cheryl Tefer

Staff present: Devinder Malhotra, Chancellor; Eric Wion, Executive Director of Internal Auditing; Bill Maki, Vice Chancellor of Finance and Facilities

The meeting materials for this meeting are available [here](#), starting on page 9. An audio recording of the meeting is available [here](#).

Committee Chair Soule called the meeting to order at 8:31 a.m.

Agenda Item 1: Approval of the Meeting Minutes for January 26, 2021

Committee Chair Soule asked if there are any changes or amendments to the minutes then asked for a motion to approve. Trustee Vekich made the motion and Trustee Nishimura provided a second.

A roll call vote was conducted and the minutes were approved unanimously.

Internal Audit Update

Committee Chair Soule invited Mr. Eric Wion, Executive Director of the Office of Internal Auditing to give an update on a proposed amendment to the contract with CliftonLarsonAllen. The federal government passed legislation that provides three funding packages to institutes of higher education in response to the coronavirus pandemic. The government requires these funds to be audited each year and a contract amendment is needed to incorporate the new requirements. Immediately following the audit committee, the finance committee will take up a motion to amend the CliftonLarsonAllen contract for fiscal years 2020, 2021, and 2022.

Agenda Item 2: Project Results – Campus Safety and Security: Covid-19

Committee Chair Soule invited Executive Director Wion along with Mr. Bill Maki, Vice Chancellor of Finance and Facilities, Mr. Brian Yolitz, Associate Vice Chancellor of Facilities, and Ms. Ashley Dehr, Internal Auditing (Baker Tilly), to present the Project Results – Campus Safety and Security: Covid-19, as detailed in the meeting materials.

The meeting materials for this item begin on page 15.

This being an informational item, there was no vote taken.

Agenda Item 3: Internal Audit’s Quality Assessment Review Results

Committee Chair Soule invited Executive Director Wion to present Internal Audit’s Quality Assessment Review Results as detailed in the meeting materials.

The meeting materials for this item begin on page 23.

This being an informational item, there was no vote taken.

Adjournment

The committee chair adjourned the meeting at 9:00 a.m.

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

Name: Audit Committee

Date: May 18, 2021

Title: Audit Results: Federal Student Financial Aid and CARES Act Funding

Purpose (*check one*):

Proposed New Policy or
Amendment to Existing Policy

Approvals Required
by Policy

Other Approvals

Monitoring/Compliance

Information

Brief Description:

Minnesota State's external auditors, CliftonLarsonAllen, LLP, will discuss the results of its recently completed audits of federal student financial aid and CARES Act funding for the year ended June 30, 2020. These audits are required by the federal government.

Scheduled Presenter(s):

Eric Wion, Executive Director of the Office of Internal Auditing
Don Loberg, Managing Principal with CliftonLarsonAllen, LLP
Brenda Scherer, Signing Director with CliftonLarsonAllen, LLP

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD INFORMATION ITEM
Audit Results: Federal Student Financial Aid and CARES Act Funding

BACKGROUND

Federal student financial aid is a major federal financial assistance program and thus required by law to be audited annually. The federal government passed Coronavirus Aid, Relief, and Economic Security Act (CARES) in response to the Covid-19 pandemic that provided colleges and universities new one-time funding beginning in fiscal year 2020. These funds were required to be audited.

Minnesota State’s external auditors, CliftonLarsonAllen, LLP, (CLA) has completed the required compliance audits of federal student financial aid programs and CARES s for the year ended June 30, 2020.

Minnesota State’s 2020 Schedule of Expenditures of Federal Awards Report for the Year Ended June 30, 2020 has been prepared by CLA as part of its responsibilities as the system auditor for Minnesota State. The results in this report are incorporated into the State of Minnesota’s Single Audit report and available on the Minnesota Management and Budget website. Copies of the State of Minnesota’s Single Audit report will also be available on Minnesota State’s financial reporting website.

Summary Fiscal Year 2020 Schedule of Expenditures of Federal Awards

	2020	2019
Perkins Loans	\$25,032,467	\$29,644,280
Nursing Loans	\$15,914	\$18,147
Student Direct Loans	\$407,312,797	\$436,872,348
Total Student Loans	\$432,361,178	\$466,534,775
Supplemental Educational Opportunity Grants	\$6,630,926	\$7,015,591
Work-Study Program	\$7,344,153	\$6,669,577
Pell Grant Program	\$214,626,559	\$224,423,528
Teacher Education Assistance Grants	\$408,492	\$540,628
Total Student Grants and Other Aid	\$229,010,130	\$238,649,324
Total Student Financial Assistance Cluster	\$661,371,308	\$705,184,099
Federal CARES Act	\$58,082,859	-
Other Federal Programs	\$55,190,673	\$52,564,477
Total Federal Expenditures	\$774,644,840	\$757,748,576



May 18, 2021
Office of Internal Auditing

Audit Committee

Audit Results: Federal Student Financial Aid and CARES Act Funding

MINNESOTA STATE

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Minnesota State Colleges and Universities Audit Presentation

Year Ended June 30, 2020

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

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Agenda

Audit Responsibilities

Timeline of Testing

Audit Approach

Results

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Create Opportunities



3

Audit Responsibilities

Contracted by Minnesota State to perform the compliance testing over the Student Financial Assistance and Cares Act Programs

Compliance requirements tested under the Uniform Grant Guidance (Federal Student Financial Aid and Cares Act)

CLA's report will be included as part of the State of MN's Single Audit Report

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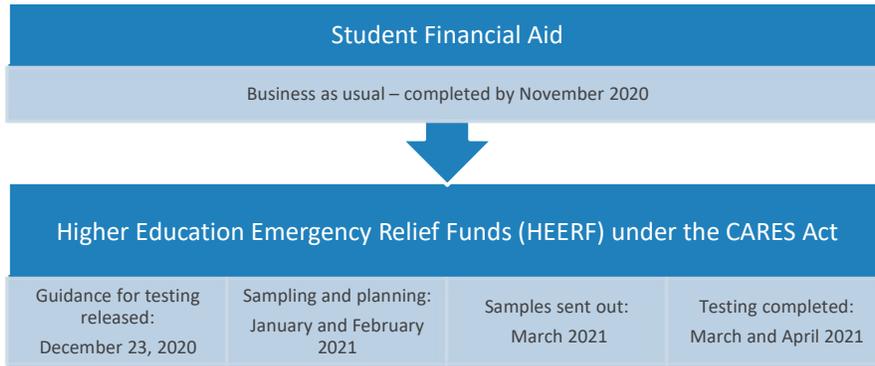
Create Opportunities



4

Timeline for Testing in FY20

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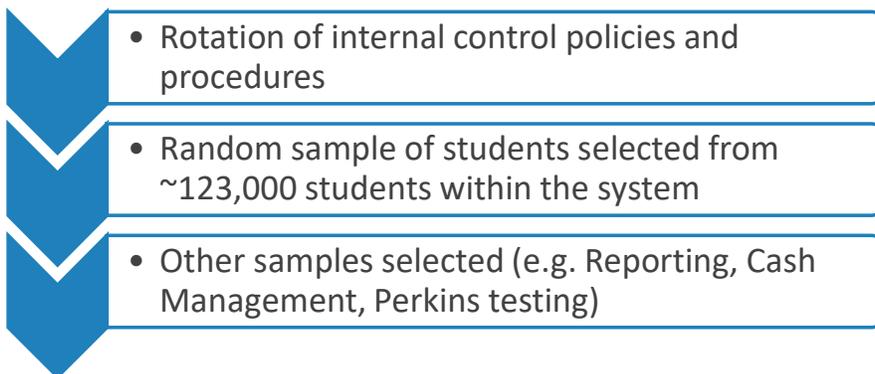


Create Opportunities

5

Audit Approach - Student Financial Aid

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Create Opportunities

6

7

Audit Approach – HEERF (Cares Act)

- Questionnaire sent to all colleges and universities to understand internal controls
- Disbursement testing (student and institutional) selected from populations based on internal controls
- Other samples (procurement and reporting) selected from entire system

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Create Opportunities

7

Audit Results

- Opinion {
- Unmodified opinion on compliance

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Create Opportunities

8

Audit Results – Student Financial Aid

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No material weaknesses

Three significant deficiency findings

- Cash Management G5 Drawdowns (Over Draw)
- Student Refund Checks Outstanding Greater than 240 Days
- National Student Loan Database System Enrollment Reporting



Create Opportunities

9

Audit Results – HEERF (Cares Act)

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No material weaknesses

Two significant deficiency findings

- Reporting
- Allowable Costs



Create Opportunities

10

Fiscal Year 2021 Compliance Audit

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Student Financial Aid

- No changes in timeline for testing

HEERF

- Start time is unknown



Create Opportunities

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12



Academic and Student Affairs
May 18, 2021
11:45 a.m.
Virtual Meeting

Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings.

- 1. Minutes of March 17, 2021 (pp 1-4)**
- 2. Mission Statement Change – Dakota County Technical College (pp 5-12)**
- 3. Mission Statement Change – Inver Hills Community College (pp 13-25)**
4. Workforce Development and Engaging the Future of Work (pp 26-42)

Committee Members

Cheryl Tefer, Chair
Alex Cirillo, Vice Chair
Asani Ajogun
Dawn Erlandson
Javier Morillo
Oballa Oballa
Rudy Rodriguez

Presidents Liaisons

Michael Berndt
Robbyn Wacker

Bolded items indicate action required.



**Academic and Student Affairs Committee
Meeting Minutes
March 17, 2021**

A meeting of the Academic and Student Affairs Committee of the Board of Trustees was held on March 17, 2021 at 8:30 a.m.

Committee members present: Cheryl Tefer, Chair; Alex Cirillo, Vice Chair; Asani Ajogun, Dawn Erlandson, Javier Morillo and Oballa Oballa

Committee members absent: Rudy Rodriguez

Other board members present: Jay Cowles; Roger Moe, April Nishimura, Kathleen Sheran George Soule, Michael Vekich

Staff present: Devinder Malhotra, Chancellor; Ron Anderson, Sr. Vice Chancellor for Academic and Student Affairs

The meeting materials for this meeting are available [here](#) starting on page 100. An audio recording of the meeting is available [here](#).

Committee Chair Tefer called the meeting to order at 8:30 a.m.

Agenda Item 1: Approval of the Meeting Minutes for January 27, 2021

Committee Chair Tefer asked if there are any changes or amendments to the minutes then asked for a motion to approve. Trustee Oballa made the motion and Trustee Morillo provided a second.

A roll call vote was conducted and the minutes were approved unanimously.

Agenda Item 2: Proposed Amendment to Board Policy 2.9 Academic Standing and Financial Aid Satisfactory Academic Progress (2nd Reading)

Committee Chair Tefer invited Sr. Vice Chancellor Ron Anderson to present on the proposed Amendment to Board Policy 2.9 Academic Standing and Financial Aid Satisfactory Academic Progress, as detailed in the meeting materials. The meeting materials for this item begin on page 106.

Committee Chair Tefer asked committee members to consider the following recommended committee motion:

The committee recommends the Board of Trustees adopt the proposed amendment to Board Policy 2.9

Trustee Oballa made the motion and Trustee Cirillo seconded. A roll call vote was conducted. The vote was as follows:

Trustee Ajogun	Yes
Trustee Cirillo	Yes
Trustee Erlandson	Yes
Trustee Morillo	Yes
Trustee Oballa	Yes
Trustee Tefer	Yes
Trustee Rodriguez	Absent

The committee voted to approve the recommended motion.

Agenda Item 3: Proposed Amendment to Board Policy 3.29 College and University Transcripts (2nd Reading)

Committee Chair Tefer invited Sr. Vice Chancellor Ron Anderson to present on the proposed amendment to Board Policy 3.29 College and University Transcripts, as detailed in the meeting materials.

The meeting materials for this item begin on page 111.

Committee Chair Tefer asked committee members to consider the following recommended committee motion:

The committee recommends the Board of Trustees adopt the proposed amendment to Board Policy 3.29

Trustee Cirillo made the motion and Trustee Morillo seconded. A roll call vote was conducted. The vote was as follows:

Trustee Ajogun	Yes
Trustee Cirillo	Yes
Trustee Erlandson	Yes
Trustee Morillo	Yes
Trustee Oballa	Yes
Trustee Tefer	Yes
Trustee Rodriguez	Absent

The committee voted to approve the recommended motion.

Agenda Item 4: Mission, Vision and Value Statement change – St. Cloud Technical and Community College

Committee Chair Tefer invited Sr. Vice Chancellor Anderson, along with Annesa Cheek, President of St. Cloud Technical and Community College (SCTCC) to present the proposed mission vision and value statement change for SCTCC, as detailed in the meeting materials.

The meeting materials for this item begin on page 114.

Committee Chair Tefer asked committee members to consider the following recommended committee motion:

Upon the recommendation of the Chancellor, the Academic and Student Affairs Committee recommends that the Board of Trustees approve the proposed mission statement of St. Cloud Technical & Community College.

Trustee Cirillo made the motion and Trustee Oballa seconded. A roll call vote was conducted. The vote was as follows:

Trustee Ajogun	Yes
Trustee Cirillo	Yes
Trustee Erlandson	Yes
Trustee Morillo	Yes
Trustee Oballa	Yes
Trustee Tefer	Yes
Trustee Rodriguez	Absent

The committee voted to approve the recommended motion.

Agenda Item 5: College Transitions and the Learner Lifecycle: Minnesota’s P20 Education Partnership

Committee Chair Tefer invited Sr. Vice Chancellor Anderson along with Commissioner Mary Cathryn Ricker, Minnesota Department of Education; Commissioner Dennis Olson, Minnesota Office of Higher Education; and Vice Provost and Dean Robert McMaster, University of Minnesota to present on the work being done in Minnesota’s P20 Education Partnership regarding College Transitions and the Learner Lifecycle, as detailed in the meeting materials.

The meeting materials for this item begin on page 128.

This being an informational item, there was no vote taken.

Adjournment

The committee chair adjourned the meeting at 9:58 a.m.

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

Name: Academic and Student Affairs Committee

Date: May 18, 2021

Title: Mission Statement Change – Dakota County 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 statement of Dakota County Technical College is being presented for Board of Trustees approval. The mission meets the criteria in Board Policy 3.24 College or University Type and Mission, and System Mission, Part 4. Approval of College or University Mission Statement.

Scheduled Presenter(s):

Ron Anderson, Sr. Vice Chancellor for Academic and Student Affairs

Michael Berndt, President, Dakota County Technical College and Inver Hills Community College

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION

Mission Statement Change - Dakota County Technical College

BACKGROUND

The revised mission and vision statement of Dakota County Technical College is being presented for Board approval. The mission and vision meet the criteria identified in Board Policy 3.24 College or University Type and Mission, and System Mission, Part 4: Approval of College or University Mission Statement.

Dakota County Technical College (DCTC) has provided career and technical education since 1970 when Dakota County Area Vocational-Technical Institute (DCAVTI) was created under the control of the Intermediate School District (ISD) 917. The spirit of hands-on career and technical education continued after 1989 when DCAVTI became Dakota County Technical College; the early motto “Learning by Doing” continues to be a point of distinction for DCTC’s learning environment. ISD 917 continues to be co-located with DCTC at the Rosemount campus. DCTC served 2900 credit students in FY20. Below is an overview of the fall 2020 student demographics:

Part-time / Full-time	37% / 63%
Female / Male / Unknown	43% / 54% / 3%
18-24 / 25 years +	63% / 33%
PSEO	3%
Known Pell Eligible	32%
Students of Color	28%
First Generation (Federal definition)	53%

The college offers over 129 awards across 44 programs; these programs are organized into 7 academic pathways: Health and Education; Transportation; Construction and Manufacturing; Business; Visual Arts and Communication; Liberal Arts and Sciences; and STEM. Students are guided through an appreciative advising and orientation program to identify a program of study at the point of registration. Many of DCTC’s programs promote early and frequent industry connections. These opportunities contribute to a high graduate employment rate (97% for 2018-19) and related employment rate (92% for 2018-19).

The college makes regular investments in updating program spaces and technology. In 2016, the campus funded an expansion of the Heavy-Duty Truck Technology Lab; in 2019, the Electrical Construction and Maintenance Lab was remodeled to expand program space, and in 2021, previous program space was remodeled to bring the Veterinary Technician program to campus from a leased facility in Lakeville.

Programs at DCTC maintain robust program advisory boards, and faculty work closely with area employers to facilitate work-and-learn experiences for students. For example, the Legacy Group worked with our Electrical Line Worker Program to recruit and prepare diverse students for the industry. The college also works closely with several city and regional chambers of commerce, the Dakota-Scott Workforce Development Board, Career Force Centers, county service agencies, and local legislators to ensure workforce and community needs are identified and addressed. For example, the college maintains a 2.8-mile Decision Driving Range that has provided safety training for over 250 police, paramedic, and city government departments; this is the only facility of this type in the region.

DCTC and Inver Hills Community College (Inver Hills) are located 10 miles apart in the southeast suburbs of Minneapolis-Saint Paul. The colleges have a long history of collaborations, starting when Inver Hills provided general education courses for DCTC degrees. In 2014, the Chancellor named the President at Inver Hills as interim President at DCTC as well. This interim appointment was made permanent by the Board of Trustees in 2015. DCTC and Inver Hills currently share over 60 positions across multiple divisions. Several leadership positions moved to aligned positions including the Human Resources Director (FY2015), the Information Technology Director (FY2015), and the Director of Operations (FY2015). DCTC Foundation's Executive Director was also appointed as interim Executive Director of Inver Hills' Foundation in FY2018, a move made permanent in FY2019 through a national search for the position. Initially conceived as a cost-saving strategy, DCTC and Inver Hills' alignment work enables both colleges to reinvest resources into their educational mission instead of cutting services. The focus of alignment has expanded, ensuring continuity of operations, collaboration around best practices, and enhancement of educational offerings and support services provided to students. In spring 2020, the Cabinet decided to develop the colleges' 2021-2025 Strategic Plan jointly, foregrounding opportunities to collaborate in the two goal areas: Student Success and Equity and Inclusion.

Purpose in Seeking Change to the Mission Statement

Mission documents are reviewed as part of the college's strategic planning process. DCTC is developing its 2021-2025 Strategic Plan in partnership with Inver Hills. The common strategic plan will leverage our alignment to advance both colleges in our common goals: student success and equity and inclusion.

Throughout the planning process, DCTC has focused on the student experience, knowing that enhancing student learning and persistence for all of our students is the primary strategy through which the college serves external stakeholders in both meeting workforce needs and strengthening our communities.

The revised mission better reflects our commitment to facilitating student learning (Learn), to helping students discover a career path (Discover), and helping them build the social mobility that will improve their quality of life (Build a better future). This revision reflects DCTC's commitment to Equity 2030 and to system priorities like guided pathways. The revision preserves DCTC's core commitment to "education for employment" while also recognizing our commitment to "life-long growth" as both career advancement and personal and civic development which, in collegiate education, are interconnected with professional development. Opportunities for career advancement are often tied to professional skills like networking, problem solving, working well in teams and communicating effectively.

In alignment with the revised mission, the college also updated its vision to emphasize the transformational education we seek to create for all students. The former vision committed us to providing an exceptional education; this revision articulates more fully why it is exceptional. Additionally, the former vision committed us to being preferred partners; this revision recognizes that collaboration with partners is not a goal in itself but a strategy to enhance the educational experience for students.

Also, in alignment with the revised mission, the college updated its values to reflect our commitment to creating a student centered, equity minded, and community engaged organization. Several of our existing values like integrity are already embedded commitments as State of Minnesota employees. We wanted our values to be simple, memorable, and specific to our institutions. Narrowing the scope of our values will also help employees keep them in mind as they engage in daily work.

Finally, the updated documents emphasize our alignment with Inver Hills Community College. We would share the same vision and values as organizations, working together to be the colleges of choice for the southeast Metro. Our revised mission statement would also share elements with the proposed mission revision at Inver Hills: "Learn, discover, and build a better future: Inver Hills is dedicated to the power and promise of education."

Proposed Change to Mission, Vision and Purposes

The revised mission and vision statements are designed to meet the criteria identified in Board Policy 3.24 College or University Type and Mission, and System Mission, Part 4: Approval of College or University Mission Statement.

Current Mission Statement:

The mission of Dakota County Technical College is to provide collegiate-level education for employment that will empower individuals to enhance their opportunities for career advancement and success in a global economy.

Proposed Mission Statement:

Learn, discover, and build a better future: DCTC is dedicated to education for employment and life-long growth.

Current Vision Statement:

Dakota County Technical College will be the leader in providing exceptional education and be the preferred partner for the diverse communities we serve.

Proposed Vision Statement:

At DCTC, we aspire to create a transformational education for every student founded on belonging, learning, support, clear pathways, and community engagement.

Students at DCTC will say of their education

- Belonging “I am valued for who I am.”
- Learning “I am engaged in meaningful learning.”
- Support “I have the support I need.”
- Clear Pathways “I know where I am going and how to get there.”
- Community Engagement “I am engaged in community.”

Current Values Statement:

- *Excellence:* Focus on quality in programs and services
- *Diversity:* Show acceptance, openness and fairness to everyone
- *Innovation:* Encourage and reward new ideas, proactive thinking and use of evolving technology
- *Respect:* Foster trust, courtesy and open communication
- *Integrity:* Promote ethical and honest behavior
- *Accountability:* Maintain effective and efficient programs and services
- *Collaboration:* Work cooperatively in a supportive environment

Proposed Values Statement:

Student Centered We recognize and build on students’ strengths and perspectives. We support them in taking an active role in their learning and in navigating our college. We provide inclusive, high-quality, and timely services. We also design our services and programs with our diverse students’ needs in mind.

Equity Minded	We take responsibility for creating an inclusive learning and working environment where our students and colleagues can thrive. We identify and address patterns of inequity, informed by a social and historical understanding of exclusionary practices in American higher education.
Community Engaged	We collaborate with employers, educational institutions, and community organizations to enhance our respective missions and strengthen our communities.

Criteria for Change in System Procedure 3.24.1

The college 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 DCTC mission aligns with the system’s core commitment to ensure access to an extraordinary education. The updated vision articulates more fully the components of the extraordinary education we seek to provide at DCTC. The revised value equity minded commits the college to understand the history of American higher education, so they can better identify and address policies or practices that contribute to disparate outcomes among our students. This emphasis is one component of our college-wide commitment to Equity 2030.

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 revised mission does not change the statutory charge of the college as a public nonprofit two-year institution and maintains our historical focus on career and technical education while recognizing that career advancement includes both personal and civic growth. The revision also recognizes that some DCTC students pursue transfer with the intent to further grow their knowledge and skills before entering the workforce. The revised vision does not diminish our commitment to employers and community partners; rather, it focuses the college on the value we create for them: graduates who have had a high-quality education. The revised vision and values also emphasize community and employer engagement as a component of the students’ education and as a core organizational practice.

3. The array of awards it offers

Dakota County Technical College offers certificates, diplomas, and AS and AAS degrees.

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

The revised mission documents do not change DCTC’s compliance with Minnesota State Statute and policies of the Minnesota State Colleges and Universities system. The mission documents were reviewed and revised at the same time the college wrote its Assurance

Argument for the Higher Learning Commission, so particular attention was paid to meeting Criterion One of the Criteria for Accreditation.

The revised mission is clear and guides the institution's operations—our core functions are to facilitate student learning, advise students in identifying a program of study, and support them to complete so they can build a better future for themselves and their families. The revised mission reflects the college's emphasis on instruction and supporting students to graduation as our primary mechanism for contributing to community economic development and the public good. The mission documents maintain our current focus on the nature, scope and intended constituents of our programs and services. The revised vision also reinforces our focus on our educational responsibilities while ensuring that opportunities for civic engagement in a diverse, multicultural society are more explicitly recognized in the holistic definition given to "life-long growth." Finally, our commitment to belonging as a component of students' holistic education, and our commitment to student centered and equity minded values help to ensure our processes and activities demonstrate inclusive and equitable treatment of diverse populations.

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

The process for reviewing and updating the mission, vision, and values was discussed with senior leadership team in the spring and summer of 2020 when it designed the strategic planning process. The process launched on August 19, 2020, with a development day presentation on the planning process and a campus-wide discussion of the current mission statements of DCTC and Inver Hills. A follow-up survey was sent out immediately after the event to solicit feedback on the current mission statements. Results from 140 respondents were summarized and presented to the Strategic Planning Committee, composed of senior leadership and student and employee representatives from both colleges.

To inform development of the 2021-2025 Strategic Plan, the college hosted two sets of college-wide Strategy Forums, one the week of October 26 and another the week of January 25. The first forum focused on the following scenarios:

- Scenario One: "We want to flip the common statement 'I wish we had more college-ready students' to 'I wish we were a more student-ready college.' What would the student experience be like if we redesigned ourselves to be more aligned with the students we have? If we didn't have to worry about constraints like policies, practices, or our current institutional structures, what would need to happen for us to get ready?"
- Scenario Two: "We have lived with lots of angst about our alignment. Put aside all of those fears, all of the constraints around accreditation and data privacy and different processes and practices. What kind of experience could we create for students if we worked together as full partners? What would need to happen in order to realize this vision?"

Results from the forums were shared with the Strategic Planning Committee and with the senior leaders responsible for strategy development.

Open forums were also organized for students in November, December, and January to provide input on the student experience. Input was sought from community partners through program advisory committees with questions focusing on industry-needed skills, student success strategies, and equity partnerships.

Results from all the forums were shared with senior leaders and volunteers from the Strategic Planning Committee that met on January 15, 2021, at a Mission Retreat to draft revisions to the colleges' mission, vision, and values. The process was facilitated by the Director of Institutional Research.

Revisions were then presented to the Strategic Planning Committee for feedback on February 5. Based on that feedback, additional changes were made, and the draft statements were shared with employees, students, the Foundation board, and the Alumni board at several virtual Gallery Walks in late March. Feedback on the drafts was collected in the forums and through a follow-up survey.

Final revisions were presented to the college on April 21, 2021.

6. Consultation with the system office Marketing and Communications Division

Early drafts of the mission documents were shared with the system office Marketing and Communications Division on April 6. Feed-back on the wording was incorporated into final revisions and shared again with Marketing on April 27. Noelle Hawton reviewed and approved the mission and vision statements.

RECOMMENDED COMMITTEE MOTION

Upon the recommendation of the Chancellor, the Academic and Student Affairs Committee recommends that the Board of Trustees approve the proposed mission statement of Dakota County Technical College.

RECOMMENDED BOARD MOTION

The Board of Trustees approves the mission statement of Dakota County Technical College.

Date Presented to the Board of Trustees: 05/18/21

Date of Implementation: 05/18/21

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

Name: Academic and Student Affairs Committee

Date: May 18, 2021

Title: Mission Statement Change – Inver Hills Community 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 statement of Inver Hills Community College is being presented for Board of Trustees approval. The mission meets the criteria in Board Policy 3.24 College or University Type and Mission, and System Mission, Part 4. Approval of College of University Mission Statement.

Scheduled Presenter(s):

Ron Anderson, Sr. Vice Chancellor for Academic and Student Affairs

Michael Berndt, President, Dakota County Technical College and Inver Hills Community College

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION
Mission Statement Change – Inver Hills Community College

BACKGROUND

The revised mission and vision statement of Inver Hills Community College (Inver Hills) is being presented for Board approval. The mission and vision meet the criteria identified in Board Policy 3.24 College or University Type and Mission, and System Mission, Part 4: Approval of College or University Mission Statement.

Inver Hills has provided liberal and career and technical education since 1970 when it was chartered as Inver Hills Junior College. The college is well known for its beautiful campus, strong academics and student life programming, its commitment to veterans (ranked #5 in the nation by Military Times), and strong student support services. In FY20, Inver Hills served over 6100 credit students. Below is an overview of the fall 2020 student demographics:

Part-time / Full-time	59% / 41%
Female / Male / Unknown	62% / 37% / 0%
18-24 / 25 years +	51% / 31%
PSEO	18%
Known Pell Eligible	28%
Students of Color	37%
First Generation (Federal definition)	49%

The college offers over 73 awards across over 45 subject areas. In addition to a robust liberal arts and sciences curriculum, the college has programs in Business and Accounting, Emergency Medical Services, Nursing, Law Enforcement, Paralegal, and Information Technology and Careers. Within one year of graduation, 22% of our students are employed and 61% are continuing their education.

Career programs at Inver Hills maintain active program advisory boards, and faculty work closely with area employers to facilitate work-and-learn experiences for students. The college also works closely with several city and regional chambers of commerce, the Dakota-Scott Workforce Development Board, Career Force Centers, county service agencies, and local legislators to ensure workforce and community needs are identified and addressed.

Inver Hills and Dakota County Technical College (DCTC) are located 10 miles apart in the southeast suburbs of Minneapolis-Saint Paul. The colleges have a long history of collaborations, starting when Inver Hills provided general education courses for DCTC degrees. In 2014, the Chancellor named the President at Inver Hills as interim President at DCTC as well. This interim appointment was made permanent by the Board of Trustees in 2015. DCTC and Inver Hills currently share over 60 positions across multiple divisions. Several leadership positions moved to aligned positions including the Human Resources Director (FY2015), the Information Technology Director (FY2015), and the Director of Operations (FY2015). DCTC Foundation's Executive Director was also appointed as interim Executive Director of Inver Hills' Foundation in FY2018, a move made permanent in FY2019 through a national search for the position. Initially conceived as a cost-saving strategy, DCTC's and Inver Hills' alignment work enables both colleges to reinvest resources into their educational mission instead of cutting services. The focus of alignment has expanded, ensuring continuity of operations, collaboration around best practices, and enhancement of educational offerings and support services provided to students. In spring 2020, the Cabinet decided to develop the colleges' 2021-2025 Strategic Plan jointly, foregrounding opportunities to collaborate in the two goal areas: Student Success and Equity and Inclusion.

Purpose in Seeking Change to the Mission Statement

Mission documents are reviewed as part of the college's strategic planning process. Inver Hills is developing its 2021-2025 Strategic Plan in partnership with DCTC. The common strategic plan will leverage our alignment to advance both colleges in our common goals: student success and equity and inclusion.

Throughout the planning process, Inver Hills has focused on the student experience, knowing that enhancing student learning and persistence for all of our students is the primary strategy through which the college serves external stakeholders in both meeting workforce needs and strengthening our communities.

The revised mission better reflects our commitment to facilitating student learning (Learn), to helping students discover a career path (Discover), and helping them build the social mobility that will improve their quality of life (Build a better future). This revision reflects Inver Hills' commitment to Equity 2030 and to system priorities like guided pathways. The revision preserves Inver Hills's commitment to "the power and promise of education"; through education, students discover their own potential and develop agency to create their own future. The revision also preserves the college's commitment to building careers but gives more focus to discovering programs of study since most students who come to Inver Hills are undecided. We want to enhance further our capacity to help students discover their "why" in pursuing a collegiate education.

In alignment with the revised mission, the college also updated its vision to emphasize the transformational education we seek to create for all students. The former vision committed us to providing an exceptional education; this revision articulates more fully why it is exceptional. Additionally, the former vision committed us to being preferred partners; this revision

recognizes that collaboration with partners is not a goal in itself but a strategy to enhance the educational experience for students.

Also, in alignment with the revised mission, the college updated its values to reflect our commitment to creating a student centered, equity minded, and community engaged organization. Several of our existing values like integrity are already embedded commitments as State of Minnesota employees. We wanted our values to be simple, memorable, and specific to our institutions. Narrowing the scope of our values will also help employees keep them in mind as they engage in daily work.

Finally, the updated documents emphasize our alignment with DCTC. We would share the same vision and values as organizations, working together to be the colleges of choice for the southeast Metro. Our revised mission statement would also share elements with the proposed mission revision at DCTC: “Learn, discover, and build a better future: DCTC is dedicated to education for employment and life-long growth.”

Proposed Change to Mission, Vision and Purposes

The revised mission and vision statements are designed to meet the criteria identified in Board Policy 3.24 College or University Type and Mission, and System Mission, Part 4: Approval of College or University Mission Statement.

Current Mission Statement:

Dedicated to the power and promise of education, we inspire students, build careers and strengthen communities.

Proposed Mission Statement:

Learn, discover, and build a better future: Inver Hills is dedicated to the power and promise of education.

Current Vision Statement:

We will be an innovator in education, creating a vigorous intellectual environment for emerging leaders, scholars, and professionals. Through equity and inclusion, we will enrich individual lives and support our diverse communities, locally and globally.

Proposed Vision Statement:

At Inver Hills, we aspire to create a transformational education for every student founded on belonging, learning, support, clear pathways, and community engagement.

Students at Inver Hills will say of their education

- Belonging *“I am valued for who I am.”*
- Learning *“I am engaged in meaningful learning.”*
- Support *“I have the support I need.”*
- Clear Pathways *“I know where I am going and how to get there.”*

- Community Engagement *“I am engaged in community.”*

Current Values Statement:

- Student success
- Excellence and innovation in education
- Caring for our environmental, human, and financial resources
- Equity, inclusion, integrity and respect
- Continuous improvement

Proposed Values Statement:

Student Centered	<i>We recognize and build on students’ strengths and perspectives. We support them in taking an active role in their learning and in navigating our college. We provide inclusive, high-quality, and timely services. We also design our services and programs with our diverse students’ needs in mind.</i>
Equity Minded	<i>We take responsibility for creating an inclusive learning and working environment where our students and colleagues can thrive. We identify and address patterns of inequity, informed by a social and historical understanding of exclusionary practices in American higher education.</i>
Community Engaged	<i>We collaborate with employers, educational institutions, and community organizations to enhance our respective missions and strengthen our communities.</i>

Criteria for Change in System Procedure 3.24.1

The college 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 Inver Hills mission aligns with the system’s core commitment to ensure access to an extraordinary education. The updated vision articulates more fully the components of the extraordinary education we seek to provide at Inver Hills. The revised value “Equity Minded” commits the college to understand the history of American higher education, so they can better identify and address policies or practices that contribute to disparate outcomes among our students. This emphasis is one component of our college-wide commitment to Equity 2030.
- 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 revised mission does not change the statutory charge of the college as a public nonprofit two-year institution and maintains our historical focus on liberal and career and technical education while emphasizing our commitment to helping students build social capital. The revised vision does not diminish our commitment to transfer institutions, employers and community partners; rather, it focuses the college on the value we create for them: graduates who have a strong foundation in general education on which to build further study and/or the knowledge and skills on which to build a career. The revised vision

and values also emphasize community and employer engagement as a component of the students' education and as a core organizational practice.

3. The array of awards it offers

Inver Hills offers certificates, diplomas, and AA, AS, AFA and AAS degrees.

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

The revised mission documents do not change Inver Hills' compliance with Minnesota State Statute and policies of the Minnesota State Colleges and Universities system. The mission documents were reviewed and revised at the same time the college wrote its Assurance Argument for the Higher Learning Commission, so particular attention was paid to meeting Criterion One of the Criteria for Accreditation.

The revised mission is clear and guides the institution's operations—our core functions are to facilitate student learning, advise students in identifying a program of study, and support them to complete so they can build a better future for themselves and their families. The revised mission reflects the college's emphasis on instruction and supporting students to graduation as our primary mechanism for contributing to community development and the public good. The mission documents maintain our current focus on the nature, scope and intended constituents of our programs and services. The revised vision also reinforces our focus on our educational responsibilities while ensuring that opportunities for civic engagement in a diverse, multicultural society are more explicitly recognized in the holistic definition given to "life-long growth." Finally, our commitment to belonging as a component of students' holistic education, and our commitment to student-centered and equity-minded values help to ensure our processes and activities demonstrate inclusive and equitable treatment of diverse populations.

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

The process for reviewing and updating the mission, vision, and values was discussed with senior leadership team in the spring and summer of 2020 when it designed the strategic planning process. The process launched on August 19, 2020, with a development day presentation on the planning process and a campus-wide discussion of the current mission statements of DCTC and Inver Hills. A follow-up survey was sent out immediately after the event to solicit feedback on the current mission statements. Results from 140 respondents were summarized and presented to the Strategic Planning Committee, composed of senior leadership and student and employee representatives from both colleges.

To inform development of the 2021-2025 Strategic Plan, the college hosted two sets of college-wide Strategy Forums, one the week of October 26 and another the week of January 25. The first forum focused on the following scenarios:

- Scenario One: "We want to flip the common statement 'I wish we had more college-ready students' to 'I wish we were a more student-ready college.' What would the

student experience be like if we redesigned ourselves to be more aligned with the students we have? If we didn't have to worry about constraints like policies, practices, or our current institutional structures, what would need to happen for us to get ready?"

- Scenario Two: "We have lived with lots of angst about our alignment. Put aside all of those fears, all of the constraints around accreditation and data privacy and different processes and practices. What kind of experience could we create for students if we worked together as full partners? What would need to happen in order to realize this vision?"

Results from the forums were shared with the Strategic Planning Committee and with the senior leaders responsible for strategy development.

Open forums were also organized for students in November, December, and January to provide input on the student experience. Input was sought from community partners through program advisory committees with questions focusing on industry-needed skills, student success strategies, and equity partnerships.

Results from all the forums were shared with senior leaders and volunteers from the Strategic Planning Committee that met on January 15, 2021, at a Mission Retreat to draft revisions to the colleges' mission, vision, and values. The process was facilitated by the Director of Institutional Research.

Revisions were then presented to the Strategic Planning Committee for feedback on February 5. Based on that feedback, additional changes were made, and the draft statements were shared with employees, students, the Foundation board, and the Alumni board at several virtual Gallery Walks in late March. Feedback on the drafts was collected in the forums and through a follow-up survey.

Final revisions were presented to the college on April 19, 2021.

6. Consultation with the system office Marketing and Communications Division

Early drafts of the mission documents were shared with the system office Marketing and Communications Division on April 6. Feedback on the wording was incorporated into final revisions and shared again with Marketing on April 27. Noelle Hawton reviewed and approved the mission and vision statements.

RECOMMENDED COMMITTEE MOTION

Upon the recommendation of the Chancellor, the Academic and Student Affairs Committee recommends that the Board of Trustees approve the proposed mission statement of Inver Hills Community College.

RECOMMENDED BOARD MOTION

The Board of Trustees approves the mission statement of Inver Hills Community College.

Date Presented to the Board of Trustees: 05/18/21

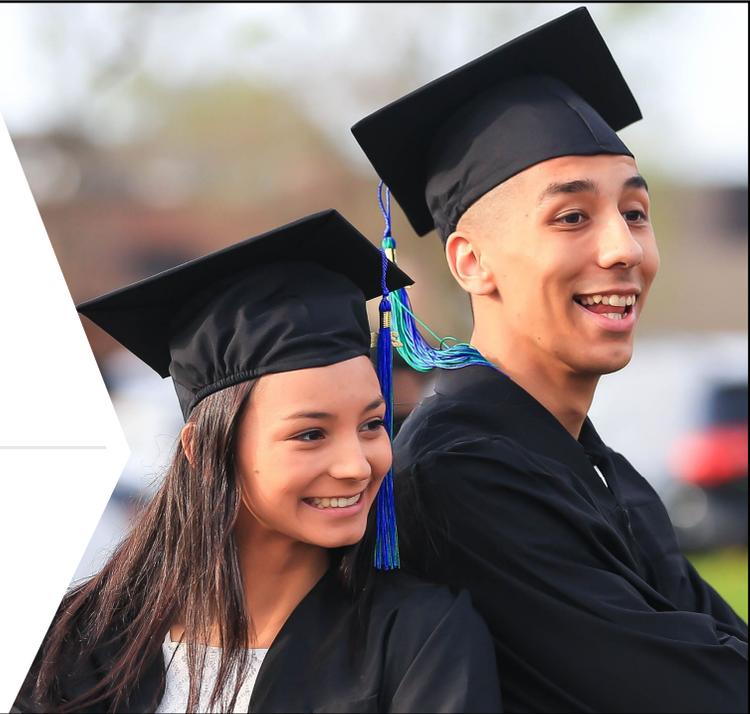
Date of Implementation: 05/18/21

Request for Approval of Revised Mission Statements

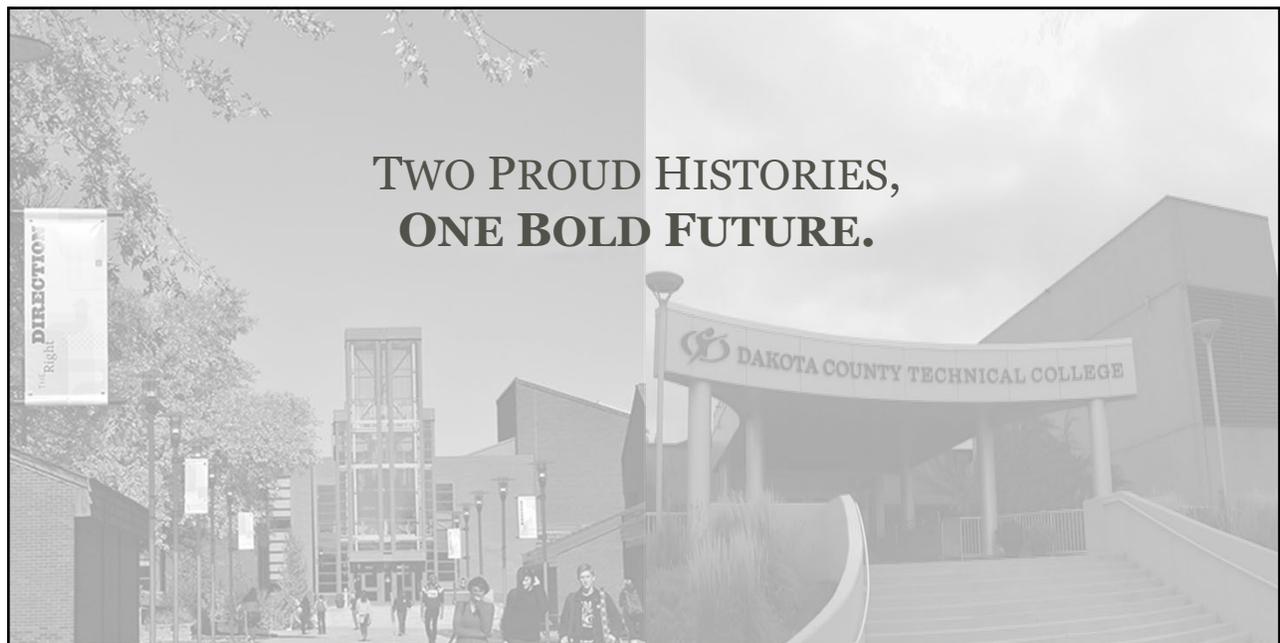
18 May 2021



MEMBERS OF MINNESOTA STATE



TWO PROUD HISTORIES, ONE BOLD FUTURE.



DCTC.EDU • INVERHILLS.EDU   



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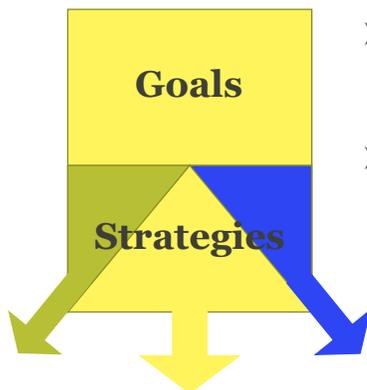
2021-2025 STRATEGIC PLAN

DESIGN

- Focus the Institution
- Build on Strengths
- Emphasize Accountability
- Advance Alignment



2021-2025 STRATEGIC PLAN



- **Student Success**
(Effective Learning + Access + Persistence and Completion)
 - Increase enrollments at each college 12% over FY19 by 2025.
- **Equity and Inclusion**
 - e.g., Close the gaps in our fall-to-fall persistence and completion rates by 2025.

2021-2025 STRATEGIC PLAN



Mission Forum – August 2020

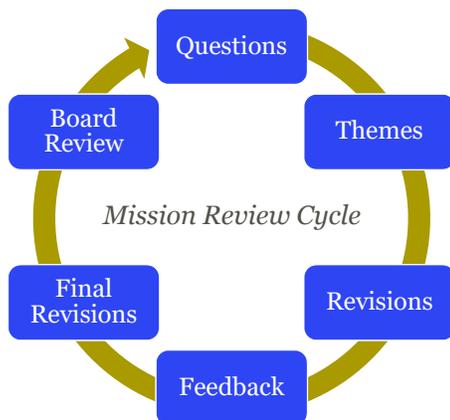
- Mission and current needs
- Mission complementarity

Strategy Forums #1 – Oct. 2020

- Student-ready colleges
- Leveraging our alignment

Mission Retreat – Jan. 2021

2021-2025 STRATEGIC PLAN



Strategy Forums #2 – Jan. 2021

- Student-ready scenarios
 - Undecided Students
 - Students Needing Dev. Ed.
 - Adult Students
 - Early College Credit Students

Virtual Gallery Walks – March 2021

- Get it right?
- What is missing?

Revised Mission Statements

Inver Hills Mission: Learn, discover, and build a better future: Inver Hills is dedicated to the power and promise of education.

DCTC Mission: Learn, discover, and build a better future: DCTC is dedicated to education for employment and life-long growth.

Revised Vision Statement

Vision: At Inver Hills and DCTC, we aspire to create a transformational education for every student founded on belonging, learning, support, clear pathways, and community engagement.

Students at Inver Hills and DCTC will say of their education

- *Belonging* *“I am valued for who I am.”*
- *Learning* *“I am engaged in meaningful learning.”*
- *Support* *“I have the support I need.”*
- *Clear Pathways* *“I know where I am going and how to get there.”*
- *Community Engagement* *“I am engaged in community.”*

Revised Value Statements

Student Centered

We recognize and build on students' strengths and perspectives. We support them in taking an active role in their learning and in navigating our college. We provide inclusive, high-quality, and timely services. We also design our services and programs with our diverse students' needs in mind.

Equity Minded

We take responsibility for creating an inclusive learning and working environment where our students and colleagues can thrive. We identify and address patterns of inequity, informed by a social and historical understanding of exclusionary practices in American higher education.

Community Engaged

We collaborate with employers, educational institutions, and community organizations to enhance our respective missions and strengthen our communities.

2021-2025 STRATEGIC PLAN

Next Steps

- Refine Student Success and Equity strategies.
- Finalize goal and strategy metrics.
- Develop campus-wide implementation plans.

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

Name: Academic and Student Affairs Committee

Date: May 18, 2021

Title: Workforce Development and Engaging the Future of Work

Purpose (*check one*):

Proposed New Policy or
Amendment to Existing Policy

Approvals Required
by Policy

Other Approvals

Monitoring/Compliance

Information

Brief Description:

This informational presentation will provide the context and the key components in Minnesota State's coordinated approach to workforce development, anchored in the local and regional context and producing a statewide impact. The three components are: (1) education and training; (2) providing resources and support; and (3) partnering and collaborating. Looking to the future, the presentation will cover three foci for expanding the reach and impact of the Minnesota State's workforce development efforts: (1) program realignment and growth; (2) strategic partnerships; and (3) a focus on emergent work. Two campus presidents will share their perspectives and examples of campus-based work.

Scheduled Presenter(s):

Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs
Mary Rothchild, Senior System Director for Workforce Development
Annette Parker, President, South Central College
Ginny Arthur, President, Metropolitan State University

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD INFORMATION ITEM

Workforce Development and Engaging the Future of Work

BACKGROUND

This informational presentation will provide the context and the key components in Minnesota State’s coordinated approach to workforce development, anchored in the local and regional context and producing a statewide impact.

The workforce development context in Minnesota is influenced by three key trends. First, the nature of work is continuing to evolve, and many jobs of the future do not yet exist. There is significant growth in middle skills jobs and too few workers with those skills; an estimated 47 percent of future jobs will be augmented by technology. Additionally, twenty-first century skills of critical thinking, problem-solving, team work, and communication are central. Projections suggest that jobs will outnumber available workers in Minnesota. Second, the nature of education and its relationship to workforce development is continuing to evolve. There is a greater need and demand for short-term, just-in-time credentials that ladder into advanced credentials over time. Continual changes in job availability and skill requirements necessitate greater nimbleness and more frequent program adaptations. There will be an increased dependence on education that is mobile and accessible. In particular, post-traditional adult students need and demand greater flexibility and immediate relevance in their education and training. Finally, racial/ethnic and gender disparities in employment and economic mobility persist. These disparities have been exacerbated by the pandemic. Employers increasingly look to Minnesota State to provide diverse prospective employees.

Within this context, Minnesota State’s coordinated approach to workforce development has three components: (1) education and training; (2) providing resources and support; and (3) partnering and collaborating. Looking to the future, the three foci for expanding the reach and impact of the Minnesota State’s workforce development efforts include the following: (1) program realignment and growth; (2) strategic partnerships; and (3) a focus on emergent work. These efforts will be aligned with the Equity 2030 framework, and their effectiveness will be evaluated by reviewing the alignment of program curricula and workforce skills through Skills Engine data; through the system-level program review process; and by sector-based gap analysis in meeting Minnesota’s workforce needs.



May 18, 2021
Academic & Student Affairs

Workforce Development and the Future of Work

Board of Trustees
MINNESOTA STATE

Workforce Development Context

- The **nature and future of work** is continuing to evolve, and many jobs of the future do not yet exist; our workforce strategy focuses on both the **future of work**, and the **work of the future**
- The **nature of education** and its relationship to workforce development is continuing to evolve
- Racial/ethnic and gender **disparities in employment and economic mobility** persist

Factors Impacting Workforce Development

- The nature of relationship with business and industry is changing
 - Evolving from one based on transaction, to one based on **partnership** in the education and development of students as future workers
 - Employer focus shifting from credentials to skills
- Demographics are shifting, and we are facing significant labor shortages in the decade ahead
 - High school graduation has flattened and disparities in graduation rates remain high
 - Labor shortages are exacerbated by slow to flat population growth
 - Majority of expected growth will be in communities of color, traditionally underserved by higher education
- COVID-19 pandemic and job displacement disproportionately impacting BIPOC (black, indigenous, persons of color) communities and women

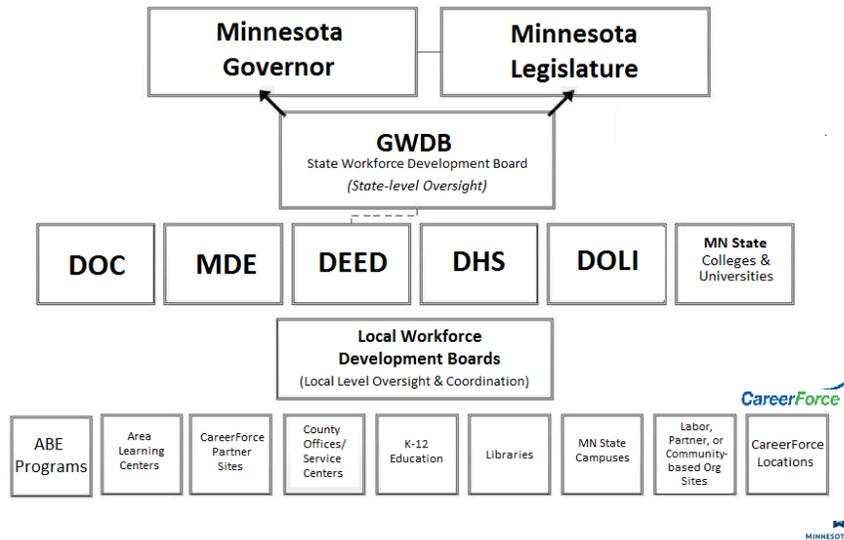


Grounding our Approach in Equity

- Providing employers with the leaders and workers for today and tomorrow
- Removing barriers and extending access
- Increasing affordability and access to basic need supports
- Partnering with employers to develop talent pipelines that diversify the workforce and create inclusive work environments, and address wealth gaps



State of Minnesota's Definition of Our Workforce Development Ecosystem



Minnesota State:

Employing a coordinated approach anchored in **local and regional context** and producing **statewide impact**

Components of Our Approach



Component 1: Provision of Education and Training

- Career technical education academic credentials aligned with careers
- Occupational-focused academic credentials aligned with careers
- Liberal Arts and Sciences academic credentials aligned with careers and continued studies
- Customized training and continuing education aligned with business needs and individual career advancement

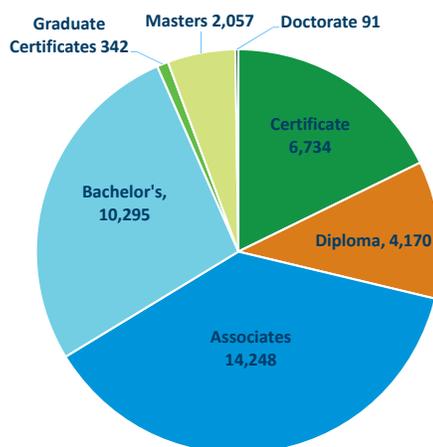


Size and Scope of our Credit-based Credential Programs

- 233,174 students served in FY20
- 4127 credential programs offered in FY20
 - Colleges: 3,008
 - Universities: 1,119
- Credential portfolio is dynamic, as colleges and universities respond to changes in workforce needs and student demand
 - 128 new credentials programs added in FY21
 - 115 credentials programs closed in FY21



Credit-based Credentials Conferred in FY20



36,500 graduates

87% related placement rate



Minnesota State prepares:

- 9 out of 10 mechanics
- 9 out of 10 workers in manufacturing
- 8 out of 10 law enforcement professionals
- 2 out of 3 nurses
- 7 out of 10 workers in the trades
- 6 out of 10 workers in agriculture
- 4 out of 10 workers in business
- Half of all teachers
- Half of all IT professionals



Size and Scope of Non-credit Continuing Education and Customized Training

- 72,562 individuals served in FY20
- 9,992 CECT courses offered in FY20
- 61 industry recognized credentials offered in key sectors including healthcare, trades, manufacturing, public safety, and transportation
- Open enrollment course and contract portfolio is dynamic, as CWS (Comprehensive Workforce Solutions) networks respond to changes in employer needs and student demand



Component 2: Provision of Resources and Direct Support

- Robust enrollment and employment data and planning tools, and support for new program development
- Robust career information data and planning tools for students and employers
- Workforce development scholarships in high wage, high demand fields
- Annual state investment to leverage private donations for instructional equipment



Component 3: Partnering and Collaborating

- State-wide involvement in leading, influencing, and/or supporting:
 - Governor's Workforce Development Board
 - Minnesota Job Skills Partnership Board
 - P-20 Education Partnership
 - Minnesota Business Partnership
 - Minnesota Chamber of Commerce
 - GreaterMSP
 - RealTime Talent
 - Professional Trade Organizations
- Local and regional involvement in leading, influencing, and supporting:
 - Workforce Investment Boards (WIBs)
 - Economic Development Boards
 - Regional Workforce Centers
 - Local Chambers of Commerce
 - Career Technical Education (CTE) Consortia
 - CTE program advisory boards



Component 3: Partnership and Collaboration

- Aligning credential and non-credit training programs
- Expanding connections between business and industry through sector-based *Centers of Excellence*
- Partnering with employers to provide apprenticeships, internships, clinicals, and work-based learning programming
- Partnering with community-based organizations to bridge external training and support with academic credentialing



Expanding Our Reach and Impact



Career Technical Education

- Now integrated into the State's workforce plan, strengthening our position and alignment with workforce planning and eligibility for federal workforce funding support to our students
- Program planning and development more explicitly linked to local comprehensive needs assessments
- In early stages of implementing an AI-based tool called **Skills Engine**, which support the alignment of curriculum with current job skill needs, based on employer validation and involvement



Comprehensive Workforce Solutions



Regions, Advisory Councils, and Structure

- Continuing with eight region structure
- Regional leads convening regularly to collaborate on portfolio and regional strategy development, using real-time labor market information
- All regions utilizing Salesforce as common CRM (customer relationship management) platform



Comprehensive Workforce Solutions

Progress in Pooling Portfolios

- Systemwide marketing of unique classes/conferences
- Regional coordination of class offerings
- Shared curriculum development and delivery to reduce costs and create consistency with industry requirements
- Growing institutional capacity to meet the needs of employers with a statewide labor force
- Alignment of non-credit credentials with credit-based programs and credentials



Comprehensive Workforce Solutions

Progress in Growth Strategy Development: A Dual Approach

- Sector-based growth strategy development, led and facilitated by relevant Centers of Excellence
- Complementary regional growth strategy development based on local needs and opportunities in other areas
- Expansion of industry recognized credentials (61 available to date)
- 1,250+ income contracts in FY20
- 850+ businesses/organizations served in FY20



Comprehensive Workforce Solutions

Financial Consistency and Continuity

- Establishing consistent cost accounting practices
- Continued drive toward break-even and profitability
- Ongoing monitoring and reporting of enrollment, training hours sold, and net revenue production without appropriation

	Course Registrations	Percent Change from Prior Year		Training Hours Provided	Percent Change from Prior Year
FY18	173,186	10.11%	FY18	2,848,067	19.76%
FY19	173,944	0.44%	FY19	3,954,029	38.83%
FY20	124,975	-28.15%	FY20	4,543,628	14.91%

	Revenue (without appropriation)	Expense	Net
FY18	\$31,364,539	\$37,076,190	-\$5,711,651
FY19	\$33,537,789	\$35,670,525	-\$2,132,736
FY20	\$28,498,834	\$30,428,619	-\$1,929,785



Credential Alignment

- Aligning industry recognized credentials, community-based organizations' skill training, and CWS non-credit credentials with credit-based academic credentials
- Expanding alignment of military occupation skills and credit-based courses to facilitate the awarding of academic credit for prior military learning
- Partnering with DEED to develop a statewide inventory of industry recognized credentials, community-based organizations' skill training, and CWS non-credit certifications, accessed and maintained by a shared platform called **Credential Engine**
- Partnering with the Midwestern Higher Education Compact (MHEC) and state agencies on the development of a comprehensive learner record, to reflect an individual's compilation of skill attainment in addition to academic courses and credentials



Credit for Prior Learning

- Credit for Prior Learning Network (C-PLAN) building campus capacity and infrastructure for the scaling of credit for prior learning assessment
 - 10 active campus partners to date
 - Supporting and disseminating standards and best practices
 - Facilitating resource and expertise sharing
- Pursuing common platform and entry portal for student submission of portfolios and faculty assessment and awarding of credit for prior learning
- Developing framework for providing regional credit for prior learning assessment and support, for institutions lacking local capacity and infrastructure



Supporting Incumbent Workers

- In partnership with the Office of Higher Education, developed and launched **Skill Up Minnesota** web portal for accessing short-term training options at Minnesota State in support of workers displaced by the pandemic
- Exploring partnership with State Higher Education Executive Officers Association (SHEEO) and the New York Academy of Science to address upskilling in the healthcare sector, also in response to the pandemic
- Exploring partnership with **Workforce Edge**, focused on building business to business enrollment channels



All Learning Counts Grant Initiative: Supporting Adult Learners

- Creating new pathways and removing barriers from Adult Basic Education (ABE) and community-based workforce training to college
- Engaging faculty across the system in strategies to support adult learners
- Providing mini-grants to support local initiatives with scaling promise



State-wide Outreach

- Providing a centralized point of entry for businesses and employers that do not yet have local campus connections, through MinnState.edu and staff follow-up and referral
- Expanding strategic partnership role to build on existing outreach efforts to businesses and employers, state agencies, and community-based organizations
- Providing systemwide marketing of non-credit course offerings across the state, focused by sector and CWS region
- Strengthening and growing sector-based employer networks through Minnesota State Centers of Excellence, and leveraging these networks in creating sector growth strategies



Strengthening and Expanding Key Partnerships

- Partnering with the Governor's Office, Department of Employment and Economic Development (DEED), Office of Higher Education (OHE), and other state agencies on the National Governor's Association project to **strengthen integration and coordination within state workforce ecosystems**
- Co-convening **Workforce Development Action Summit** in July 2021, bringing together P-20 Education Partnership, Governor's Workforce Development Board, and other key stakeholders
- Strengthening collaboration and partnership with DEED, the Governor's Workforce Development Board, and RealTime Talent to define, develop, and disseminate a **common set of planning data** for local and regional use throughout the state
- Expanding partnership with the University of Minnesota through collaborative initiative for **Nursing Equity and Excellence**



Assessment of Effectiveness

- Assessing alignment of program curricula and workforce skills needs through analysis of **Skills Engine** data
- Assessing alignment of program credential awards and workforce skills needs through system-level program review process
- Developing framework for assessing Minnesota State's contribution to meeting state-wide workforce needs through sector-based gap analysis



Equity 2030 Linkages

- Aligning credentials from community-based organizations and industry recognized training
- Increased recognition of learning and competence developed outside of the classroom, through credit for prior learning
- Increased focus on adult and incumbent learners



Campus Perspectives

- Dr. Annette Parker, President
South Central College
- Dr. Ginny Arthur
Metropolitan State University





Joint Meeting: Facilities and Finance Committees
May 19, 2021
8:30 a.m.
Virtual Meeting

Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings.

1. Revenue Fund Bond Refunding: 2011 Issuance (1st Reading) (pp. 1-36)
2. 2022 Capital Program Recommendation (1st Reading) (pp. 37-44)

Finance Committee Members

Roger Moe, Chair
April Nishimura, Vice Chair
Ahmitara Alwal
Jerry Janezich
Kathy Sheran
George Soule
Michael Vekich

Facilities Committee Members

Jerry Janezich, Chair
Roger Moe, Vice Chair
Alex Cerillo
Kathy Sheran
Oballa Oballa

Finance Committee Presidents Liaisons

Joe Mulford
Scott Olson

Facilities Committee President Liaisons

Kent Hanson
Faith Hensrud

Bolded items indicate action required.



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

Name: Joint Finance and Facilities Committee

Date: May 19, 2021

Title: Revenue Fund Bond Refunding: 2011 Issuance (1st 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 asked to approve a refunding of Minnesota State's Series 2011A and 2011C revenue bonds. The refunding sale is scheduled to occur within 90 days prior to October 1, 2021, the redemption date of both the Series 2011A and 2011C bonds.

The Series 2011A and 2011C bonds were originally issued to fund renovation and construction of fitness and wellness centers, residence halls, student unions, and parking ramps at eight (8) college and university campuses. Savings from the refunding sale will directly benefit these institutions.

The net present value savings of the bond refunding is estimated to be \$10.4 million over the remaining 10 years.

Scheduled Presenter(s):

Bill Maki, Vice Chancellor for Finance and Facilities
Brian Yolitz, Associate Vice Chancellor – Facilities



**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION

Revenue Fund Bond Refunding: 2011 Issuance (1st Reading)

BACKGROUND

Minnesota Statute 136F.90 authorizes the Board of Trustees to issue and sell bonds for the purpose of acquiring, constructing, completing, remodeling, or equipping buildings or structures, and acquiring sites, and refund and refinance the bonds by the issuance and sale of refunding bonds to operate and manage residence halls, dormitories, dining halls, student union buildings, parking facilities, and any other similar revenue-producing buildings when the board finds that it is in the public interest and finds it necessary for the good and benefit of state colleges and universities. **Attachment A** provides additional background on the Minnesota State revenue fund program.

The Board of Trustees is being asked to approve a revenue bond sale to refund the Series 2011A Bonds and the 2011C Bonds outstanding in the amount of the refunding bonds not to exceed \$60 million.

Minnesota State considers revenue fund bond sales every odd-numbered calendar year. For 2021, the system evaluated 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. The board must adopt a resolution describing generally the contemplated bond refunding, the estimated cost thereof, including legal and financial expenses, fixing the amount of the bonds, the maturity or maturities, the interest rate, and all details in respect of the bonds and setting forth certain covenants required under Minnesota Statutes, Section 136F.92.

SAVINGS TO CAMPUSES

The system previously refunded revenue bonds in 2012 (2002 series bonds), 2015 (2005 series), 2017 (2007 series), 2019 (2009 series), saving campuses that participated in those sales approximately \$23 million in interest costs during the refunding bond term.

In preparation for the 2021 effort, the system's financial advisory firm estimated a net present value savings of approximately \$10.4 million depending on final interest rates. The bond sale parameters are included as **Attachment B**.

2021 REFUNDING AMOUNTS

The board is being asked to review and approve a 2021 revenue bond sale for the purpose of refunding the outstanding principal of Minnesota State's Revenue Fund Bonds, Series 2011A (the "Series 2011A Bonds") and Minnesota State's Revenue Fund Bonds, Series 2011C (the "Series 2011C Bonds"), (collectively the "2011 Obligations").

The Series 2011A Bonds were issued in the original aggregate principal amount of \$82,400,000. The estimated amount to be refunded is approximately \$48.365 million.

The Series 2011C Bonds were issued in the original aggregate principal amount of \$12,000,000. The estimated amount to be refunded is approximately \$7.6 million.

A refunding of the 2021 Obligations would be issued (and closed) before October 1, 2021, the call date of both the Series 2011A and Series 2011C bonds.

The Series 2011A Bonds financed capital improvements on seven campuses:

- Anoka Ramsey Community College (fitness and wellness center),
- Bemidji State University (Birch Residence Hall renovation),
- Minnesota State University – Mankato (residence hall new construction and Centennial hall Student Union renovation),
- Minnesota State University – Moorhead (Dahl Residence Hall renovation),
- Minnesota State Community and Technical College - Moorhead (renovation and additional to the wellness center),
- St. Cloud State University (North Shoemaker, Case and Hill Resident Hall renovations), and St. Paul College (parking ramp construction).

The Series 2011C Bonds financed capital improvements at Normandale Community College (parking ramp construction).

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 will be scheduled with Moody's Investor Service and S&P Global Ratings. Moody's and S&P previously rated Minnesota State Revenue Fund bonds at Aa3 and AA- respectively. Although the revenue fund remains strong and maintains a stable financial profile, both rating agencies have expressed interest in future enrollment trends facing the system.

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 carry 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 SALE RESOLUTION

To accomplish the refunding, the Board of Trustees will be asked to approve the sale consistent with the parameters found in **Attachment B** and approve the draft Series Resolution authorizing the bond sale found in **Attachment C**. 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 board approval, the sale would be scheduled to occur this summer to allow sufficient time to call the 2011 Obligations on October 1, 2021.

RECOMMENDED COMMITTEE MOTION

- A. The Board of Trustees hereby adopts the Series Resolution, a draft of which is contained in **Attachment C**.
- B. The Board of Trustees authorizes a refunding bond sale of its 2011A Series Revenue Bonds and its 2011C 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 \$48.365 million of tax-exempt bonds maturing from 2022 to 2031 from 2011A Series bonds,
 - 2. Refund up to \$7.6 million of tax-exempt bonds maturing from 2022 to 2032 from the 2011C Series Bonds, and
 - 3. Comply with the bond sale parameters identified in Attachment B, 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 MOTION

- A. The Board of Trustees hereby adopts the Series Resolution, a draft of which is contained in **Attachment C**.

- B. The Board of Trustees authorizes a refunding bond sale of its 2011A Series Revenue Bonds and its 2011C 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:
 - 4. Refund up to \$48.365 million of tax-exempt bonds maturing from 2022 to 2031 from 2011A Series bonds,
 - 5. Refund up to \$7.6 million of tax-exempt bonds maturing from 2022 to 2032 from the 2011C Series Bonds, and
 - 6. Comply with the bond sale parameters identified in Attachment B, 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 of Trustees: xx/xx/xx

Date of Implementation: xx/xx/xx

ATTACHMENT A

ADDITIONAL REVENUE FUND PROGRAM BACKGROUND

REVENUE BOND AUTHORITY

Minnesota Statute 136F.90 authorizes the Board of Trustees to issue and sell bonds for the purpose of acquiring, constructing, completing, remodeling, or equipping buildings or structures, and acquiring sites, and refund and refinance the bonds by the issuance and sale of refunding bonds to operate and manage residence halls, dormitories, dining halls, student union buildings, parking facilities, and any other similar revenue-producing buildings when the board finds that it is in the public interest and finds necessary for the good and benefit of state colleges and universities.

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 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.
- Pre-design 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 pre-design 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.

SALE PARAMETERS

Series 2021A Refunding Bonds (Tax-Exempt)

1. Maximum Interest Rate (TIC): up to 3.0%
2. Maximum Principal: \$60,000,000
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: Non-Callable

In any event, the total principal for Series 2021 shall not exceed \$60,000,000

SERIES RESOLUTION

OF

THE BOARD OF TRUSTEES

OF THE

MINNESOTA STATE COLLEGES AND UNIVERSITIES

RELATING TO

REVENUE FUND BONDS
SERIES 2021A

FIRST READING: May [18][19], 2021
ADOPTED: June [15][16], 2021

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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 (the “State”) 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, 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 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 August 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 \$[43,395,000] consisting of its Revenue Fund Bonds, Series 2021A (the “Series 2021A Bonds”), and to use the proceeds of the Series 2021A Bonds for the following purposes: (i) to the extent that appropriate savings will be realized, fund the current refunding of the outstanding Series 2011A Bonds and Series 2011C Bonds; (ii) fund the Debt Service Reserve Account in the amount of the Reserve Requirement; and (iii) pay certain costs of issuing the Series 2021A Bonds.

5. The execution and delivery of this Series Resolution and the issuance of the Series 2021A Bonds have been in all respects duly and validly authorized by the Issuer.

6. All things necessary to make the Series 2021A 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 2021A 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 2021A Bonds by the Holders thereof, in order to secure the payment of the principal of, interest on, and premium, if any, on the Series 2021A Bonds according to their tenor and effect, does hereby grant a security interest in and assign to the Holders of the Series 2021A 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 2021A 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 2021A 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 2021A 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 2021A 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 2021A 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 2021A 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 2021A 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 2021A Bonds, based on the winning bid of the Original Purchaser accepted by Minnesota State with respect to the Series 2021A Bonds, as well as the allocation of the proceeds of the Series 2021A 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 2021A Bonds, each April 1 and October 1, commencing April 1, 2022.

Master Indenture means the Amended and Restated Master 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, as further amended by a Second Amendment to Amended and Restated Indenture, dated as of August 1, 2019, as may be further 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 2021A 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 2021A Bonds, as determined after the acceptance of the bids in accordance with a competitive sale of the Series 2021A Bonds, as identified in the Closing Certificate.

Prior Bonds means all bonds issued or secured under the Master Indenture prior to the issuance of the Series 2021A Bonds.

Rating Agency means Moody's Investors Service, S&P 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 2021A 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 2011A Bonds and the Series 2011C 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 2021A Bonds.

Series Resolution means this Series Resolution, adopted on June [15][16], 2021, by the Board.

Series 2011A Bonds means the Revenue Fund Bonds, Series 2011A, issued by Minnesota State on February 23, 2011, in the original principal amount of \$82,400,000, of which \$48,365,000 is subject to optional redemption and prepayment on October 1, 2021.

Series 2011C Bonds means the Revenue Fund Bonds, Series 2011C, issued by Minnesota State on August 25, 2011, in the original principal amount of \$12,000,000, of which \$7,600,000 is subject to optional redemption and prepayment on October 1, 2021.

Series 2021A 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 \$[43,395,000], consisting of the Revenue Fund Bonds, Series 2021A.

Term Bonds means the Series 2021A 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 2021A 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 2021A Bonds.

(d) The Rules of Interpretation stated in Section 1.5 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 2021A Bonds;
- (2) EXHIBIT B — Annual Report Information; and
- (3) EXHIBIT C — Blanket Issuer Letter of Representation.

ARTICLE 2

THE SERIES 2021A BONDS

Section 2.1 The Series 2021A Bonds.

- (A) The Series 2021A 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 2021A Bonds are to be issued in the aggregate principal amount not to exceed \$[43,395,000], with the actual principal amount issued to be identified in the Closing Certificate relating to the Series 2021A Bonds. The total principal amount of Series 2021A Bonds which may be Outstanding hereunder is expressly limited to the amount identified in the Closing Certificate relating to the Series 2021A Bonds unless duplicate Series 2021A Bonds are issued as provided in Section 2.12 of the Master Indenture. The Series 2021A 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 2021A Bonds to the terms of this Article 2.

The Vice Chancellor-Chief Financial is hereby authorized to provide for the sale of the Series 2021A 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 2021A 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 2021A Bonds is 1.5% of par.

(B) Upon issuance, the net proceeds of the Series 2021A Bonds (the original principal amount thereof, plus any premium, 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 2021A Bonds.

Section 2.2 Initial Issue. The Series 2021A Bonds shall be initially issued in the aggregate principal amount set forth in the Closing Certificate relating to the Series 2021A Bonds and shall include the following terms.

- (1) The Series 2021A Bonds shall be initially dated as of the date of delivery, and thereafter, for any Series 2021A Bonds issued in exchange for any initial Series 2021A Bond or previously exchanged for such initial Series 2021A Bond, shall be dated the date to which interest has been paid on such Series 2021A Bond surrendered for exchange, as provided in Section 2.6(a) of the Master Indenture.
- (2) The Series 2021A 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 2021A Bonds shall mature on October 1 in the years and amounts set forth in the Closing Certificate, subject to prior redemption as provided in the Closing Certificate.

(4) Interest shall accrue on the Series 2021A 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 2021A 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 2021A Bonds called for redemption. The Series 2021A 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 2021A 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 2021A 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 2021A Bonds shall be payable by check or draft mailed by the Trustee to the Holders of such Series 2021A 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 2021A 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 2021A Bonds shall be payable at the principal office of the Trustee.

(6) The Series 2021A 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 2021A 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 2021A 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 2021A 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 financed or refinanced by the Series 2021A Bonds, the Series 2021A 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 2021A 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 2021A Bonds are not subject to optional redemption and prepayment prior to their stated maturity date.

(4) *Excess Proceeds Redemption.* If, upon (i) the payment of all costs of issuing the Series 2021A Bonds, and (ii) the redemption of the Series 2011A Bonds and the Series 2011C Bonds on October 1, 2021, proceeds of the Series 2021A 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 2021A 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 2021A Bonds shall not be subject to redemption prior to their stated maturity date.

Section 2.4 Method of Redemption for the Series 2021A Bonds.

(1) To effect the redemption of the Series 2021A Bonds under Section 2.3(A)(1), (3), 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 2021A Bonds of the applicable series to be redeemed. In the event and to the extent the Series 2021A 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 2021A 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 2021A 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 2021A 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 2021A 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 2021A 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 2021A Bond of the applicable Series then Outstanding a distinctive number for each Authorized Denomination of the principal amount of such Series 2021A Bond. The Trustee shall then, using such method of selection consistent with subsection (2), from the numbers so assigned to such Series 2021A Bonds, select as many numbers as, at the Authorized Denomination for each number, shall equal the principal amount of such Series 2021A Bonds to be redeemed. The Series 2021A Bonds to be redeemed shall be the Series 2021A Bonds to which were assigned numbers so selected; provided that if, as a result of partial redemption there is a Series 2021A Bond outstanding in a principal amount less than the Authorized Denomination, such Series 2021A 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 2021A 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 2021A BONDS – SUBACCOUNTS

Section 3.1 Series 2021A Revenue Receipts Subaccount. Minnesota State is hereby directed to create a Series 2021A Revenue Receipts Subaccount pursuant to the Master Indenture. All payments derived from the Facilities financed or refinanced by the Series 2021A Bonds shall be deposited to the Series 2021A Revenue Receipts Subaccount.

Section 3.2 Series 2021A Debt Service Subaccount. The Trustee is hereby directed to create a Series 2021A Debt Service Subaccount pursuant to the Master Indenture. Net Revenues held in the Series 2021A Revenue Receipts Subaccount shall be transferred by Minnesota State on each March 1 and September 1 to the Trustee for deposit to the Series 2021A 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 2021A Bonds.

Section 3.3 Series 2021A Capital Expenditure Subaccount. The Trustee is hereby directed to create a Series 2021A 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 2021A Bonds therein as described in Section 2.1 and Section 3.3 hereof and in the Closing Certificate relating to the Series 2021A Bonds.

(A) Cost of Issuance Subaccount. Certain proceeds of the Series 2021A Bonds, along with other available funds of Minnesota State in the amounts to be set forth in the Closing Certificate relating to the Series 2021A Bonds, shall be deposited in the Cost of Issuance Subaccount of the Series 2021A Capital Expenditure Subaccount and applied to the payment of the costs of issuing the Series 2021A Bonds.

(B) Refunding Subaccount. Certain proceeds of the Series 2021A Bonds, along with the funds on deposit in the Tax-Exempt Bond Subaccount of the Debt Service Reserve Subaccount and the Tax-Exempt Bond Subaccount of the Debt Service Subaccount each established for the Series 2011A Bonds, and in the Tax-Exempt Bond Reserve Subaccount (Series 2011C) of the Debt Service Reserve Account and the Debt Service Subaccount each established for the Series 2011C Bonds, and other available funds of Minnesota State in the amounts to be set forth in the Closing Certificate relating to the Series 2021A Bonds, sufficient to pay the principal amount of the Series 2011A Bonds and the Series 2011C Bonds to be redeemed, plus accrued interest thereon to October 1, 2021 (the “Redemption Date”), plus the premium, if any, payable upon the Redemption Date, shall be deposited in the Refunding Subaccount of the Series 2021A Capital Expenditure Subaccount. The funds in the Refunding Subaccount shall thereafter be transferred by the Trustee to subaccounts within the Escrow Account established under the terms of the Master Indenture to be applied to the redemption and prepayment of the Series 2011A Bonds and the Series 2011C Bonds on the Redemption Date. As provided in the Closing Certificate relating to the Series 2021A Bonds, Minnesota State may decline to redeem any portion or all of any series of Refunded bonds in the event it is determined that an appropriate level of savings will not be realized by any such redemption.

Section 3.4 Establishment of Subaccounts. Minnesota State and the Trustee may, for ease of administration, establish additional subaccounts within any of the funds and 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 Bonds 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.

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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 2021A Bonds in accordance with the terms of the Series 2021A Bonds, the Master Indenture and this Series Resolution. Nothing in the Series 2021A 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 2021A 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 2021A 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 2021A Bonds authorized hereby, to adopt this Series Resolution, to apply a portion of the proceeds of the Series 2021A 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 2021A 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 2021A Bonds and the execution and delivery of this Series Resolution has been duly and effectively taken; and that the Series 2021A 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 2021A 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 2021A 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 2021A 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 2021A Bonds shall be made as provided in this Section. This Section is intended for the benefit of the Holders of the Series 2021A 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 2021A 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 2021A 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 municipal advisor to the Issuer, 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 2021A 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 municipal advisor to the Issuer on behalf of the Issuer shall make public every communication which the municipal advisor to the Issuer 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 municipal advisor to the Issuer 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 municipal advisor to the Issuer or is within the possession, custody or control of the Issuer or municipal advisor to the Issuer:

(a) all information which the municipal advisor to the Issuer 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 municipal advisor to the Issuer, on behalf of the Issuer, shall make public the periodic information described in subsection (B)(1), within thirty (30) days after receipt by the municipal advisor to the Issuer of each annual audited financial statement of the Issuer.

(b) The municipal advisor to the Issuer 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 municipal advisor to the Issuer has been instructed by the Issuer to report the occurrence, the municipal advisor to the Issuer 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 municipal advisor to the Issuer 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 2021A 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 2021A 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 July 10, 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 2021A Bonds. In addition, the Issuer shall provide to such Rating Agencies such other information relating to the Series 2021A 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 2021A BOND

R-_____ \$_____

**UNITED STATES OF AMERICA
STATE OF MINNESOTA**

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES
REVENUE FUND BOND
SERIES 2021A**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____ %	October 1, 20__	August [11], 2021	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, 2022, 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 [15][16], 2021 (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]]

If, upon (i) the payment of all costs of issuing the Series 2021A Bonds, and (ii) the redemption of the Series 2011A Bonds and the Series 2011C Bonds (each defined in the Series Resolution) on October 1, 2021, proceeds of the Series 2021A 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 these Revenue Fund 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.

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: August [11], 2021

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, 2021.

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

The Depository Trust Company

A subsidiary of the Depository Trust & Clearing Corporation

BLANKET ISSUER LETTER OF REPRESENTATIONS

(To be completed by Issuer and Co-Issuer(s), if applicable)

Minnesota State Colleges and Universities

(Name of Issuer and Co-Issuer(s), if applicable)

07/10/2019

(Date)

The Depository Trust Company
18301 Bermuda Green Drive
Tampa, FL 33647
Attention: Underwriting Department

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request to be made eligible for deposit by The Depository Trust Company ("DTC").

Issuer is: **(Note: Issuer shall represent one and cross out the other.)**

~~incorporated in~~ [formed under the laws of] State of Minnesota

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:
Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

Minnesota State Colleges and Universities



By: _____
(Authorized Officer's Signature)

William Maki, Interim Chief Financial Officer

(Print Name)

30 7th Street East, Suite 350

(Street Address)

St. Paul MN USA 55101

(City) (State) (Country) (Zip Code)

651-201-1731

(Phone Number)

william.maki@minnstate.edu

(E-mail)

DTCC

Address)

BLOR 06-2013

**SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

BLOR 06-2013

SCHEDULE A

(To Blanket Issuer Letter of Representations)

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

BLOR 06-2013

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

Name: Joint Finance and Facilities Committee

Date: May 19, 2021

Title: 2022 Capital Program Recommendation (1st 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 chancellor recommendation of a \$292.9 million capital bonding request from the state for the 2022 legislative session. This recommendation includes \$150 million for Higher Education Asset Preservation and Replacement (HEAPR) and \$142.9 million for the design and construction of major capital projects at 20 colleges and universities.

The recommended program advances thirteen (13) projects that were part of earlier board requests, including four (4) projects that received \$3.0 million for design in prior bonding bills. There are seven (7) new projects within the recommendation.

Scheduled Presenter(s):

Bill Maki, Vice Chancellor for Finance and Facilities
Brian Yolitz, Associate Vice Chancellor – Facilities



**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION

2022 Capital Program Recommendation (1st Reading)

BACKGROUND

The State of Minnesota formally considers funding capital improvements for public needs in a bonding bill during even year legislative sessions. Over 80% of Minnesota State’s 28.6 million total square feet of owned facility space is eligible for bonding through the State of Minnesota’s capital improvement process. Minnesota State has established a highly regarded capital process for soliciting, vetting, prioritizing, presenting, and executing capital projects for state funding. After approving guidelines for capital programs to start this process, the chancellor recommends and the board approves requests for state funding of capital improvements to Minnesota State college and university campus facilities.

CHANCELLOR’S RECOMMENDATION

The chancellor recommends a \$292.9 million capital bonding request for the 2022 legislative session. This recommendation includes \$150 million for Higher Education Asset Preservation and Replacement (HEAPR) and \$142.9 million for the design and construction of major capital projects at 20 colleges and universities.

The program advances thirteen (13) projects that were part of earlier board requests, including four (4) projects that received \$3.0 million for design in prior bonding bills. There are seven (7) new projects within the recommendation.

CAPITAL DEVELOPMENT PROCESS

Minnesota State’s capital development process is rooted in Comprehensive Facilities Plans (CFPs) developed and 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.

The formal process for this recommended request began with the board approving guidelines for the 2022 capital program in March 2020. These guidelines included six (6) themes:

- Protect and modernize academic and student support spaces

- Facilitate fulfilling the vision of Equity 2030
- Energy efficiency and renewable energy infrastructure
- Additional square footage in rare cases only
- Value Partnerships
- Seek funding for college and university priorities

Details on the 2022 capital program guidelines are at [031820 march_packet.pdf \(minnstate.edu\)](#) starting on page 138.

Responding to the 2022 guidelines, 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 2022 capital program request. A total of 23 candidate projects were submitted for consideration from 21 colleges and universities. These candidate projects represented \$151 million in major design and construction projects requested for 2022 and represented over \$662.0 million, if fully funded over the next three bonding cycles (2022-2026).

In early March 2021, over 50 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. In keeping with the State of Minnesota mitigation measures for the COVID-19 project scoring was done virtually in contrast to past practice where the scoring occurred in person at a college or university. 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) is the top capital investment priority of our colleges and universities. HEAPR funding addresses 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. Since 2012, Minnesota State has requested a total of \$870 million for HEAPR as the number one (1) priority.

Minnesota State has received a total of \$178.8 million in HEAPR funding through five (5) bonding bills adopted between 2012 and 2020, barely 20% (21%) of the requested amount needed to address the most urgent preservation needs of the college and university buildings.

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 \$600 million or 85%, to nearly \$1.3 billion. In addition, aging campus buildings and infrastructure add to the problem, with the estimated preservation needs over the next 10 years totaling \$1.4 billion. The total current and future asset preservation need of Minnesota State colleges and universities is over \$2.7 billion.

Minnesota State, like other state entities, is in need of strong, sustained and predictable asset preservation funding to arrest this trend.

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 FY2020 financial statements, the total general obligation (GO) principal outstanding for system capital bonding projects was \$198.2 million and the current total annual GO debt service obligation is approximately \$28M.

Minnesota State incurs no debt service responsibility for HEAPR.

When the recommended 2022 capital program is fully executed, Minnesota State would be responsible for 1/3 or \$165 million of the cost or debt associated with the 20 major capital projects in the request, requiring a total average annual debt service payment of \$8.7 million payable during the 20 years. This debt service will be shared equally, one-half coming from state appropriations to all Minnesota State colleges and universities and one-half coming from the college or university with the individual major capital project.

ACCOUNTING FOR DISRUPTIVE IMPACTS OF THE COVID-19 PANDEMIC

The COVID-19 pandemic has impacted nearly every aspects of our lives over the last year. We have seen dramatic changes in Minnesota State's workforce posture, the delivery of student services and academic programming, and in campus enrollment and finances. The full impact of COVID's disruption of these major areas of campus life may not be fully known or appreciated for some time.

All of the recommended major capital projects are rooted in campus planning and assumptions based in a pre-COVID-19 environment of enrollment, academic programming and delivery models, workforce posture, and financing. It is incumbent on us to exercise due diligence in reviewing and affirming that the projects we seek funding for now are aligned with our best assessment of the future.

To accomplish this, we will review and reaffirm how each project is aligned with individual comprehensive facilities plans (CFPs) and accounts for broad enrollment trends, as well as taking into account post-COVID academic program delivery models, workforce posture, and financial position. We will report the results of this work, along with any recommendation to the board, prior to finalizing our request in the 2022 legislative session.

NEXT STEPS

After considering the 2022 capital program recommendation, the board will be asked to adopt the motion below and approve the program at its June meeting. After board approval in June, staff will submit initial details of Minnesota State's 2022 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.

The chancellor will oversee a project by project review based on the disruptive impacts of COVID-19, reaffirm how each project is aligned with comprehensive facilities plans (CFPs) and accounts enrollment trends, post-COVID academic program delivery models, workforce posture, and financial position, and report results of this work, along with any recommendation to the board, prior to finalizing our request in the 2022 legislative session.

In addition, given the volatility in the construction market, project cost estimates on **Attachment A** may change over the coming months. MMB regularly publishes additional guidance on project inflation rates closer to the potential construction dates. Final adjustments to the requested projects must occur no later than October 2021 for preparation of the Governor's capital program recommendation for the 2022 legislative session.

In preparation for the 2022 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. Bonding books are distributed to system colleges and universities and key stakeholders.

Later this summer and fall, legislators and their staff will conduct site visits to requested 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, information submitted to MMB, and campus presentations to learn and understand the details of Minnesota State's bonding request.

RECOMMENDED COMMITTEE MOTION

- A. The Board of Trustees approves the 2022 capital program recommendation as presented in **Attachment A**, specifically the projects and priorities for the 2022 legislative session.
- B. 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 2022 capital budget.
- C. The chancellor shall advise the board of any subsequent changes in the approved capital program prior to the 2022 legislative session.

- D. 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 scope and intent of the projects.

RECOMMENDED BOARD MOTION

- A. The Board of Trustees approves the 2022 capital program recommendation as presented in **Attachment A**, specifically the projects and priorities for the 2022 legislative session.
- B. 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 2022 capital budget.
- C. The chancellor shall advise the board of any subsequent changes in the approved capital program prior to the 2022 legislative session.
- D. 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 scope and intent of the projects.

Date Presented to the Board of Trustees: xx/xx/xx

Date of Implementation: xx/xx/xx

Chancellor's 2022 Capital Program Recommendation

Institution	Project Title	2022 Request (\$000)	2024 Estimate (\$000)	2026 Estimate (\$000)	Total
System wide	Higher Education Asset Preservation and Replacement (HEAPR)	\$150,000	\$150,000	\$150,000	\$450,000
Minnesota State University Moorhead	Weld Hall Renovation and Accessibility Additions (Construction)	\$19,048	\$0	\$0	\$19,048
Inver Hills Community College	Technology and Business Center Renovation (Construction)	\$18,087	\$0	\$0	\$18,087
Minneapolis College	Management Education Center Metro Baccalaureate Initiative (Construction)	\$16,938	\$0	\$0	\$16,938
Pine Technical and Community College	Technical/Trades Lab Addition and Renovation (Construction)	\$13,906	\$0	\$0	\$13,906
Saint Paul College	Academic Excellence Renovation (Design)	\$1,392	\$29,246	\$0	\$30,638
Vermilion Community College	Classroom Building Renovation (Design and Construction)	\$3,019	\$0	\$0	\$3,019
Central Lakes College	Brainerd Student Services Renovation (Design and Construction)	\$9,519	\$0	\$0	\$9,519
Northland Community and Technical College	Effective Teaching and Learning Labs (Design and Construction)	\$2,710	\$0	\$0	\$2,710
Minnesota State University, Mankato	Armstrong Hall Replacement (Design)	\$7,083	\$64,293	\$32,327	\$103,703
Winona State University	Center for Interdisciplinary Collaboration, Engagement, & Learning (Design)	\$4,240	\$47,217	\$0	\$51,457
Lake Superior College	Integrated Manufacturing Workforce Labs (Design)	\$1,055	\$18,140	\$0	\$19,195
North Hennepin Community College	Center for Innovation & the Arts* (Design)	\$7,598	\$40,502	\$0	\$48,100*
Metropolitan State University	Cyber Security Lab (Design and Construction)	\$4,292	\$0	\$0	\$4,292

Alexandria TCC	Transportation Center Construction, Student Services Renovation, and Selective Campus Demolition (Design)	\$832	\$33,962	\$0	\$34,794
Riverland Community College	Student Services Renovation (Design and Construction)	\$9,924	\$0	\$0	\$9,924
Southwest Minnesota State University	Wellness and Human Performance Center (Design)	\$1,156	\$30,102	\$0	\$31,258
St. Cloud State University	Education and Learning Design Complex (Design)	\$4,487	\$51,160	\$2,287	\$57,934
Rochester Community and Technical College	Heintz Center Renovation: Reimagining Education for a Diverse Workforce (Design)	\$1,347	\$28,562	\$0	\$29,909
Minnesota West CTC	Nursing, Law Enforcement, and Student Service Renovation (Design)	\$1,963	\$30,364	\$0	\$32,327
Ridgewater College	Healthcare, Construction, Student Services, and Classroom Renovation (Design and Construction)	\$14,280	\$0	\$0	\$14,280
* Requires \$40 million in community matching funds	Total Program	\$292,876	\$523,548	\$184,614	\$1,001,038
	Project Requests	\$142,876	\$373,548	\$34,614	\$551,038
	State Funding	\$245,251	\$399,032	\$173,076	\$817,359
	User Financing	\$47,625	\$124,516	\$11,538	\$183,679



Finance Committee
May 19, 2021
9:30am
Virtual Meeting

Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings.

1. **Minutes of April 20, 2021** (pp. 1-6)
2. **Contracts Requiring Board Approval:** (pp. 7-29)
 - a. **D2L Learning Management System Master Contract Extension, System Office**
 - b. **Online Program Manager Academic Partnership, St Cloud State University**
 - c. **Classroom Technology Refresh Project, Century College**
 - d. **Private Study/Video Conferencing Booths, Minnesota State University Mankato**
 - e. **CollegeSource – New Master Contract for Transfer Evaluation System, System Office**
 - f. **MNIT Inter-Agency Agreement, System Office**
3. **Surplus Property Designation: Alexandria Technical and Community College** (pp. 30-34)
4. **Proposed Amendment to Board Policy 7.1 Finance and Administrative Authority of Board, Chancellor, and Presidents (2nd Reading)** (pp. 35-42)
5. **Proposed Amendment to Board Policy 7.5 Financial Institutions and Investments (2nd Reading)** (pp. 43-50)
6. **LeadMN Fee Proposal (1st Reading)** (pp. 51-90)
7. **2021 Legislative Summary** (pp. 91-92)
8. **FY2022 Annual Operating Budget (1st Reading)** (pp. 93-104)

Committee Members

Roger Moe, Chair
April Nishimura, Vice Chair
Ahmitara Alwal
Jerry Janezich
Kathy Sheran
George Soule
Michael Vekich

Presidents Liaisons

Joe Mulford
Scott Olson



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**Finance Committee
Meeting Minutes
April 20, 2021**

A meeting of the Finance Committee of the Board of Trustees was held on April 20, 2021 at 9:15 a.m.

Committee members present: Roger Moe, Chair; April Nishimura, Vice Chair; Ahmitara Alwal, Jerry Janezich, Kathy Sheran, George Soule, and Michael Vekich.

Committee members absent: None

Other board members present: Jay Cowles; Alex Cirillo

Staff present: Devinder Malhotra, Chancellor; Bill Maki, Vice Chancellor for Finance and Facilities; Eric Wion, Executive Director of Internal Auditing

The meeting materials for this meeting are available [here](#), starting on page 28. An audio recording of the meeting is available [here](#).

Committee Chair Moe called the meeting to order at 9:08 a.m.

Agenda Item 1: Approval of the Meeting Minutes for March 16, 2021

Committee Chair Moe asked if there are any changes or amendments to the minutes then asked for a motion to approve. Trustee Vekich made the motion and Trustee Nishimura provided a second.

A roll call vote was conducted and the minutes were approved unanimously.

Agenda Item 2: Contracts Exceeding \$1 Million

Committee Chair Moe invited Vice Chancellor Maki to present 5 contracts, each exceeding \$1 million, as detailed in the meeting materials. The meeting materials for this item begin on page 32.

Committee Chair Moe asked committee members to consider the following recommended committee motion for agenda item **2a -- Ex Libris Alma Contract Extension for PALS Library Consortium, Minnesota, State University, Mankato**

The Board of Trustees authorizes the chancellor or the chancellor's designee to execute an amendment of the Ex Libris Alma professional services contract for a new total term of up to ten (10) years through June 30, 2027 for an amount not to exceed \$11,000,000. The board directs the chancellor or his designee to execute all necessary documents.

Trustee Janezich made the motion and Trustee Vekich seconded. A roll call vote was conducted. The vote was as follows:

Trustee Nishimura	Yes
Trustee Alwal	Absent
Trustee Janezich	Yes
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Vekich	Yes
Trustee Moe	Yes

The committee voted to approve the recommended motion.

Committee Chair Moe asked committee members to consider the following recommended committee motion for agenda item **2b -- Student Internet and Cable Services for Minnesota State University, Moorhead**

The Finance Committee recommends that the Board of Trustees authorizes the chancellor or his designee to execute an Amendment for two additional for a total contract amount not-to-exceed \$1,335,000. The board directs the chancellor or his designee to execute all necessary documents.

Trustee Vekich made the motion and Trustee Nishimura seconded. A roll call vote was conducted. The vote was as follows:

Trustee Nishimura	Yes
Trustee Alwal	Absent
Trustee Janezich	Yes
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Vekich	Yes
Trustee Moe	Yes

The committee voted to approve the recommended motion.

Committee Chair Moe asked committee members to consider the following recommended committee motion for agenda item **2c -- Bookstore Income Contract Extension for St. Cloud State University**

The Board of Trustees authorizes the chancellor or the chancellor's designee to execute an amendment for up to 2 years (one year with an option for one additional year if needed) through June 30, 2023. The new total term will be for up to twelve (12) years for a total amount up to \$7,150,000. The board directs the chancellor or his designee to execute all necessary documents.

Trustee Nishimura made the motion and Trustee Sheran seconded. A roll call vote was conducted. The vote was as follows:

Trustee Nishimura	Yes
Trustee Alwal	Absent
Trustee Janezich	Yes
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Vekich	Yes
Trustee Moe	Yes

The committee voted to approve the recommended motion.

Committee Chair Moe asked committee members to consider the following recommended committee motion for agenda item **2d -- Classroom Event Management Software Contract Extension, System Office**

The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a classroom management software contract extension not to exceed \$1.4 million. The board directs the chancellor or his designee to execute all necessary documents.

Trustee Sheran made the motion and Trustee Soule seconded. A roll call vote was conducted. The vote was as follows:

Trustee Nishimura	Yes
Trustee Alwal	Yes
Trustee Janezich	Yes
Trustee Sheran	Yes
Trustee Soule	Yes

Trustee Vekich	Yes
Trustee Moe	Yes

The committee voted to approve the recommended motion.

Committee Chair Moe asked committee members to consider the following recommended committee motion for agenda item **2e -- Clifton Larson Allen Contract Amendment, System Office**

The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a \$300,000 amendment to the CliftonLarsonAllen, LLP contract for external auditing services bringing the contract to a not to exceed amount of \$2,351,700. The board directs the chancellor or the chancellor's designee to execute all necessary documents.

Trustee Vekich made the motion and Trustee Sheran seconded. A roll call vote was conducted. The vote was as follows:

Trustee Nishimura	Yes
Trustee Alwal	Yes
Trustee Janezich	Yes
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Vekich	Yes
Trustee Moe	Yes

The committee voted to approve the recommended motion.

Agenda Item 3: Proposed Amendment to Board Policy 7.1 Finance and Administrative Authority of Board, Chancellor, and Presidents (1st Reading)

Committee Chair Moe invited Vice Chancellor Maki along with System Director Denise Kirkeby to present the first reading of the Proposed Amendment to Board Policy 7.1 Finance and Administrative Authority of Board, Chancellor, and Presidents, as detailed in the meeting materials.

The meeting materials for this item begin on page 43.

This being the first reading of the item, there was no vote taken.

Agenda Item 4: Proposed Amendment to Board Policy 7.5 Financial Institutions and Investments (1st Reading)

Committee Chair Moe invited Vice Chancellor Maki along with System Director Denise Kirkeby to present the first reading of the Proposed Amendment to Board Policy 7.5 Financial Institutions and Investments, as detailed in the meeting materials.

The meeting materials for this item begin on page 47.

This being the first reading of the item, there was no vote taken.

Agenda Item 5: State and Federal Budget Update

Committee Chair Moe invited Vice Chancellor Maki along with System Director Steve Ernest to present the State and Federal Budget Update, as detailed in the meeting materials.

The meeting materials for this item begin on page 50.

This being an informational item, there was no vote taken.

Adjournment

The committee chair adjourned the meeting at 10:35 a.m.

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

Name: Finance Committee

Date: May 19, 2021

Title: Contracts Requiring Board Approval:

- a. **D2L Learning Management System Master Contract Extension, System Office**
- b. **Online Program Manager Academic Partnership, St Cloud State University**
- c. **Classroom Technology Refresh Project, Century College**
- d. **Private Study/Video Conferencing Booths, Minnesota State University Mankato**
- e. **CollegeSource – New Master Contract for Transfer Evaluation System, System Office**
- f. **MNIT Inter-Agency Agreement, System Office**

Purpose (check one):

Proposed New Policy or
Amendment to Existing Policy

Approvals Required
by Policy

Other Approvals

Monitoring/Compliance

Information

Brief Description:

Board Policy 5.14, Contracts, Procurements, and Supplier Diversity, requires Board of Trustees approval of any procurement, lease agreement, or professional, technical, or consulting service contract with a value in excess of \$1,000,000 or contract amendment that would increase the total value of a contract to more than \$1,000,000.

Contracts, Inter-agency agreements, Joint powers agreements, system master contracts, and grant agreements other than federal grants or grants from Minnesota state agencies must be approved in advance by the board if the total value of the initial contract/agreement and/or subsequent amendments exceeds \$3,000,000.

Scheduled Presenter(s):

Bill Maki, Vice Chancellor for Finance and Facilities

Robbyn Wacker, President, St. Cloud State University (*OPM Academic Partnership*)

Scott Wojtanowski, System Director for Educational Technology and Development (*D2L LMS*)

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**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION

Contracts Requiring Board Approval: D2L Learning Management System Master Contract Extension

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 system office is seeking approval to extend the existing contract between Minnesota State and D2L Corporation through August 31, 2028, with two one-year renewal options through August 31, 2030. The current contract expires August 31, 2023.

The contract with D2L began September 1, 2012. In January 2020, Minnesota State convened a workgroup, comprising faculty, students, administrators, and other stakeholders, to recommend to senior leadership of Minnesota State either a timeline to conduct a thorough request for proposal process for a learning management system or an alternative plan to extend the use of the current learning management service, D2L Brightspace. The recommendation to senior leadership was that taking into consideration the allocation of human and financial resources associated with the Next Gen (Enterprise Resource Planning) project, conducting an RFP and the potential replacement of the existing learning management system would be highly disruptive to faculty and students and that the best course of action would be to extend the current agreement with D2L Corporation with the intent to launch an RFP process in FY26, using FY27 for the selection and piloting of a learning management system, with the potential transition to a new learning management system in FY28.

The D2L Corporation learning management tool is funded by both Minnesota State online assessments and ITS funds.

The proposed action item for Board of Trustee approval is the extension of the D2L Corporation learning management system contract for an additional five (5) years with the option to renew for up to two (2) additional years for an amount of \$13,500,000. The new total amount for the contract including the extension is not to exceed \$30,000,000.

LEARNING MANAGEMENT SYSTEM (LMS)

A learning management system (LMS) is a software platform that allows for a variety of teaching and learning functions to be mediated online. A LMS is used by faculty and students to support

a number of core teaching and learning functions including (1) delivering **content** (webpages, documents, video, etc.), (2) assigning and collecting student **assignments**, (3) conducting formative and summative assessments with **quizzes/exams** (4) tracking and communicating **grade** progress to students, (5) facilitating asynchronous class **discussions**, (6) communicating to students via news **announcements** and email tools.

Beyond these core functions LMSs often provide additional functions like those listed below.

- Calendaring and checklist tools allowing students to track due dates, etc.
- Tools to document and report student performance on course learning objectives and competencies
- Reporting and analytical tools documenting student performance within the LMS
- Portfolio tools to document student learning
- Award and digital badging functions
- Tools (“Intelligent agents”) that will provide feedback (e.g. emails) to students based on their performance (e.g. inactivity in the course, completion of course activities, performance on assigned activities, etc.)
- Survey tools
- Adaptive learning tools
- Using Learning Tools Interoperability (LTI) standards allowing an LMS to serve as a gateway to materials and learning activities to over 100+ textbook publishers or other integrated learning tools providers.

The learning management system used by Minnesota State institutions is called Brightspace made by a company called D2L. Each term LMS “course sites” are created for each scheduled course section. Using an automated technical process, student and faculty are enrolled in these course site using class list information from a student information system (ISRS). A report documenting utilization of D2L Brightspace within Minnesota State is provided below. In short, these data show that the vast majority of faculty and students rely on the LMS to support teaching and learning daily making it one of the top “mission critical” services.

RATIONALE AND PROCESS USED FOR EXTENSION REQUEST

Minnesota State has a contract with D2L to provide LMS services which expires in August 2023. Per Board Policy 5.14 Contracts and Procurements, a request for proposal (RFP) for a new contract should be conducted. As noted in the data provided above, the LMS is a “mission critical” service used by all institutions, conducting such an RFP would require a significance amount of human resources from across our campuses. Additionally, if a different LMS is selected through the RFP process, there is expected to be additional costs included in migrating to a new provider as well as, training and development opportunities to support faculty, students, and staff using a new service.

A few different timelines were developed in August 2019 to explore when a RFP for an LMS could be conducted in conjunction with the upcoming NextGen (now Workday) project. In October 2019, Vice chancellors Ron Anderson (ASA), Bill Maki (Finance and Facilities), and Ramon Padilla (ITS) chartered a workgroup composed of representatives from bargaining unions and student organizations to determine the capacity of campus faculty, students, and staff to conduct a comprehensive request for proposals for an LMS, while the NextGen project was being implemented. In consultation with the workgroup, the senior leadership of Minnesota State concluded that our campuses would not have the human and/or financial capacity to conduct an RFP for a LMS, while Workday was being implemented. Additionally, the workgroup concluded that there was enough satisfaction with the current provider, D2L Brightspace, that it did not warrant introducing a new LMS while ISRS was being replaced.

RELATIONSHIP WITH NEXTGEN IMPLEMENTATION

All LMSs rely on an Enterprise Resource Planning (ERP) system / NextGen (Workday) to provide at least three critical services.

1. Course Creation/Enrollments - As noted in section #1, a technical integration is required between the student information system in Workday to manage the creation of course sites and the related enrollments of students and faculty.
2. LMS to SIS Final Grade Data - As the student information system of Workday will hold official student grades, technical processes will need to be re-established to send grade data from the LMS to Workday.
3. Datasets and Reporting - Existing data and reporting services created for campuses using ISRS and D2L Brightspace data will need to be recreated for a potential new LMS provider.

Technical responsibilities for the learning management system, D2L Brightspace, are shared between staff at the system office and at each campus. These IT staff will be called upon to provide direct technical support to faculty, students, and staff as we migrate from ISRS to Workday. Although many of these staff members are subject matter experts on learning management systems, the priority will need to be on executing the technical processes within Workday. There would be considerable risk to take on the implementation of two major systems concurrently.

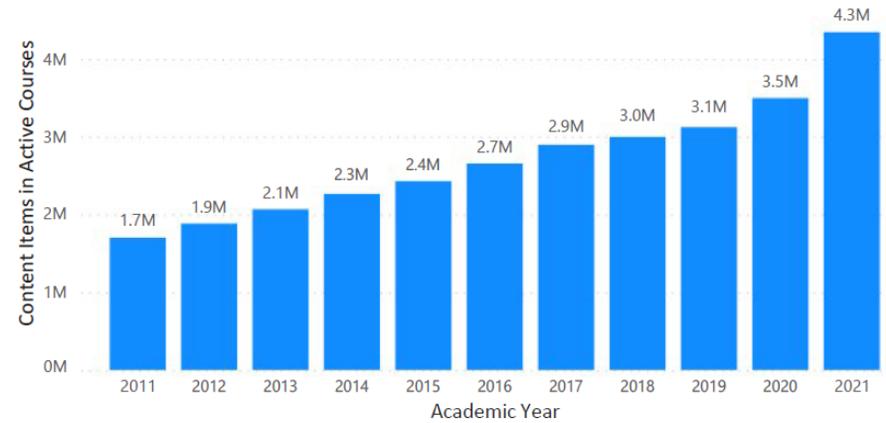
D2L BRIGHTSPACE USAGE

Usage of D2L Brightspace for the last ten years. Highlighted are counts of the number of courses and several core functions like content, quizzes, assignments, and announcements.

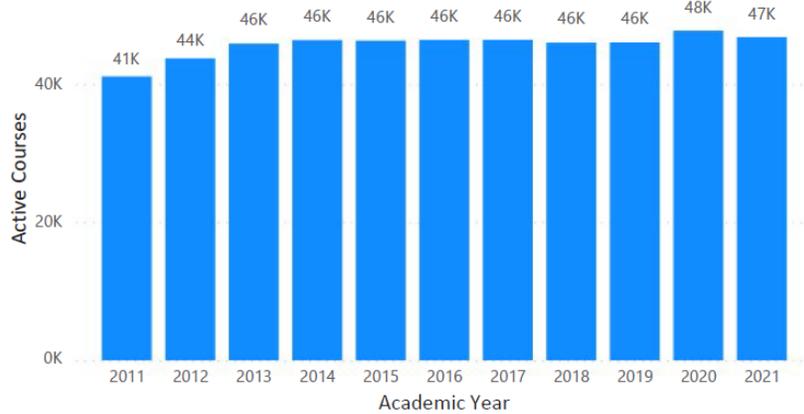
D2L Brightspace Usage

Academic Year	Active Courses	Quizzes	Content	Assignments	Announcements
2011	41,119	176,132	1,702,229	214,486	328,290
2012	43,731	195,170	1,882,685	235,602	370,085
2013	45,878	208,623	2,066,291	258,423	412,402
2014	46,376	219,332	2,264,590	270,644	438,741
2015	46,304	222,727	2,427,444	279,247	447,593
2016	46,409	229,439	2,654,915	288,434	460,224
2017	46,422	237,538	2,895,460	295,333	464,317
2018	46,012	230,385	2,996,466	298,133	470,211
2019	46,054	235,405	3,121,944	302,812	497,648
2020	47,738	260,187	3,495,814	344,932	586,232
2021	46,811	317,211	4,343,313	449,892	676,599

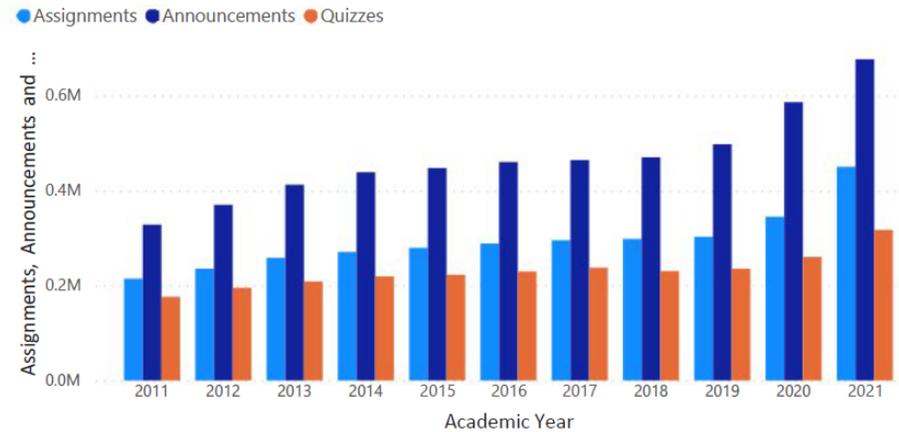
Content Items in Active Courses by Academic Year



Active Courses by Academic Year



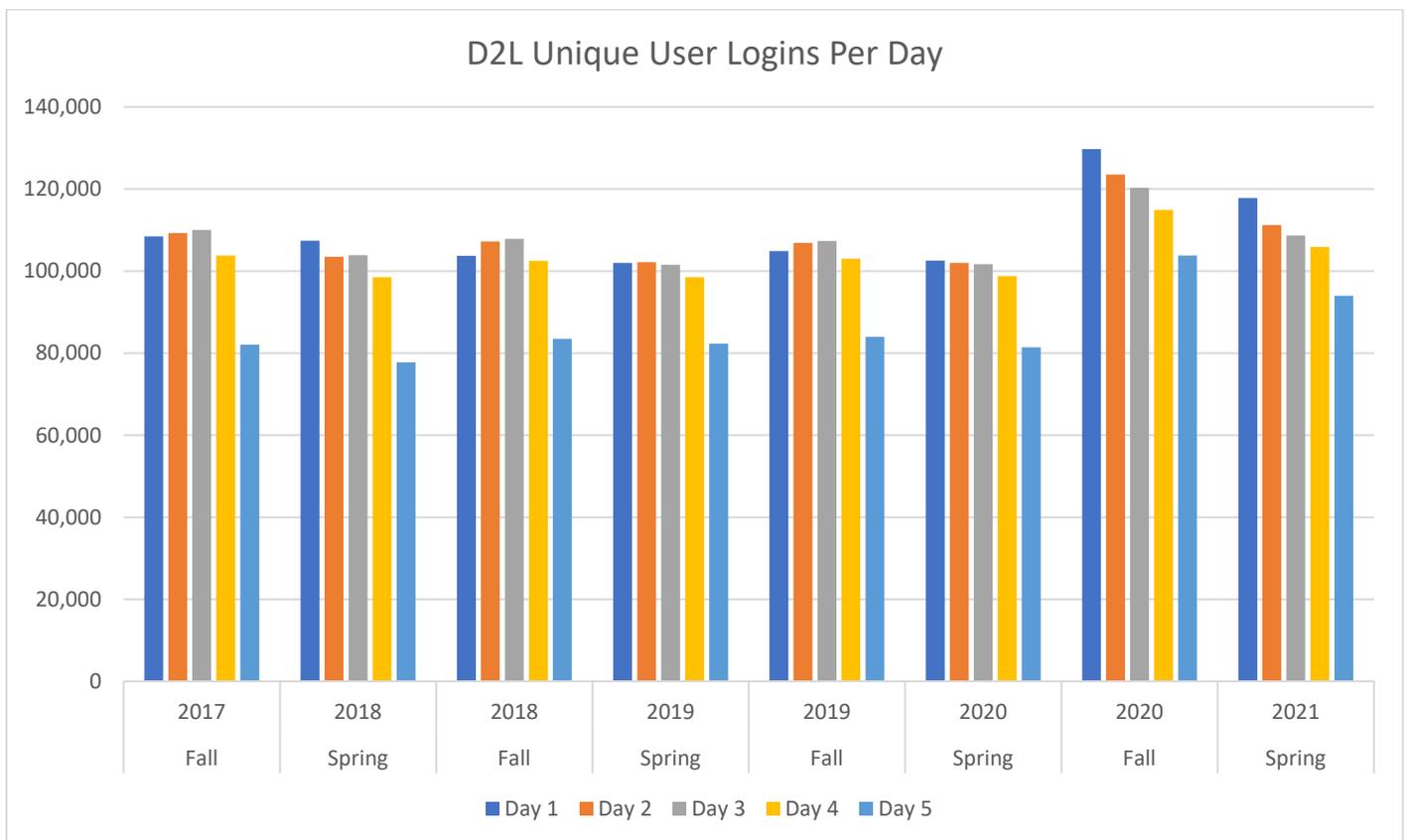
Assignments, Announcements and Quizzes by Academic Year



Unduplicated Persons Accessing D2L Brightspace

Number of persons, faculty, students, and staff, accessing the D2L Brightspace environment during the first five days of fall and spring semesters over the past four academic years. Note the marked increase in fall of 2020 in this table and below.

	Fall 2017	Spring 2018	Fall 2018	Spring 2019	Fall 2019	Spring 2020	Fall 2020	Spring 2021
Day 1: Monday	108,455	107,428	103,708	101,989	104,893	102,560	129,761	117,797
Day 2: Tuesday	109,260	103,502	107,227	102,179	106,883	102,004	123,546	111,217
Day 3: Wednesday	110,046	103,867	107,896	101,535	107,338	101,680	120,330	108,676
Day 4: Thursday	103,789	98,525	102,506	98,522	103,048	98,795	114,943	105,890
Day 5: Friday	82,065	77,785	83,452	82,326	83,980	81,422	103,809	93,967



TERMS OF PROPOSED AMENDMENT

Amendment

Year	Amendment Year 1	Amendment Year 2	Amendment Year 3	Amendment Year 4	Amendment Year 5	1 Year Option (1/2)	1 Year Option (2/2)
Fiscal Year	FY24	FY25	FY26	FY27	FY28	FY28	
Term	September 1, 2023 - August 31, 2024	September 1, 2024 - August 31, 2025	September 1, 2025 - August 31, 2026	September 1, 2026 - August 31, 2027	September 1, 2027 - August 31, 2028	September 1, 2027 - August 31, 2028	September 1, 2028 - August 31, 2029
Software	1,579,009.13	1,599,536.25	1,620,330.22	1,641,394.51	1,662,732.64	1,684,348.17	1,706,244.69
Support	258,480.56	261,840.81	265,244.74	268,692.92	272,185.93	275,724.35	279,308.77
Total	1,837,489.70	1,861,377.06	1,885,574.96	1,910,087.44	1,934,918.57	1,960,072.52	1,985,553.46

RECOMMENDED COMMITTEE MOTION:

The Finance Committee recommends that the Board of Trustees authorizes the chancellor or his designee to extend the D2L Corporation learning management contract for five years through August 31, 2028, with two one-year renewal options through August 31, 2030. The total not to exceed amount is \$30,000,000. The board directs the chancellor or his designee to execute all necessary documents.

RECOMMENDED BOARD MOTION:

The Board of Trustees authorizes the chancellor or the chancellor’s designee to extend the D2L Corporation learning management contract for five years through August 31, 2028, with two one-year renewal options through August 31, 2030. The total not to exceed amount is \$30,000,000. The board directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Board of Trustees: 5/19/21

Date of Implementation: 5/19/21

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION
Contracts Requiring Board Approval: Online Program Manager Academic Partnership, St. Cloud State University

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.

St. Cloud State University completed a Request for Proposal (RFP) in the fall of 2020 to identify a partner to focus on growing enrollment, increasing student success, and utilizing proven marketing approaches in a select number of the university's online graduate programs.

SCSU completed this RFP to achieve the following goals: a.) increasing enrollment in the fast growing demographic of adult students and leveraging an industry leader in online adult education to achieve enrollment goals, b) closing the Equity gap, and c) addressing workforce demand.

Through the RFP process, the university identified 4 potential collaborators which were evaluated utilizing the 44 criteria elements and sub-elements outlined in the portfolio. The top two proposals were then invited to give an extensive presentations. Academic Partnerships was rated the as the partner of choice based on its focus on student success and highly sophisticated approaches and systems.

Internally SCSU engaged its stakeholders through the development of its *It's Time* framework. This process laid the groundwork for the need to serve non-traditional students. Specifically related to this Online Program Management partnership, university leadership discussed with the faculty association on the impact this partnership would have to the university's academic portfolio and the potential it has to better compete in the non-traditional graduate student market. Once Academic Partnership was identified as the university's partner, leadership has had meetings with campus MSUAASF to discuss how the partnership would supplement the work of financial aid, admissions, advising, and the graduate school.

The collaboration will focus on the following graduate programs:

1. MBA Management & Leadership
2. MBA Finance
3. MBA Accounting
4. MBA IT Security

5. MBA Professional Sales
6. M.S. Educational Administration & Leadership
7. M.S. Curriculum & Instruction
8. M.S. Special Education

Through this collaboration, SCSU will offer these programs in an accelerated 8-week format with five to six cohorts, with 25 – 80 students in each cohort, enrolled every year.

St. Cloud State's contract with Academic Partnerships would be for seven (7) years with a total contract value amount up to \$27.5 million.

ONLINE GRADUATE PROGRAM PARTNERSHIP RELATIONSHIP TO UNIVERSITY AND SYSTEM'S STRATEGIC OBJECTIVES

St Cloud State University began a campus-wide conversation 18 months ago to address 'code-red' issues and other challenges that are the root causes of the university's enrollment decline. A bold and innovative approach has been implemented to create a new 'regional state university'. Through It's Time framework SCSU is taking the best parts of a public university education – access, affordability, a high-quality education, a rich network of alumni, and addressing workforce needs of our businesses and communities – to be a university that:

- a) creates a distinctive academic niche and focus,
- b) provides every student a personalized approach to student success,
- c) becomes a university of teacher/scholars where our faculty are leaders in their fields AND are outstanding instructors,
- d) provides experiential learning and opportunities not only in the greater community but globally and all while prioritizing our firm commitment to diversity, equity and inclusion and Equity 2030.

SCSU's strategy of entering into this partnership aligns with the EAB presentation at the joint Minnesota State Board of Trustees and Leadership Council meeting on January 26, 2021. Dr. Koproske from EAB described in detail the many social and demographic changes universities and colleges must address to remain relevant, vibrant institutions of higher education and to better serve our students. In summary, these unprecedented changes are 1) a change in population demographics resulting in fewer traditional aged, high school graduates in the Midwest, 2) a change in when and how students want to receive an education and 3) changes in funding sources and enrollment trends. He specifically noted that 4-year institutions must begin to reach out to the underserved adult market.

The university's agreement with Academic Partnerships supports strategic directions of the system by helping close the equity gap, leveraging an industry leader to expand the adult student market for graduate education, and utilize a new model that other universities may want to replicate in the future.

The Minnesota State system access mission ensures we offer educational opportunities to populations that are historically underserved. Many of these students do not currently have opportunities to engage in graduate education in the traditional model of higher education. This strategy will provide affordable and convenient access to our programs 2-3 times *every semester* and will provide BIPOC adult students a pathway to achieve a professional degree. Academic Partnerships high-touch approach to student support and its integration into our current structures results in high completion rates of these programs which will help close the equity gap.

This partnership targets *graduate* enrollment for an adult student market. There is an urgency to engaging in this growing student demographic. The few online graduate programs SCSU offers are losing enrollment to the for-profit and private institutions at a significant rate. This collaboration will significantly increase the enrollment in these programs. In addition, as the partnership grows enrollment and expands our visibility, it will have a positive impact on the enrollment of other programs and provide important revenue for the university.

This partnership benefits these students by providing easy access to high demand degrees, providing working and non-traditional students the convenience of starting at multiple points in the year and giving them the flexibility to continue to work and complete their degree. Additionally, the accelerated delivery model provides a faster path to degree completion.

Collaboration with Academic Partnerships will allow SCSU to take advantage of their 15+ years in the industry and state of the art approach to recruitment and retention of non-traditional graduate students into fully online asynchronous programs. During that time, they have created a high level of sophisticated artificial intelligence, intellectual property, data analytics, and marketing and recruiting tools to maximize admissions, retention and graduation of students.

This innovative approach also increases access to adult learners and demonstrates a new strategy in implementing online programs, competing with for-profits while being more aggressive in addressing declining enrollment.

BASIC TERMS OF THE PARTNERSHIP

SCSU maintains its control over the key academic and student support roles, while AP is responsible for the tasks the university cannot provide an adequate level. For the selected graduate programs, SCSU faculty will be retain its current control over program content and continue to use Minnesota State's online learning management platform. SCSU's staff in records and registration will still administer the SCSU's admission standards.

Academic Partnerships will provide the vitally necessary marketing, recruiting, and support to SCSU faculty as they transfer courses to an online format while providing programming support to offer the multiple start dates for five to six cohorts each year. They also deliver high touch student support that integrates with our service office staff to maximize retention and graduation. Table 1 below provides more detail about the split in responsibilities for the delivery of these programs:

Table 1. Comparison of University and Academic Partnerships Roles and Responsibilities

SCSU	AP RESPONSIBILITIES
Our admission process, people, and standards	Student recruitment to the specifications of the university’s admission standards
Our faculty, curriculum and instruction and quality	Guidance in course design and conversion from campus-based to an online format utilizing best practices in instructional design
Our grading, credentialing and academic advising	Student retention that supplements SCUS’s own student support services but performing no academic duties. Students with academic concerns are referred to the university
Our financial aid advising and scholarship disbursement	Student referral to SCSU’s financial aid office
Student data and privacy protected	Enablement of university’s information systems and processes to facilitate the most optimal online student experience, including enrollment, communication and support
Uses SCSU brand and its communication channels	Marketing and advertising support with all communications approved by university

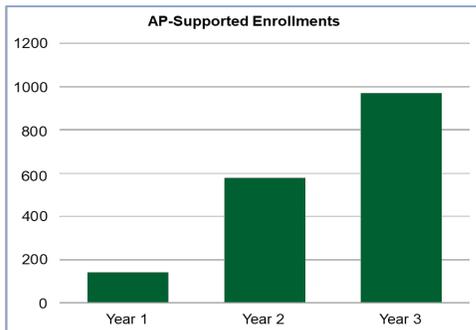
Another reason AP was selected was because AP has been a leader in the Online Program Management market for over 12 years. Here are examples of enrollment increases at similar Regional Comprehensive Universities to SCSU. Because this information is confidential we cannot, however, share the names of the institutions.

ACADEMIC PARTNERSHIP (AP) PERFORMANCE TRACK RECORD

AP has been a leader in the Online Program Management market for over 12 years. Below are examples of what regional comprehensive universities similar to SCSU have experienced with enrollment growth in partnering with AP.

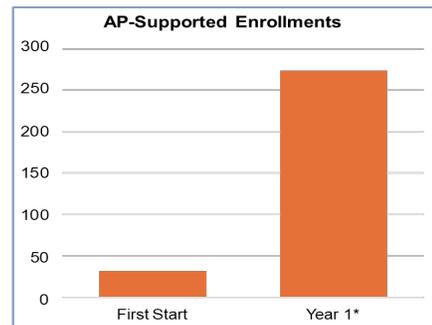
A Regional University in Michigan

Partnership Launched: 2017



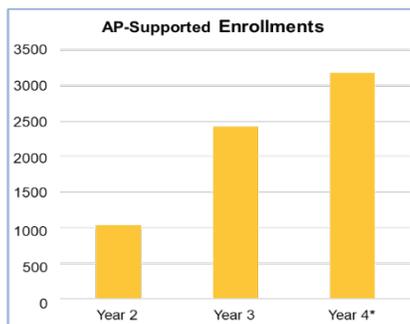
A Regional University in Ohio

Partnership Launched: 2019



A Regional University in
Kentucky

Partnership Launched: 2017



FINANCIAL PROJECTION OF THE PARTNERSHIP MODEL

SCSU developed a pro-forma analyses that allowed them to stress test the overall financial model of the partnership using revenue from enrollment and retention (based on AP market research) and state appropriation and expenses for instruction and program implementation. The models are based on 5 and 6 cohorts admitted per year for each program and conservative enrollment numbers, of 25-47 students enrolled for each cohort, based on market research conducted by AP. SCSU modeled a retention rate of 85% (which is AP's standard) with tuition rates of \$500 and \$600 per credit hour for Education and MBA programs, respectively. These model assumptions are shown in Table 2. The results of the pro-forma model are shown in Table 3.

- The first scenario, labeled **w/ OPM**, models the overall financial performance of SCSU engaging in the partnership with Academic Partnerships. With this scenario, there is no upfront investment by the university. In return, SCSU agrees to pay Academic Partnerships for their services through a cost sharing agreement that is based upon enrollment (vs a fixed amount) in the agreed upon programs. The estimated net financial gain to SCSU is \$31.1 million over a 7-year period.
- The second scenario, labeled **SCSU Only**, models the overall financial performance of SCSU attempting to build the strategy without an OPM. It is important to note that the second scenario is a best-case scenario and makes some very important assumptions that may not be attainable. First, it assumes SCSU would be able to hire the professionals required to develop the artificial intelligence, intellectual

property, and infrastructure to be competitive in the market space. SCSU believes these steps would take three years to accomplish. Second, it assumes SCSU could accomplish the hiring and building of infrastructure in 3 years. Third, it assumes that the institution would have the financial resources (estimated at \$3 million) to invest in the positions and infrastructure without realizing a return until year three. Finally, it assumes SCSU could achieve similar retention rates. The estimated a net financial gain to SCSU is \$7.7 million.

Our analyses show that the agreement with AP provides the best opportunity for increased enrollment with much stronger financial upside for SCSU.

Table 2. Pro-forma Model Assumptions

Assumptions:	W/ OPM		SCSU Only	
	MBA	SOE	MBA	SOE
# of starts per year	6	5	6	5
Credit taking factor	2	2	2	2
Tuition	\$600/credit	\$500/credit	\$600/credit	\$500/credit
Credits	30	30	30	30
Retention Rate	85%	85%	85%	85%
Average Faculty Salary	\$130,000	\$81,000	\$130,000	\$81,000
Fringe	30%	30%	30%	30%
Ratio of Students to Faculty	50/1	50/1	50/1	50/1
Enrollment	AP	AP	SCSU	SCSU
Overhead Rate				
New Students	2,435	1,525	1,563	1,135
Attrition	(361)	(223)	(230)	(165)
Retained	2,074	1,302	1,333	970
Recruiting/Admit a student cost		none		\$5,000
Retain a student cost		none		\$6,000
Cost Share		50%		none
Faculty cost-same		\$9,615,534		\$9,615,534
Non-salary cost		\$420,000		\$420,000

Table 3. Pro-Forma Models

	<u>w/ OPM</u>	<u>SCSU Only</u>
<i>Revenue</i>		
Total Tuition	\$54,925,800	\$35,987,400
Appropriation	<u>\$3,719,837</u>	<u>\$2,077,240</u>
Total Revenue - 7 years	\$ 58,645,637	\$ 38,064,640
<i>Expenses</i>		
Infrastructure build up (staff, technology)		\$3,000,000
Recruiting Costs		\$13,490,000
Retaining Costs		\$13,818,900
Cost Share-includes recruiting, retaining, technology leveraging, volume discounting, etc.	\$ 27,462,900	
Total Expense - 7 years	<u>\$ 27,462,900</u>	<u>\$ 30,308,900</u>
Total Revenue Less Expenses	<u><u>\$ 31,182,737</u></u>	<u><u>\$ 7,755,740</u></u>

RECOMMENDED COMMITTEE MOTION:

The Board of Trustees authorizes the chancellor or the chancellor’s designee to execute a contract with Academic Partnerships for a term of seven (7) years and for an amount not to exceed \$27,500,000. The board directs the chancellor or his designee to execute all necessary documents.

RECOMMENDED BOARD MOTION:

The Board of Trustees authorizes the chancellor or the chancellor’s designee to execute a contract with Academic Partnerships for a term of seven (7) years and for an amount not to exceed \$27,500,000. The board directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Board of Trustees: 5/19/21

Date of Implementation: 5/19/21

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION

Contracts Requiring Board Approval: Classroom Technology Refresh Project,
Century College

BACKGROUND

Board Policy 5.14, Procurement and Contracts, requires that use of Minnesota Department of Administration master contracts, with values greater than \$3,000,000, must be approved in advance by the Board of Trustees.

Century College seeks to use Federal CRRSA funding to provide a consistent, modern, and accessible classroom technology experience, including support for a high-flex delivery model, in all campus spaces. To this end, Century issued a Request for Bid to all vendors currently authorized under the State of Minnesota Audio-Visual Products A-203(5) contract on March 29, 2021 to provide a standardized update and enhancement of all existing technology-enabled spaces (classrooms, conference rooms, meeting spaces) on the Century campus (estimated to include 159 spaces).

There were four contract vendors included in this direct email solicitation for bids. One vendor expressed no interest in bidding. The three other vendors conducted onsite evaluations. After onsite evaluation, one vendor declined to bid. After evaluating the two remaining bids and visiting with the prospective vendors to review solutions architecture, project planning, and delivery capabilities, Century has selected Tierney to lead the project at a cost not to exceed four million dollars (\$4,000,000).

RECOMMENDED COMMITTEE MOTION:

The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a contract with Tierney not to exceed four million dollars (\$4,000,000) for work completed by January 31, 2022. The board directs the chancellor or his designee to execute all necessary documents.

RECOMMENDED BOARD MOTION:

The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a contract with Tierney not to exceed four million dollars (\$4,000,000) for work completed by January 31, 2022. The board directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Board of Trustees:

5/19/2021

Date of Implementation:

5/19/2021

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION

Contracts Requiring Board Approval: Private Study/Video Conferencing Booths,
Minnesota State University, Mankato

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.

Minnesota State University, Mankato has learned lessons during the pandemic. We need to change the learning environment on our campus, focusing even more on student success in a new manner moving forward. In doing so, we realized that some of the challenges our students experienced over the last year could be alleviated by rethinking and redesigning our informal learning spaces around campus.

Some examples:

1. We found that a significant portion of our students did not have access to reliable internet when they were off campus.
2. While students had the opportunity to attend classes in person over the last year, they often chose to attend online instead. A point of feedback from students was that often they couldn't get from a face-to-face class to an appropriately private space to join an online course in a timely manner.

Moving forward we believe that our higher ed model is going to continue allowing students, staff, and faculty the flexibility to meet attend classes both face to face and virtually.

1. These booths allow students to easily transition from face-to-face classes to online in a matter of minutes.
2. Students will be able to go to these booths to have a private meeting with an advisor, health staff, and other students for group work.

Currently, our campus has roughly 40 informal learning spaces. These spaces are where students meet to work before and after a formal class. Historically, these spaces were designed as collaborative workspaces that anticipated students to be working on assignments and interacting with peers but without a need for privacy or social distancing. We are planning on updating these spaces to have a total of 100 of these booths spread across campus that will allow students have private meetings, attend online classes, and have focused work time.

Each of these booths have a workspace, power, comfortable seating, and active ventilation.



The estimated costs for this study space project is expected to be up to \$1.2M. Minnesota State University will take advantage of an existing Cooperative Purchasing Agreement for this purchase.

RECOMMENDED COMMITTEE MOTION:

The Board of Trustees authorizes Minnesota State University, Mankato to purchase up to \$1.2M in Student Personal Study spaces via State Contract.

RECOMMENDED BOARD MOTION:

The Board of Trustees authorizes Minnesota State University, Mankato to purchase up to \$1.2M in Student Personal Study spaces via State Contract.

Date Presented to the Board of Trustees:

5/19/2021

Date of Implementation:

5/19/2021

**MINNESOTA STATE
BOARD OF TRUSTEES**

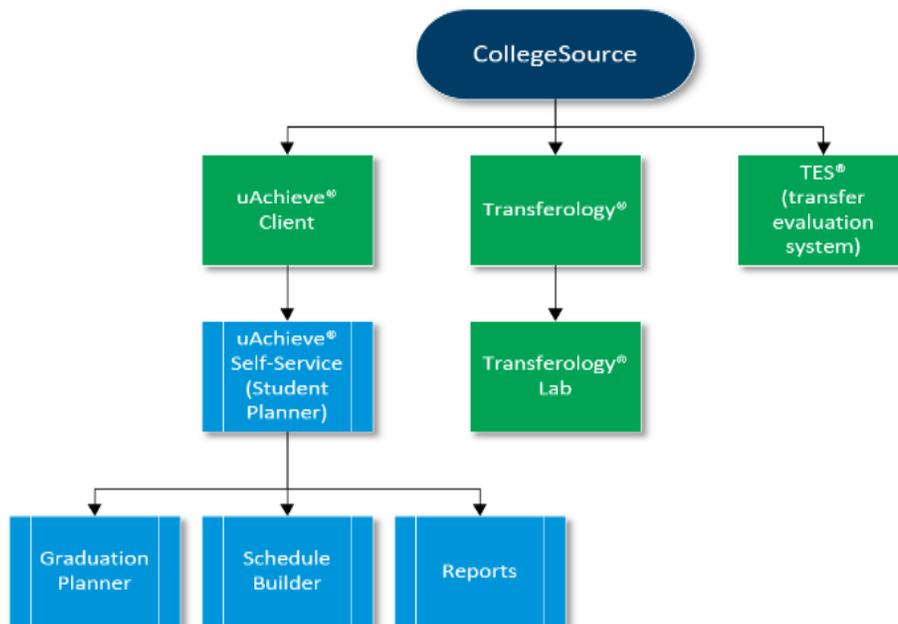
BOARD ACTION
Contracts Requiring Board Approval: Collegesource – New Master Contract For Transfer Evaluation System, System Office

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.

MINNESOTA STATE COLLEGESOURCE TOOLS

Since 1999, Minnesota State and all of its colleges and universities have utilized CollegeSource products to provide degree audit, transfer credit evaluations, and transfer agreement information for use by students, faculty, and staff. Currently Minnesota State CollegeSource products include the following:



uAchieve degree audit allows students and advisors to track progress toward degree completion while highlighting the remaining courses and requirements needed to graduate. The renewal of the uAchieve contract was approved by the Board of Trustees in June 2020.

Transfer Evaluation System (TES) allows users to locate course descriptions; route and track the evaluation process; store, manage, group, and publicize the resulting equivalencies.

Transferology and Transferology Lab assists advisors, students, and parents in making informed decisions when transferring credit. Minnesota State student's coursework is automatically populated in Transferology allowing them to see how credits transfer to other subscribing institutions. The renewal of the Transferology and Transferology subscription was approved by the Board of Trustees in June 2020.

Graduation Planner and Schedmule

uAchieve Planner leverages the existing degree audit data (i.e., uAchieve) and utilized to create interactive roadmaps that define a clear path to graduation. Students will use these roadmaps of courses to build their own personal plans, helping them stay on track to meet their educational goals. The creation of term-by-term plans in turn provides the school with aggregate data needed for demand analysis and classroom scheduling. The acquisition of the Academic Planner and Schedmule were authorized by the Board of Trustees in May 2019. Implementation has been completed with systemwide rollout in process.

TRANSFER EVALUATION SYSTEM (TES) AGREEMENT

TES® the Transfer Evaluation System from CollegeSource is a hosted Software-as-a-Service (SAAS) used by nearly two thousand higher education institutions nationwide to research and evaluate transfer credit from other institutions and create equivalencies that apply to future students.

The CollegeSource database is the only comprehensive database of course and catalog information. It houses over 100 million course descriptions, drawn from more than 100,000 current and archived catalogs. This data is collected annually, at the expense of CollegeSource, for every school in the United States recognized by the US Secretary of Education, regardless of whether that school subscribes to a CollegeSource product or not. Annual collection of the data ensures that data is accurate, up-to-date, and allows for sophisticated features, such as comparing any two editions of the same catalog title to highlight specific changes.

The proposed action item is for Board approval of a five-year extension of the current Transfer Evaluation System contract for up to \$600,000 which expires June 30, 2021. The extension brings the total value of the contract to \$1.25 million through June 2026. The system office pays the annual TES contract amount and bills Minnesota State campuses for the full cost based upon FYE enrollment.

RECOMMENDED COMMITTEE MOTION:

The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a five-year extension of the current Transfer Evaluation System (TES) contract from July 1, 2021 – June 30, 2026 for a total amount not to exceed \$1.25 million. The board directs the chancellor or his designee to execute all necessary documents.

RECOMMENDED BOARD MOTION:

The Board of Trustees authorizes the chancellor or the chancellor’s designee to execute a five-year extension of the current Transfer Evaluation System (TES) contract from July 1, 2021 – June 30, 2026 for a total amount not to exceed \$1.25 million. The board directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Board of Trustees: 5/19/2021

Date of Implementation: 5/19/2021

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION
Contracts Requiring Board Approval: MnIT Inter-Agency Agreement, System Office

BACKGROUND

Board Policy 5.14, Procurement and Contracts, requires that Inter-Agency Agreements with values greater than \$3,000,000, must be approved in advance by the Board of Trustees.

The system office is seeking approval to execute an inter-agency agreement with Minnesota IT (MNIT) services to have them continue providing a variety of services including: wide area network (WAN), computing, phone, and data center lease and services. Minnesota State has been utilizing these types of services from MNIT for many years.

The WAN is the conduit to which all of our data travels and it is the network backbone that every campus utilizes to connect to the internet, the system office and each other. This infrastructure is essential to all facets of our campus operations, including administration, life safety, teaching and learning. In addition, as the largest customer of this service Minnesota State’s networks serve as the conduit for other Federal, State and County agencies. MNIT assists us with the acquisition, installation, configuration, operation and 24x7x365 monitoring of our network. MNIT has hubs for this service located at several of our campuses. Due to this partnership, we are currently getting the best value for these services. The WAN expenditures are 80% of the total ask in this Board motion. The Board previously approved Minnesota State to utilize these services in June 2018.

Currently Minnesota State is leasing data center space at two locations controlled by MNIT. MNIT provides highly reliable and available data center space for Minnesota State’s data center needs. We utilize two data centers for redundancy to protect our crucial enterprise systems from being unavailable for long periods of time. The cost of this service is a good value compared to other comparable data centers. This has not been brought to the Board in the past as it did not meet the threshold of the policy. As a standalone request, it still would not meet the threshold, but we are including all MNIT funding under one Board request.

RECOMMENDED COMMITTEE MOTION:

The Board of Trustees authorizes the chancellor or the chancellor’s designee to execute an Inter-Agency Agreement between Minnesota State and MNIT Services for a term of four (4) years for a total of \$15,000,000. The board directs the chancellor or his designee to execute all necessary documents.

RECOMMENDED BOARD MOTION:

The Board of Trustees authorizes the chancellor or the chancellor’s designee to execute Inter-Agency Agreement between Minnesota State and MNIT Services for a term of four (4) years for a total of \$15,000,000. The board directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Board of Trustees:

5/19/2021

Date of Implementation:

5/19/2021

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

Name: Finance Committee

Date: May 19, 2021

Title: Surplus Property Designation: Alexandria Technical and Community College

Purpose (*check one*):

Proposed New Policy or
Amendment to Existing Policy

Approvals Required
by Policy

Other Approvals

Monitoring/Compliance

Information

Brief Description:

Board Policy 6.7, Real Estate Transactions and Management, calls for Board of Trustees approval of real estate property surplus designation and sale for properties valued at \$250,000 or more.

Alexandria Technical and Community College (ATCC) is seeking Board of Trustees approval for designation as surplus of approximately 3.74 acres of real estate south of the main campus at the currently appraised value of \$550,000 (Land only). Pope-Douglas County Solid Waste Management (PDSWM) has expressed interest in purchasing the property, which they currently have a long-term ground lease on for their facility.

Scheduled Presenter(s):

Brian Yolitz, Associate Vice Chancellor for Facilities



**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION
Surplus Property Designation: Alexandria Technical And Community College

AUTHORITY

The Board may designate as “surplus” and offer real property for sale under its control pursuant to Minnesota Statute §136F.60, subdivision 5. Board of Trustees Policy 6.7, Real Estate Transactions provides for the board to first designate as surplus the real property that has an expected appraised value greater than \$250,000. Under state statute, the board is obligated to offer the surplus property first to local jurisdictions, including the city, county and school district. The offering process is initiated with an independent appraisal.

BACKGROUND

Alexandria Technical and Community College (ATCC) is seeking Board of Trustees approval for designation as surplus of approximately 3.74 acres of real estate south of the main campus at the currently appraised value of \$550,000 (Land only). Pope-Douglas County Solid Waste Management (PDSWM) has expressed interest in purchasing the property, which they currently have a long-term ground lease on for their facility.

ATCC is taking steps to position themselves, and their land holdings, to better service their campus community. Included in these efforts have been board actions to surplus and sell non-contiguous property, and acquisition of contiguous parcels that provide better alignment with future campus plans as defined in the campus Comprehensive Facility Plan. A depiction of these recent acquisitions and dispositions – as well as the current surplus request (“Subject Parcel”) – is at **ATTACHMENT A.**

PDSWM entered into a long-term (30-year) ground lease agreement with ATCC on the subject property of this surplus request on September 11, 1985 for the purpose of constructing, maintaining and operating a solid waste processing facility. In early 2020, the Board of Trustees approved the sale of 7.83 acres to PDSWM adjacent to their leased land so that PDSWM could make a planned expansion of their campus. The sale of this previously surplus land for PDSWM’s campus expansion is expected to be completed by June 30, 2021.

However, when PDSWM applied for their building permits to expand their campus, they were informed by the City of Alexandria that they could not build over a property line without having

ownership interest in both parcels rather than a leasehold interest on one of the parcels via the ground lease. To remedy this issue, PDSWM approached ATCC noting that the property is already under ground lease through 2035 and not available for alternative use by the college. ATCC agreed to bring the surplus action forward for consideration. In addition, the surplus action and ultimate sale benefits ATCC by relocating PDSWM's access to their facility to a secondary roadway, thereby reducing truck traffic on the main road accessing the ATCC campus.

An appraisal, dated April 12, 2021, put a value of \$550,000 on the 3.74 acres of land. The proceeds of this land sale will go towards campus capital projects including offsetting the costs of relocation of a warehouse facility, reconstruction of the Law Enforcement outdoor training facilities, and bringing the future purchase of the ISD #206 land and buildings up to code.

RECOMMENDED COMMITTEE MOTION

The Finance Committee recommends that the Board of Trustees adopt the following motion:

The Board of Trustees designates the approximately 3.74 acres of land south of the main campus of Alexandria Technical & Community College as surplus and authorizes the Chancellor or the Chancellor's designee to offer the property for sale and execute the documents necessary to finalize the transaction.

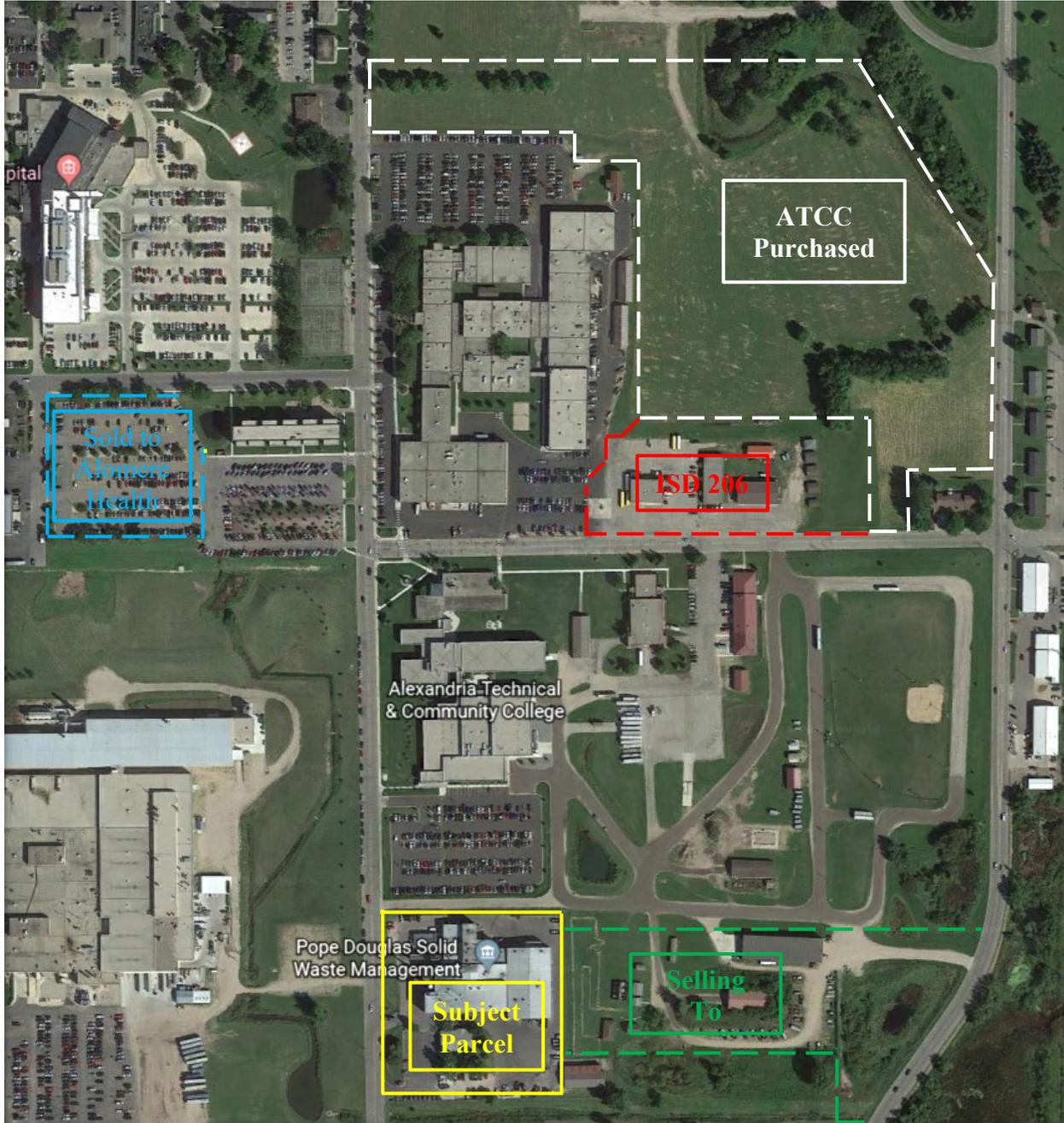
RECOMMENDED BOARD MOTION

The Board of Trustees designates the approximately 3.74 acres of land south of the main campus of Alexandria Technical & Community College as surplus and authorizes the Chancellor or the Chancellor's designee to offer the property for sale and execute the documents necessary to finalize the transaction.

Date Presented to the Board of Trustees: 05/19/21

Date of Implementation: 05/19/21

Property Actions
Alexandria Technical and Community College
May 2021



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

Name: Finance Committee

Date: May 19, 2021

Title: Proposed Amendment to Board Policy 7.1 Finance and Administrative Authority of Board, Chancellor, and Presidents (2nd Reading)

Purpose (check one):

Proposed New Policy or
Amendment to Existing Policy

Approvals Required
by Policy

Other Approvals

Monitoring/Compliance

Information

Brief Description:

As part of the 5 year review process, the proposed amendment consists mostly of technical edits and application of the new formatting and writing standards.

Scheduled Presenter(s):

Bill Maki, Vice Chancellor for Finance and Facilities
Denise Kirkeby, System Director, Financial Reporting



**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION

Proposed Amendment to Board Policy 7.1 Finance and Administrative Authority of Board, Chancellor, and Presidents (2nd Reading)

BACKGROUND

Board Policy 7.1 Finance and Administrative Authority of Board, Chancellor, and Presidents was adopted and implemented by the Board of Trustees on September 20, 1995. The policy was last reviewed in 2015 during a periodic review. The 2015 amendment included technical changes. Additionally, Part 2 was amended to include delegation from the chancellor and Part 4 was amended to clarify that audits will be conducted in accordance with the audit committee's direction.

The proposed amendment to Board Policy 7.1 consists of technical edits and application of the new formatting and writing standards as part of the five year review process.

RECOMMENDED COMMITTEE MOTION

The Finance Committee recommends the Board of Trustees adopt the proposed amendment to Board Policy 7.1.

RECOMMENDED BOARD MOTION

The Board of Trustees approve the proposed amendment to Board Policy 7.1.

Date Presented to the Board of Trustees: 5/19/21

Date of Implementation: 5/19/21

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD POLICY – SECOND READING	
Chapter 7	General Finance Provisions
Section 1	Finance and Administrative Authority of Board, Chancellor and Presidents

7.1 Finance and Administrative Authority of Board, Chancellor, and Presidents

Part 1. Authority

Pursuant to Minnesota Statutes § 136F.06 (see related documents below) the Board of Trustees has authority to govern state colleges and universities and all related property and to develop policies to implement the ~~Board's~~ board's authority. The referenced statute further states that to the extent practicable in protecting statewide interests, the ~~board~~ Board of Trustees is charged with providing autonomy to the colleges and universities and holding the ~~m~~ colleges and universities accountable for their ~~ir~~ decisions ~~made~~.

Minnesota Statutes § 136F.05 charges the board with efficient use of facilities and staff so that students benefit through improved and broader course offerings, ease of transfer among colleges and universities and programs, integrated course credit, coordinated degree programs, and coordinated financial aid. Effective implementation of these objectives requires a high degree of coordination and integration of administrative and student support systems at all colleges and universities.

All financial and administrative policies are in support of the Minnesota State Colleges and Universities' educational mission. Policy 1A.3, Part 4 delegates authority to the chancellor to develop procedures and guidelines which implement the ~~B~~ board's policies for the administrative and financial management of ~~Minnesota State~~ the system, including all colleges and universities. There ~~must shall~~ be a high degree of coordination and integration of administrative and student support information systems, procedures, and processes across all colleges and universities ~~for purposes of to~~ achieving uniform and efficient student services and ~~in-to~~ demonstrating ~~serious commitment to~~ sound stewardship over state resources. Procedures and guidelines ~~must shall~~ support these objectives through consistent business and administrative practices that assure the highest possible quality of administrative student services, data integrity, and the efficient use of ~~Minnesota State's~~ the system's information technology resources.

Subject to the above stated objectives covering administrative and student support systems and processes, the board's policies and the system procedures ~~must shall~~ allow the colleges and

1 universities sufficient autonomy to administer the resources under their control to achieve their
2 mission and ~~to~~ have accountability for their decisions.

3 4 **Part 2. Responsibilities**

5 The chancellor shall periodically advise the board of the administrative and financial
6 management performance of ~~the system, system office, colleges and universities~~ Minnesota
7 State, as well as the member colleges, universities, and the system office. The chancellor is
8 responsible for periodic communications, reporting, and oversight of the presidents.

9
10 Presidents shall have the authority, responsibility, and accountability to administer their colleges
11 and universities in accordance with board policies, delegations from the chancellor, system
12 procedures, and federal, state, and local laws and regulations. The president of each college and
13 university is responsible for developing and maintaining ~~conforming and compliant~~
14 college/university wide administrative, financial, and facilities management procedures in
15 consultation with students, faculty, staff, and representative ~~recognized~~ organizations ~~for faculty,~~
16 students, and staff.

17 18 **Part 3. Public Information**

19 All data will be handled in accordance with Minn. ~~esota~~ Stat. ~~utes~~ Chapter 13, the Minnesota
20 Government Data Practices Act, or other applicable law.

21 22 **Part 4. Accountability/Reporting**

23 The chancellor is accountable for administrative and financial management of the colleges,
24 universities, and system office as delegated by the board ~~and for oversight of the activities of all~~
25 colleges and universities [NMI]. The presidents are accountable for administrative and financial
26 management of the colleges and universities as delegated by the chancellor. Internal and
27 external audits will be conducted in accordance with the audit committee's direction. The
28 ~~B~~board will be advised of the financial status of Minnesota Sstate ~~the system~~ through reports to
29 the ~~B~~board and ~~as~~ the results of audits.

Related documents: ~~Calendar of Activities/Events/Reporting Schedule~~
~~Facilities Delegation of Responsibility Matrix~~
~~Finance Delegation of Responsibility Matrix~~
~~System Strategic Plan and Annual Work Plan~~

- ~~Board Policy 2.8 Student Life~~
- ~~State Employee Contracts and Compensation Plans go to www.hr.mnscu.edu~~

To view any of the following related statutes, go to the Revisor's Office ~~Web site~~ website
(<http://www.revisor.leg.state.mn.us/>). You can conduct a search from this site by typing in the
statute number.

- ~~Minn.Stat.~~ 136F.06, Powers and Duties [of the Board of Trustees]
- ~~Minn.esota Stat.ute~~ ~~Ch.apter~~ 13, Minnesota Government Data Practices Act

1. ~~Board Policy 2.8, Student Life~~
2. ~~State Employee Contracts and Compensation Plans go to www.hr.mnscu.edu~~

Date of Adoption: 09/20/1995
Date of Implementation: 09/20/1995
Date of Last Review: 03/18/2015

Date and Subject of Amendments:

Xx/xx/21 – Add Info

03/18/15 - Periodic review complete. Technical changes throughout. Part 2 was amended to include delegation from the chancellor. Part 4 was amended to clarify that audits will be conducted in accordance with the audit committee's direction.

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.

06/21/06 – amended Part 1 to include Minnesota Statutes § 136F.05 and includes language regarding the administrative and student support information systems. Amends Part 4 clarifying that the Chancellor is accountable for the oversight of the activities of all colleges and universities. And other technical changes.

06/18/03 – deletes reference to “MnSCU”, changes “system office” to “office of the chancellor”, deletes approval of annual work plan

06/21/00 – Amends language in Part 1 and Part 2, Subpart A; Adds Parts 3 and 4.

No Additional HISTORY.

**MINNESOTA STATE
BOARD OF TRUSTEES**

7.1 Finance and Administrative Authority of Board, Chancellor, and Presidents

Part 1. Authority

Pursuant to Minnesota Statutes § 136F.06 (see related documents below) the Board of Trustees has authority to govern state colleges and universities and all related property and to develop policies to implement the board's authority. The referenced statute further states that to the extent practicable in protecting statewide interests, the board is charged with providing autonomy to the colleges and universities and holding them accountable for their decisions.

Minnesota Statutes § 136F.05 charges the board with efficient use of facilities and staff so that students benefit through improved and broader course offerings, ease of transfer among colleges and universities and programs, integrated course credit, coordinated degree programs, and coordinated financial aid. Effective implementation of these objectives requires a high degree of coordination and integration of administrative and student support systems at all colleges and universities.

All financial and administrative policies are in support of the Minnesota State Colleges and Universities' educational mission. Policy 1A.3, Part 4 delegates authority to the chancellor to develop procedures and guidelines which implement the board's policies for the administrative and financial management of Minnesota State, including all colleges and universities. There must be a high degree of coordination and integration of administrative and student support information systems, procedures, and processes across all colleges and universities to achieve uniform and efficient student services and to demonstrate sound stewardship over state resources. Procedures and guidelines must support these objectives through consistent business and administrative practices that assure the highest possible quality of administrative student services, data integrity, and the efficient use of Minnesota State information technology resources.

Subject to the above stated objectives covering administrative and student support systems and processes, the board's policies and the system procedures must allow the colleges and universities sufficient autonomy to administer the resources under their control to achieve their mission and have accountability for their decisions.

Part 2. Responsibilities

The chancellor shall periodically advise the board of the administrative and financial management performance of Minnesota State, as well as the member colleges, universities, and the system office. The chancellor is responsible for periodic communications, reporting, and oversight of the presidents.

1
2 Presidents shall have the authority, responsibility, and accountability to administer their colleges
3 and universities in accordance with board policies, delegations from the chancellor, system
4 procedures, and federal, state, and local laws and regulations. The president of each college and
5 university is responsible for developing and maintaining administrative, financial, and facilities
6 management procedures in consultation with students, faculty, staff, and representative
7 organizations.

8

9 **Part 3. Public Information**

10 All data will be handled in accordance with Minn. Stat. Ch. 13, the Minnesota Government Data
11 Practices Act, or other applicable law.

12

13 **Part 4. Accountability/Reporting**

14 The chancellor is accountable for administrative and financial management of the colleges,
15 universities, and system office as delegated by the board [NMI]. The presidents are accountable
16 for administrative and financial management of the colleges and universities as delegated by the
17 chancellor. Internal and external audits will be conducted in accordance with the audit
18 committee's direction. The board will be advised of the financial status of Minnesota State
19 through reports to the board and the results of audits.

Related documents:

- Board Policy 2.8 Student Life
- State Employee Contracts and Compensation Plans go to www.hr.mnscu.edu

To view any of the following related statutes, go to the Revisor's Office website (<http://www.revisor.leg.state.mn.us/>). You can conduct a search from this site by typing in the statute number.

- Minn.Stat. 136F.06, Powers and Duties [of the Board of Trustees]
- Minn. Stat.Ch. 13, Minnesota Government Data Practices Act

Date of Adoption: 09/20/1995

Date of Implementation: 09/20/1995

Date of Last Review: 03/18/2015

Date and Subject of Amendments:

Xx/xx/21 – Add Info

03/18/15 - Periodic review complete. Technical changes throughout. Part 2 was amended to include delegation from the chancellor. Part 4 was amended to clarify that audits will be conducted in accordance with the audit committee's direction.

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.

06/21/06 – amended Part 1 to include Minnesota Statutes § 136F.05 and includes language regarding the administrative and student support information systems. Amends Part 4 clarifying that the Chancellor is accountable for the oversight of the activities of all colleges and universities. And other technical changes.

06/18/03 – deletes reference to “MnSCU”, changes “system office” to “office of the chancellor”, deletes approval of annual work plan

06/21/00 – Amends language in Part 1 and Part 2, Subpart A; Adds Parts 3 and 4.

No Additional HISTORY.

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

Name: Finance Committee

Date: May 19, 2021

Title: Proposed Amendment to Board Policy 7.5 Financial Institutions and Investments (2nd Reading)

Purpose (check one):

Proposed New Policy or
Amendment to Existing Policy

Approvals Required
by Policy

Other Approvals

Monitoring/Compliance

Information

Brief Description:

As part of the 5 year review process, the proposed amendment consists mostly of technical edits and application of the new formatting and writing standards.

Scheduled Presenter(s):

Bill Maki, Vice Chancellor for Finance and Facilities
Denise Kirkeby, System Director, Financial Reporting



**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION

Proposed Amendment to Board Policy 7.5 Financial Institutions and Investments
(2nd Reading)

BACKGROUND

Board Policy 7.5 Financial Institutions and Investments was adopted and implemented by the Board of Trustees on June 21, 2000. The policy was last reviewed in 2015 during a periodic review. The 2015 amendment added Part 3 Daily Deposits to establish Minnesota Statute 16A.275 as the source for rules regarding deposits. This included allowing college, university, or the system office to deposit less frequently than daily if a waiver has been granted by Minnesota Management and Budget.

The proposed amendment to Board Policy 7.5 consists of technical edits and application of the new formatting and writing standards as part of the five year review process.

RECOMMENDED COMMITTEE MOTION

The Finance Committee recommends the Board of Trustees adopt the proposed amendment to Board Policy 7.5.

RECOMMENDED BOARD MOTION

The Board of Trustees approve the proposed amendment to Board Policy 7.5.

Date Presented to the Board of Trustees: 5/19/21

Date of Implementation: 5/19/21

MINNESOTA STATE
BOARD OF TRUSTEES

BOARD POLICY – SECOND READING	
Chapter 7	General Finance Provisions
Section 5	Financial Institutions and Investments

1 **7.5 Financial Institutions and Investments**

2

3 **Part 1. Policy Statement.**

4 ~~It is the policy of the Board that e~~Each college, university, and the system office shall maintain
5 an effective program of cash management, including depositories and collateral requirements,
6 in compliance with applicable state and federal law, board polic~~iesy~~, and system procedures.

7

8 **Part 2. Financial Institution Practices.**

9

10 **Subpart A. Safekeeping of funds.**

11 All ~~system office, college and/or university~~college, university, and system office funds
12 must be:

- 13 1. Deposited for safe keeping in financial institutions selected in accordance with
14 provisions of Minnesota Statutes, effective financial administration, and
15 effective community relationships; and
- 16 2. Invested in accordance with applicable federal and state law,~~including~~
17 ~~Minnesota Statutes § 118A.03, and~~ board policy, and system procedures.

18

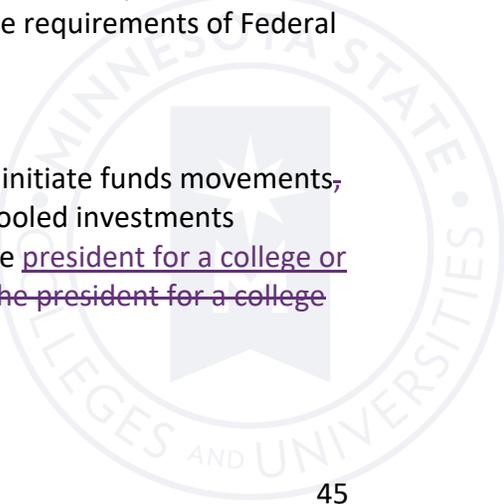
19 **Subpart B. Official custodian.**

20 The Board ~~of Trustees~~ designates each college, university, and the system office as
21 an official custodian to the extent ~~necessary to # meets~~ the requirements of Federal
22 Deposit Insurance Corporation regulations.

23

24 **Subpart C. Authorized staff.**

25 Documentation authorizing specific staff to sign checks or initiate funds movements,
26 ~~or changes thereto~~, for all financial institution accounts, pooled investments
27 accounts, or money market funds must be approved by the president for a college or
28 university or the chancellor for the system office, ~~and by the president for a college~~
29 ~~or university.~~



1
2 **Subpart D. Collateral.**

3 Agreements with depository financial institutions must require the provision of
4 adequate collateral to assure safety of these funds in accordance with Minn.~~esota~~
5 Stat.~~utes~~ § 118A.03 and other applicable law.
6

7 **Subpart E. Earned interest.**

8 As permitted by statutes and system procedures, interest received on local
9 institutional funds may be credited to appropriate accounts.
10

11
12 **Part 3. Daily Deposits**

13 All monies received by the ~~college, university, or the system office~~ ~~system office, college or~~
14 ~~university shall~~ **must** be deposited in accordance with Minn.~~esota~~ Stat.~~utes~~ § 16A.275.
15

16 The ~~college, university, or the system office~~ ~~system office, college, or university~~ may deposit
17 less frequently than daily if authorized by Minnesota Management and Budget.
18

19 **Part 4. Accountability/Reporting**

20 The ~~B~~board ~~must shall~~ be updated on financial institution relationships and investment
21 management on an exception reporting basis and advised of any recommended policy changes.

Related Documents:

- System Procedure 7.5.1 Financial Institution Accounts/Investments

To view any of the following related statutes, go to the Revisor's Web site
(<http://www.revisor.leg.state.mn.us/>). You can conduct a search from this site by typing in the
statute number.

- Minn. Stat. 11A.24 Investment of State and Pension Fund Assets
- Minn. Stat. 16A.275, Agency Receipts; Deposit, Report, Credit
- Minn. Stat. 118A, Deposit and Investment of Local Public Funds
- Minn. Stat. 309, Social and Charitable Organization - Management of Institutional Funds

Date of Adoption: 06/21/2000

Date of Implementation: 06/21/2000

Date of Last Review: 06/17/2015

Date and Subject of Amendment:

Xx/xx/21 – Add Info

06/17/15 – Suspended the rules to amend on the first reading, Part 3 Daily Deposits to establish
Minnesota Statute 16A.275 as the source for rules regarding deposits. Including, allowing

college, university, or system office to deposit less frequently than daily if a waiver has been granted by Minnesota Management and Budget.

01/29/15 - Amended to clean up language throughout. New Part 2, Subpart B was added,

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.

Additional [HISTORY](#)

**MINNESOTA STATE
BOARD OF TRUSTEES**

7.5 Financial Institutions and Investments

Part 1. Policy Statement

Each college, university, and the system office shall maintain an effective program of cash management, including depositories and collateral requirements, in compliance with applicable state and federal law, board policies, and system procedures.

Part 2. Financial Institution Practices

Subpart A. Safekeeping of funds

All college, university, and system office funds must be:

1. Deposited for safe keeping in financial institutions selected in accordance with provisions of Minnesota Statutes, effective financial administration, and effective community relationships; and
2. Invested in accordance with applicable federal and state law board policy, and system procedures.

Subpart B. Official custodian

The Board of Trustees designates each college, university, and the system office as an official custodian to the extent necessary to meet the requirements of Federal Deposit Insurance Corporation regulations.

Subpart C. Authorized staff

Documentation authorizing specific staff to sign checks or initiate funds movements for all financial institution accounts, pooled investments accounts, or money market funds must be approved by the president for a college or university or the chancellor for the system office.

Subpart D. Collateral

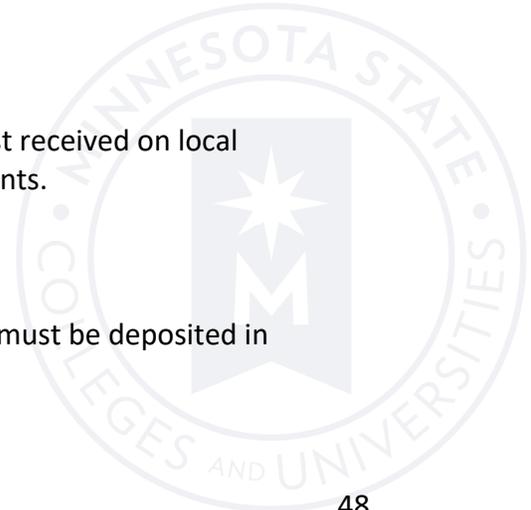
Agreements with depository financial institutions must require the provision of adequate collateral to assure safety of these funds in accordance with Minn. Stat. § 118A.03 and other applicable law.

Subpart E. Earned interest

As permitted by statutes and system procedures, interest received on local institutional funds may be credited to appropriate accounts.

Part 3. Daily Deposits

All monies received by the college, university, or the system office must be deposited in accordance with Minn. Stat. § 16A.275.



1
2 The college, university, or the system office may deposit less frequently than daily if authorized
3 by Minnesota Management and Budget.

4
5 **Part 4. Accountability/Reporting**

6 The board must be updated on financial institution relationships and investment management on
7 an exception reporting basis and advised of any recommended policy changes.

Related Documents:

- System Procedure 7.5.1 Financial Institution Accounts/Investments

To view any of the following related statutes, go to the Revisor's Web site (<http://www.revisor.leg.state.mn.us/>). You can conduct a search from this site by typing in the statute number.

- Minn. Stat. 11A.24 Investment of State and Pension Fund Assets
- Minn. Stat. 16A.275, Agency Receipts; Deposit, Report, Credit
- Minn. Stat. 118A, Deposit and Investment of Local Public Funds
- Minn. Stat. 309, Social and Charitable Organization - Management of Institutional Funds

Date of Adoption: 06/21/2000

Date of Implementation: 06/21/2000

Date of Last Review: 06/17/2015

Date and Subject of Amendment:

Xx/xx/21 – Add Info

06/17/15 – Suspended the rules to amend on the first reading, Part 3 Daily Deposits to establish Minnesota Statute 16A.275 as the source for rules regarding deposits. Including, allowing college, university, or system office to deposit less frequently than daily if a waiver has been granted by Minnesota Management and Budget.

01/29/15 - Amended to clean up language throughout. New Part 2, Subpart B was added,

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.

Additional [HISTORY](#)

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

Name: Finance Committee

Date: May 19, 2021

Title: LeadMN Fee Proposal (1st 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 3.7 recognizes the Minnesota State College Student Association (dba LeadMN – College Students Connecting for Change) as the designated student association for the colleges and establishes the conditions for the association’s ability to collect fee revenue to fund association operations. The LeadMN General Assembly adopted a budget for FY2022 and the new strategic direction that includes an increase in the per credit fee. Board policy provides for the board to review and accept or revise the fee proposal after two readings.

Scheduled Presenters:

Mike Dean, Executive Director, LeadMN
Priscilla Mayowa, President, LeadMN
Axel Kylander, Vice-President, LeadMN

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**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION
LeadMN Fee Proposal (1st Reading)

Brief Description:

Board policy 3.7 recognizes the Minnesota State College Student Association (dba LeadMN – College Students Connecting for Change) as the designated student association for the colleges and establishes the conditions for the association’s ability to collect fee revenue to fund association operations. This per-credit fee is currently set at \$.35, meaning a full-time student at one of our colleges pays \$10.50 on an annual basis. This year, after a lengthy and detailed process that included the creation of a working group and presentations at the January and April conferences, the Governing Council of LeadMN unanimously approved the expansion of services that we offer students with the fee increase. The LeadMN General Assembly adopted a budget for FY2022 and the new strategic direction that includes an increase in the per credit fee. Board policy provides for the board to review and accept or revise the fee proposal after two readings.

BACKGROUND

The Minnesota State College Student Association (dba LeadMN) was formed in 1998 when two previous student associations, the Minnesota Technical College Student Association and the Minnesota Community College Association merged. Both of these groups have a long history of student advocacy going back decades.

The American Dream has long been a symbol of achieving success. For far too many Minnesotans, the path to this dream is impeded due to systemic barriers. At LeadMN we break down those barriers by empowering two-year college students to become strong leaders, engaged community members, and successful professionals. We are rebuilding a pathway for students to achieve their American Dream.

In order to best work toward our core mission, we focus our efforts on four important areas of higher education:

- **LEADERSHIP SKILLS** - We offer workshops and trainings at our conferences that teach students interpersonal and leadership skills, such as time management and effective communication, to give students the tools needed for success in work and life.
- **EMPOWERING LEADERS** - We provide students with real-world leadership experience through serving on a LeadMN board or committee. We provide advanced trainings for

our student leaders on cultural intelligence, conflict resolution, and professional advancement both in our Center for Learning and at our conferences.

- ACHIEVING SUCCESS - We provide scholarships, resources, and mentors to students to help them remove the barriers to their success. We provide students with tools for financial aid, affordable textbooks and classroom materials, and career development.
- DRIVING CHANGE - We inspire and prepare students to tackle issues on campus and in their community that directly affect them. We provide support to student led campaigns and offer students with opportunities to talk with their representatives.

Minnesota Statute 136F.22 dictates that there must be a single recognized statewide student association for the colleges. Board policy 3.7 recognizes MSCSA as that entity, and adopts language mirroring the statutes concerning the ability to collect fee revenue to fund association operations. This per-credit fee is currently set at \$.35, meaning a full-time student at one of our colleges pays \$10.50 on an annual basis. We have taken our role seriously in keeping college affordable by keeping student fees low. This proposal would be the second time in 15 years that we have raised our student fee and which is why we are the lowest fee that students pay while having some of the biggest impact on all students.

The student fee has allowed us to have the following impact:

- Advocated for a strong state support for our colleges at the state and federal level by elevating student stories about the impact that higher education has on students and the real challenges that students face. We led the fight to support investments in open educational resources, basic needs and mental health funding, funding for the workforce scholarships, and funding for rural colleges in the state budget process over the last several years.
- Led the fight for policy change to better support student success on our colleges through Developmental Education Reform, Transfer Pathways, Hunger Free Campus Act, and the Mental Health Awareness Act.
- Over the past five years we have distributed over \$300,000 in scholarships for students attending a Minnesota State College or University. In the last two years, we have launched an emergency grant program to help students that are struggling with basic needs that helps them stay in school. Over that time we have distributed \$40,000 in emergency aid to students.
- Promoted civic engagement on campuses by coordinating voter registration efforts that have registered over 10,000 students and helped Minnesota lead the nation in youth voter turnout in 2018 and runner-up in 2020 according to data from the Center for Information Research on Civic Learning and Engagement.

The pandemic has been a inflection point for LeadMN, that has caused us to rethink how we can best support students going forward. The pandemic has taken a huge toll on community and technical college students through job losses, food insecurity, and impacts on their mental health. A LeadMN survey found that a vast majority of students have struggled with one or more of these issues over the last year.

In November of 2020, LeadMN hired a consulting firm to help us explore ways that we can better support students in a post pandemic world. They conducted over 20 interviews with students and college administrators to gather feedback on the real challenges that students face and ways that they can better be supported. In addition, we conducted two large surveys of over 12,000 students to understand what issues were holding them back. Then we began to prototype ways that LeadMN could better support students through a committee and during our January conference. We developed a 20 page report that was presented to the LeadMN Governing Council, the governance board, that was unanimously adopted and then approved by the General Assembly during our April Conference by a vote of 68% in favor and 32% opposed. The increase will allow us to expand our services to create a peer to peer benefits navigator, provide career support to students, and create a stronger sense of community across all 48 community and technical college campuses.

FEE INCREASE PROPOSAL

The budget approved by our General Assembly included an additional \$.26 in fee revenue. This would move the fee from its current level of \$.35 to \$.61 per credit. For a full-time student, this would be an increase of \$7.80 annually for a full-time student.

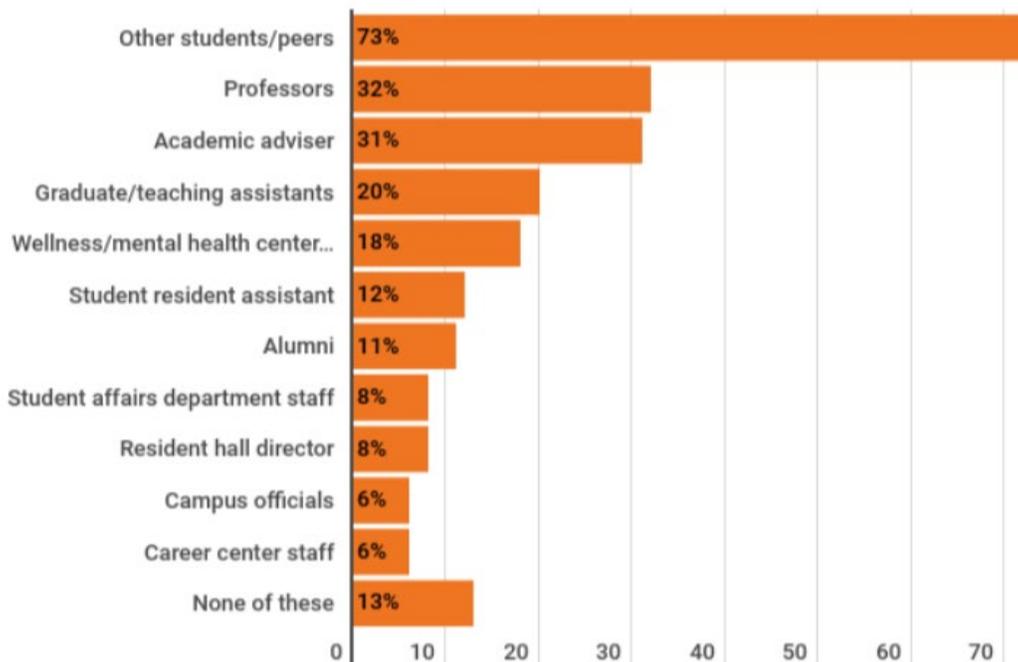
RATIONALE FOR THE INCREASE

In order to expand on the quality services that LeadMN currently offers students, we believe the proposed \$0.26 increase in our fee is a reasonable request. This brings parity to the student fee rates between the two statewide student associations (LeadMN and Students United). The Board of Trustees has already approved a \$0.61 per credit fee for Students United, and considering that LeadMN serves three times as many students and covers 48 campuses, this is a reasonable request.

More importantly, this fee increase will allow us to better meet our mission of helping students achieve their dreams by helping them navigate barriers that students are facing in completing their higher education aspirations. Our service expansion will focus on the creation of a benefits navigator program to serve as a single point of contact for students by providing coordination of services on campus and in the community. What makes this different than what has been discussed at the system level is that it will be based on a peer-to-peer model. A survey by Inside Higher Ed shows that students trust other students more than college staff, administrators and even faculty. As a trusted messenger students can help other students navigate mental health support, financial aid, emergency grants, academic services, transfer process, health services and career services.

Who Students Can Talk To On Campus

Individuals and groups on campus that students feel most comfortable sharing perspective with about issues of importance



Source: *Inside Higher Ed* / College Pulse survey of 2,000 college students

This holistic peer-to-peer support approach would be grounded with a student lens. This service would assist students in developing and completing a roadmap of resources based on student goals including:

- Providing student support case management through a one-to-one intervention that seeks to build a relationship to understand students dreams and barriers.
- Reducing the frustration students feel in not knowing where to get the information or help that they need.
- Simplifying options.
- Providing students with clear, concise, student centered information.

Our effort will complement some existing efforts and fill the gap on those campuses that do not offer such services. This service will:

- Free up some capacity for existing program/service providers by fielding basic questions.

- Provide a welcoming peer that is less intimidating than first going to a professional.
- Build connections between students to combat social isolation.
- Make a warm referral to an external expert where needed.

We also see this work as creating an even stronger feedback loop for students that can better inform policy and system change on campus, within the Minnesota State system, and at the state capitol. In addition to developing the benefits navigator program, we plan to expand our engagement to support students in making career decisions upon entry to college through our Careers.MN mobile app. In 2019, we developed a mobile application that helps students identify career options based on their interests and then connects them with programs at colleges that can prepare them for those career options. This expansion of services will allow us to have the necessary staffing to promote this program and support it with a career exploration program called Design Your Life, which brings the design thinking to the career exploration process. This process began at Stanford University and is now being used in higher education institutions across the country. In 2019, LeadMN was certified to teach this curriculum.

The expansion of the student fee will be used to expand staff capacity at LeadMN to carry out these news services. We will hire a team of five individuals to run the benefits navigator program, hire an outreach team of three to help get the word out to students, and bring on a full-time development director to help expand LeadMN's fundraising and foundation outreach. Our personal line will be at 70% of the overall budget and in line with a traditional non-profits budget. Additional investments will be made in the marketing line and equity programming for LeadMN.

LeadMN is currently in a strong financial position, despite the declining revenue from student fees over the last five years. In fact, our revenue has increased over each of the last five years. LeadMN has successfully diversified our income by aggressively raising money from foundations to support our programming work. During the last fiscal year, 34% of our income came from donations and foundation grants. We have done a needs assessment and do not believe that we could raise the money from outside sources to fund the expansion of services that are being proposed, an increase in student fees is the only way that we could fund such work.

RECOMMENDED COMMITTEE MOTION

The Finance Committee recommends that the Board of Trustees adopt the following motion: The Board of Trustees accepts the increase of the MSCSA (dba LeadMN) fee from \$.35 to \$.61 per credit hour beginning fall semester 2021.

RECOMMENDED BOARD MOTION

The Board of Trustees accepts the increase of the MSCSA (dba LeadMN) fee from \$.35 to \$.61 per credit hour beginning fall semester 2021.

Date Presented to the Board of Trustees: 5/19/2021

Date of Implementation: 5/19/2021



LEADMN
COLLEGE STUDENTS
CONNECTING FOR CHANGE



Services Proposal

LeadMN



Contents Overview

1. Executive Summary
2. Background on LeadMN
3. LeadMN Recent Accomplishments
4. Project Goals
5. Process and Key Information
6. Findings
7. Benefit Navigator Service
8. Recommendation
9. Appendix



Executive Summary

The pandemic has taken a huge toll on community and technical college students through job losses, food insecurity, and impacting their mental health. A LeadMN survey found that a vast majority of students are struggling with one or more of these issues over the last year. The pandemic has only exacerbated these problems to a crisis because colleges have done too little to support students over the last two decades.

When colleges do begin to respond to the challenges facing students, they have been extremely slow to respond to student needs. Also, when institutions do step in to support students through programs like SNAP, FAFSA, and Emergency grants they process to obtain the resources they need is often very complicated and confusing.

LeadMN's mission is to change the world by removing barriers that far too many students face in completing their degree, but unfortunately that change is going to take time. While we create that change we need to find ways to better support students with the radical act of caring for each other.

LeadMN should expand the work that we do from developing student leaders and advocating for change to also provide direct support to students. We will fill the gap left by higher education institutions and expand the number of students working to help each other navigate the complexities of higher education by providing support to students in accessing resources that they have the right to access. This is not about providing charity, but about finding ways that students can help each other.



Background on LeadMN

Mission

LeadMN represents 180,000 two-year college students in Minnesota. Their mission is to remove systemic barriers from the path of these students by developing them into strong leaders who engage with their communities and are successful professionals.

Vision

As a student led organization, LeadMN seeks to realize the potential of students, to enable them to see beyond what they thought was possible for personal success, ultimately driving lasting change in their communities.

Overview

LeadMN is a student association representing 180,000 students enrolled in 48 community and technical college campuses across Minnesota. Through advocacy and leadership development, they seek to transform the lives of students and drive community transformation. Programs/Strategic LeadMN's work is guided by 4 pillars:

- Leadership skills ○ Workshops and training that teach students interpersonal and leadership skills.
- Empowering leaders ○ Real-world leadership experiences through service on boards and committees. Advanced training on cultural intelligence, conflict resolution and professional advancement.
- Achieving success ○ Scholarships, resources and mentors for students. Support includes financial aid information, affordable textbooks and classroom materials Page 1 Strategy Proposal by Collectivity
- Driving change ○ Provide students with support as they tackle on-campus issues that affect them. Offer camp

LeadMN Recent Accomplishments

In our last strategy cycle, we have accomplished the following:

- Built a movement in Minnesota to address student basic needs by elevating the challenges that students face with food insecurity and mental health. Through this awareness we passed the Hunger Free Campus Act which provided campuses with a road map to address food insecurity. As a result of this work we helped to establish 30 food shelves on college campuses and 16 institutions were designated as Hunger Free Campuses.
- Led the nation in youth voter turnout in Minnesota through a growing voters mentality that sought to make voting habit forming in young people. In just two election cycles we registered over 10,000 student voters and were recognized by the All-In Campus Challenge as a standout local partner in 2018.
- Saved students millions of dollars by advocating for tuition freezes over the past eight years. And helped launch an online educational resources pilot project to develop textbook alternatives. In the first four years of this program it saved students \$4 million.
- Fundraised \$1.5 million to expand our programs over the last five years and granted almost \$1 million in new scholarships. These efforts helped us diversify our revenue sources in a time of declining enrollments.
- Generated new leadership development training for students



Project Goals

We are proud of what our student leaders were able to accomplish with our support, and after celebrating, we asked “What now? What next?” We took stock of what is happening in our environment to discern and how best to support students over the next three years. We heard students painting a clear picture that their leadership and engagement journey has been challenged by basic needs. Our college students are experiencing insecurity in their mental health, access to food, access to housing, and income. At LeadMN we’ve always been student advocates, and now it’s time to respond in a direct way to our students’ call for stability so they have the foundation they need to lead.

This proposal provides a sketch of our intentions for establishing an ecosystem of support for students and student leaders throughout the 48 campuses we reach, aided by peer-to-peer navigators to connect students to supports to overcome basic needs challenges.

Process and key findings

A Project Team was established to work with our consultants at Collectivity. The Project Team included student cabinet members (Axel, David, Priscilla, and Madison) and staff Fatu (Outreach Director) and Mike (Executive Director). The process included feedback from students via a survey and a virtual gathering. Staff of LeadMN and selected school administrators were contacted for input.

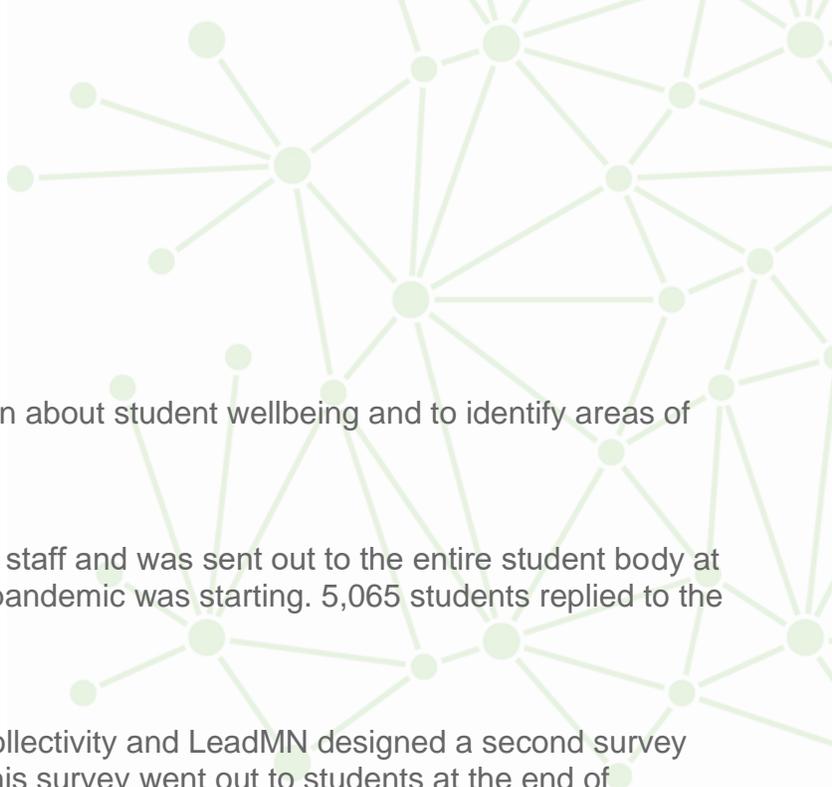
Timeline

Collectivity and LeadMN began work on this project at the end of November 2020: during that month, they conducted staff, student and administrator interviews which informed the survey that was sent out at the end of the month. Using insights from this stage, Collectivity met with the project team on three different occasions to present findings and collaborate on identifying service ideas. Collectivity also held meetings with the staff and gathered additional feedback from students. The goal is to take the insights gathered, compile them into this report and present them to the Governing Council. See timeline graphic in [Appendix A](#).

Interviews

Collectivity conducted phone and video interviews with students, LeadMN staff and school administrators. The themes for these interviews were the following:

- Staff sees their role as filling the gap between what the campus provides and what the student areas of need are. This gap changes often.
- LeadMN has agility, flexibility that campuses currently don’t. This would allow the organization to act in a nimble way.
- LeadMN must pair its agility with stability in order to make the work be fully implemented.
- School administrators pointed out that staff/faculty are under equipped to handle the needs of students that fall outside of curriculum delivery
- There was an increased tension between teachers, staff and students as the shift to distance learning occurred. Flexibility and preparedness came up as themes.
- Administrators also pointed out that student populations are difficult to reach via traditional channels (email, phone, etc.) which could turn into difficulties in future enrollment and engagement.



Surveys

Two surveys were conducted to gather information about student wellbeing and to identify areas of need. Both surveys were conducted in 2020.

Spring 2020 Survey

This first survey was created by LeadMN’s staff and was sent out to the entire student body at the end of March 2020, as the COVID-19 pandemic was starting. 5,065 students replied to the survey.

Fall 2020 Survey

Using input from the student interviews, Collectivity and LeadMN designed a second survey that went out to the entire student body. This survey went out to students at the end of November 2020 and 7,954 students replied.

Both surveys asked students to rate how they were doing. From March to November, the number of students who reported that they were doing great or okay decreased. [See Appendix B](#)

When students in the Fall Survey were segmented by their reported well-being, anxiety, mental health issues and social isolation were the areas of highest concerns for the students who reported not doing well. While most of respondents were located in campuses in the Metro Area, these results were proportionally consistent across the state. [See Appendix C.](#)

Project Findings

Through input and design sessions, three service ideas emerged as potentially viable ways for LeadMN to meet student needs. These three findings of service idea priorities are summarized below.

Service Idea 1: Benefits Navigator		
Problem	Goal	Idea
Basic needs are preventing students from learning and leading in college	Students get access to the information and services they need to succeed in college	One to one benefits navigation would help students sift through available options in: <ul style="list-style-type: none"> • Mental health support • Financial aid • Emergency grants • Academic services • Transfer process • Health services • Career services

The approach of this navigator is to be peer-to-peer and solve problems from the student perspective.

Service Idea 2: Career Services/Expanded Internship Opportunities

Problem	Goal	Idea
Campus career services are understaffed or non-existent. Students feel unsupported and unprepared to face their job and internship search.	Building on LeadMN's internship experience and career app development, support students across all campuses in all stages of their job and internship search.	Peer to peer career navigators that could: <ul style="list-style-type: none"> • Promote the use of the career app to help students make informed career decisions • Provide advice + support • Connect students with alumni mentors • Connect students with internships that could turn into full-time positions • Support students in interview and resume preparation

Service Idea 3: Student Engagement Platform

Problem	Goal	Idea
Students are reporting increased levels of social isolation and mental health issues	Increased levels of student engagement across all campuses that will lead to an increased sense of belonging and support	Develop and maintain student engagement channels like a student newspaper or an online platform where content is created and moderated by students



Benefits Navigator Service

Benefits Navigator Service Vision

Higher education has become an extremely complex environment to navigate. Students too often drop out of college or face unnecessary barriers because they lack the information or benefits that they are rightly entitled to.

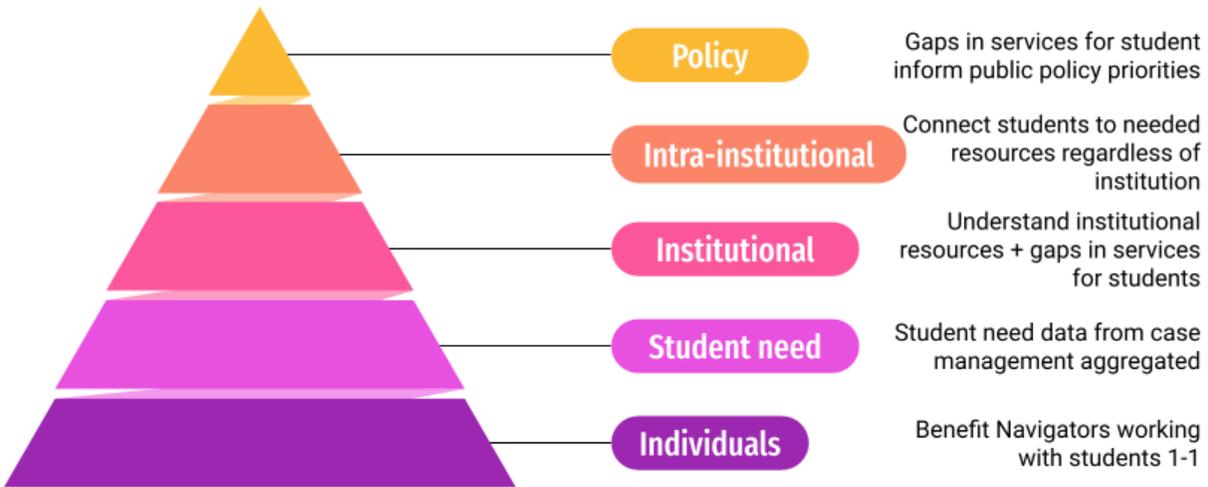
The vision for the Benefit Navigator program is that peer case managers would [work with individual students to provide high-touch](#) outreach by identifying and assisting vulnerable students. LeadMN benefits navigators would serve as a single point of contact for students by providing coordination of services on campus and in the community. These peer navigators would be a source of emotional support and encouragement for students as they create a plan and timeline for accomplishing their goals.

Student need and successful service referrals would be captured in a central database at LeadMN. This information would begin to build a picture of student need and corresponding resources cutting across 48 campuses. LeadMN staff would identify campus resources and encourage departments to coordinate, and avoid gaps or duplication of services. As a student advocate, LeadMN would work with institutions and communities to promote change on behalf of, or with, students who need assistance. Case managers also identify and collaborate with community and government programs.

The macro scale impact of this service is the policy change that could occur, informed by the student experience and available resources in the campus and partner ecosystem. LeadMN's work in the public sphere on large-scale advocacy endeavors would benefit from this data-informed service to students by providing analyses of policies and programs at multiple levels. Our direct work navigating alongside students would feed into the already active role we play in publicly addressing systemic oppression, and fighting for change.



Benefits Navigator: Vision



Benefits Navigator Program Goal

The benefits navigator service would help students sift through the various options available to them in the areas of financial aid, emergency grants, academic services, transfer process, health services, and career services.

This holistic peer-to-peer support approach would be grounded with a student lens. This service would assist students in developing and completing a roadmap of resources based on student goals including:

- Providing student support case management through a one to one intervention that seeks to build a relationship to understand the students dreams and barriers
- Reducing the frustration students feel in not knowing where to get the information of help that they need
- Simplifying options
- Providing students with clear, concise, student centered information

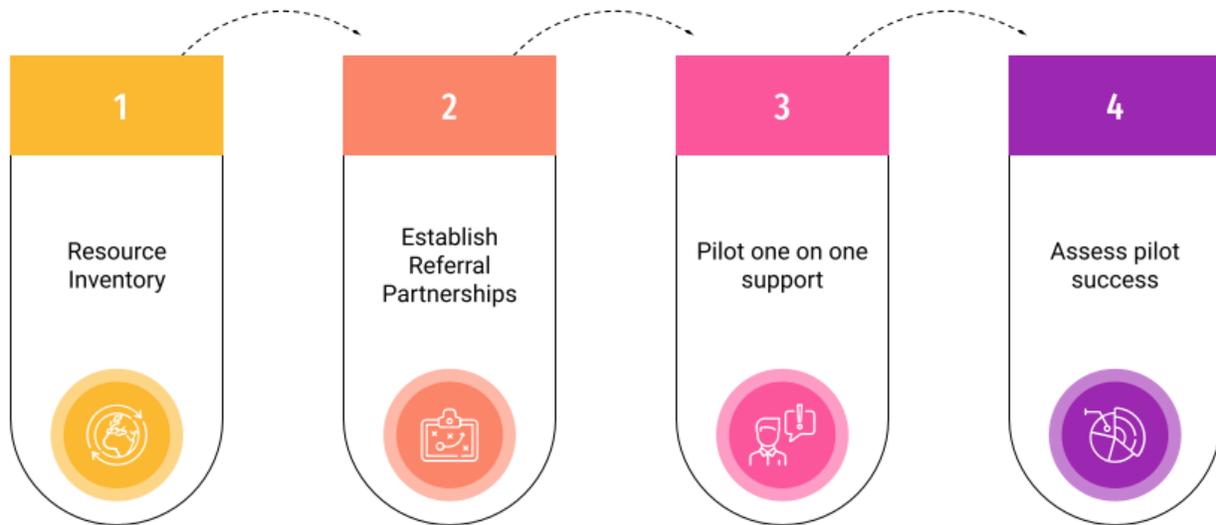
Providing one on one direct support to students will help LeadMN identify areas of gap between student needs and what is available to them. In turn LeadMN will:

- Free up some capacity for existing program/service providers by fielding basic questions
- Provide a welcoming peer that is less intimidating than first going to a professional
- Build connections between students to combat social isolation
- Make a warm referral to external expert where needed

Benefits Navigator Service Development

The benefits navigator service is in the early stage of development. Below are the next phases of development it would take to roll out a pilot for LeadMN students.

Service Development Phases



Benefits Navigation Service: Landscape Inventory of Services

The first step in launching the benefits navigator service process would be to take inventory of the landscape of services available to students. Based on the needs we have heard from students, we would identify the services that might meet their needs on their campuses, across campuses, and at the system office. (See first column of the Sample Inventory).



Sample Inventory

Services	System Office	Campus A	Campus B
Academic Advisors	✓	✓	✓
Psychologist	✗	✗	✓
Financial Aid	✓	✓	✓

Benefits Navigator Referral Relationships

After completing our inventory, we'd prioritize our outreach to prospective referral partners based on fit with student priority. We will seek to understand their departments needs and how our holistic benefit navigator approach might advance their goals and our shared interest in supporting students effectively. Examples of prospective partners:

- System office
 - Connect to appropriate campus staff on each issue
- Campus service providers
 - Financial aid
 - Academic support services
 - Financial planning
 - Career services
- 4 year colleges
 - Admissions department
- State benefits
 - Scope to be defined in partnership with campus social workers
- Federal benefits
 - Scope to be defined in partnership with [????]



- Community partners
 - Financial planning
 - Career services

In our conversations with prospective referral service partners we will seek to understand the current state of services, requirements, utilization and an ideal process for the prospective referral partner.

Sample Questions for Referral Prospects



Benefits Navigator Program Pilot

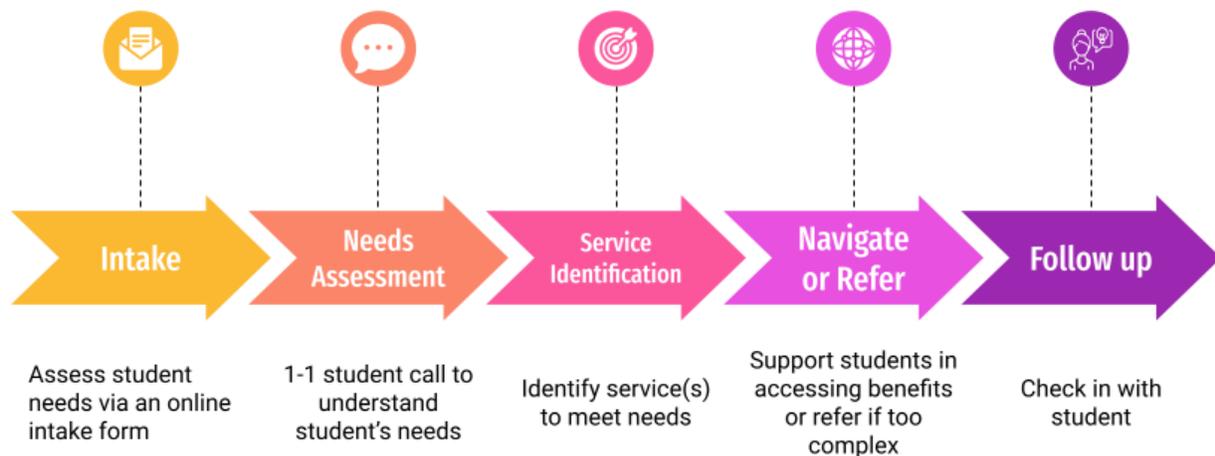
After getting acquainted with the services available to students cutting across campuses, a Benefits Navigator pilot program would be launched at a small scale. A basic service model could include:

1. Assess student needs via an online intake form
2. Have one-on one conversation - A navigator will use the information to begin to assist students in determining eligibility for public benefits such as Unemployment Insurance, Pandemic Unemployment Assistance, and SNAP
3. Navigation or Reference:
 - Guiding students through complex application processes for public benefits



- Providing timely information about local, state, and federal policies or programs including eviction moratoriums, free technology services, bill-paying assistance, and student loan forgiveness
 - Helping students navigate their school's procedures for securing emergency funding or appealing financial aid packages
 - Connecting students to community resources including food pantries, mutual aid organizations, mental health providers, transportation assistance, and industry specific emergency grants
 - Providing emotional support
 - Simplify the options available to them- Provide them a pathway to get to what may be what they need based on the assessment
4. Follow up to ensure that the issue is addressed.

Benefits Service: Pilot Model Components



Benefits Navigator Pilot Assessment

- Number of students served by benefits navigation (low touch like email to full caseload)
- Student satisfaction survey at 6 month mark
- Number of follow throughs on referrals

This data will be used to assess project learnings and refine the next 6 months rollout plan based on performance.



Estimated Timeframe

	Phase 1 (0-3 months)	Phase 2 (3- 6 months)	Phase 3 (6 to 9 months)	Phase 4 (9- 12 months)
Service/Resources Discovery	<p>-1-on-1 stakeholder engagement with existing service providers like career counselors to understand their needs + establish partnerships</p> <p>Develop Service inventory of:</p> <ul style="list-style-type: none"> -Existing services across all campuses -Existing Services for each Campus 	<ul style="list-style-type: none"> -Compile inventory of resources -Build a repository of FAQs -Establish Office Hours for students calling in or visiting 	<ul style="list-style-type: none"> - Identify gaps in service - Inventory of community organizations that provide services not available on campuses 	<ul style="list-style-type: none"> - Discovery of new service Opportunities <ul style="list-style-type: none"> • Development of social skills • Anxiety Management
Marketing	Build use cases for benefits navigation	<ul style="list-style-type: none"> -Educate staff + faculty at campuses about the navigation service -Word of mouth promotion of pilot 	Multi-channel marketing of the Benefits Navigator service	Socializing the service across increasing number of campuses
Technology	Options for Channels	<ul style="list-style-type: none"> -Model for multi-channel Intake: what could it look like?E.g. on-line, on-campus, group setting, in-person (On-Campus, Student Office, Other) -Evaluate the need for a Case Management technology platform 	<p>On-line Portal connecting the various intake channels</p> <p>Build multi-channel presence</p> <ul style="list-style-type: none"> • Chat • Chat Bot • SMS 	Implement a Case Management technology platform
People/ Support	Case Manager hired to develop + oversee the Benefits Navigator Service + train peer benefits navigators	-1-2 peer benefits navigators trained to work with word of mouth referrals	Administer evaluation	<ul style="list-style-type: none"> -Approx. four students at 25-30 hours a week - On-Campus Case Managers, expand network of peer navigators e.g. students in social services



LeadMN 2.0 Recommendations

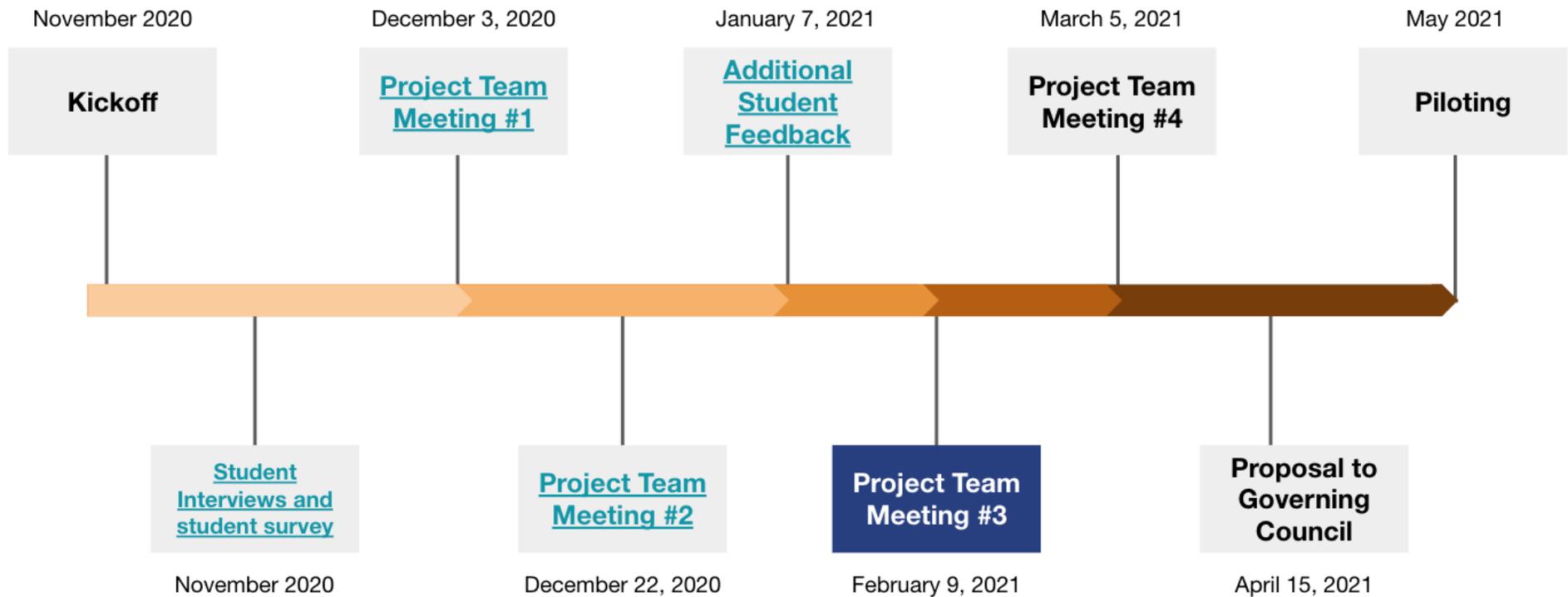
- LeadMN recommends that the student fee be raised to \$0.61 per credit, which is the same student fee that our counterpart Students United charges the University students.
- This fee increase will allow LeadMN to add capacity by bringing on a team to manage the benefits navigator project, increase our outreach and communication team so that we have regional staff, and hire a development manager to increase fundraising support for our work.



Appendix:

Appendix A: Timeline

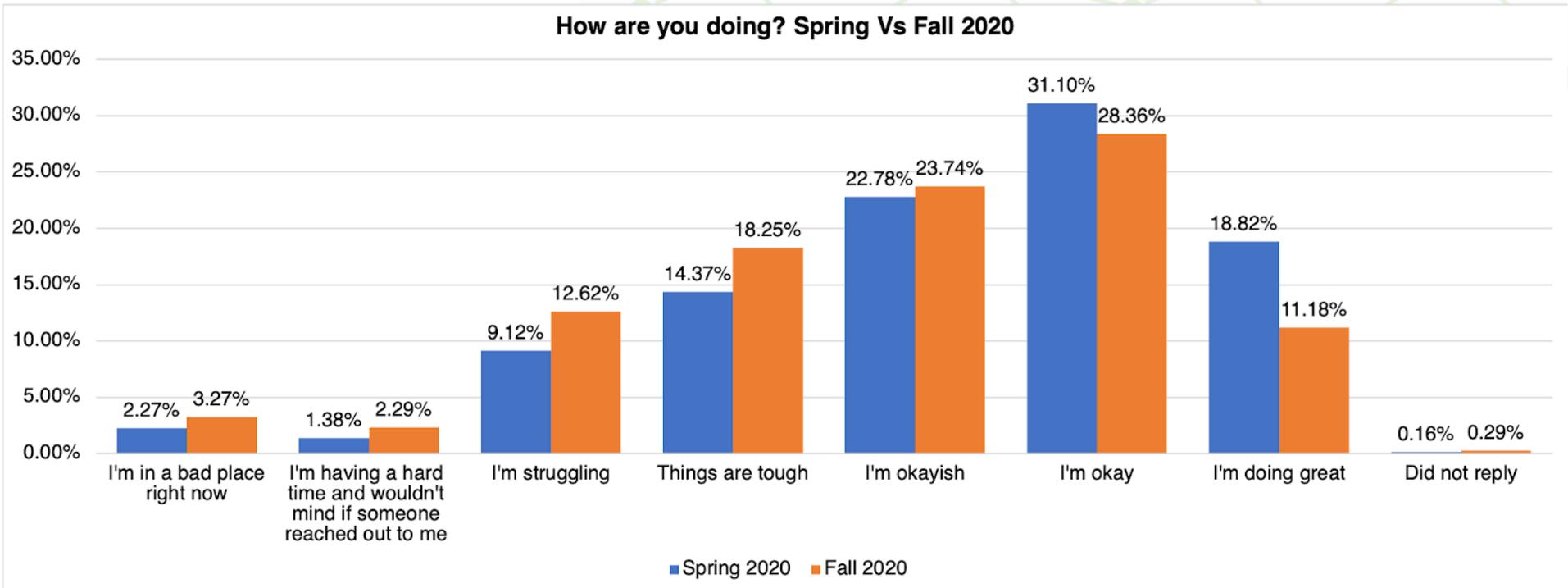
Below is an overview of the key milestones in this project





Appendix B: Student Survey Results

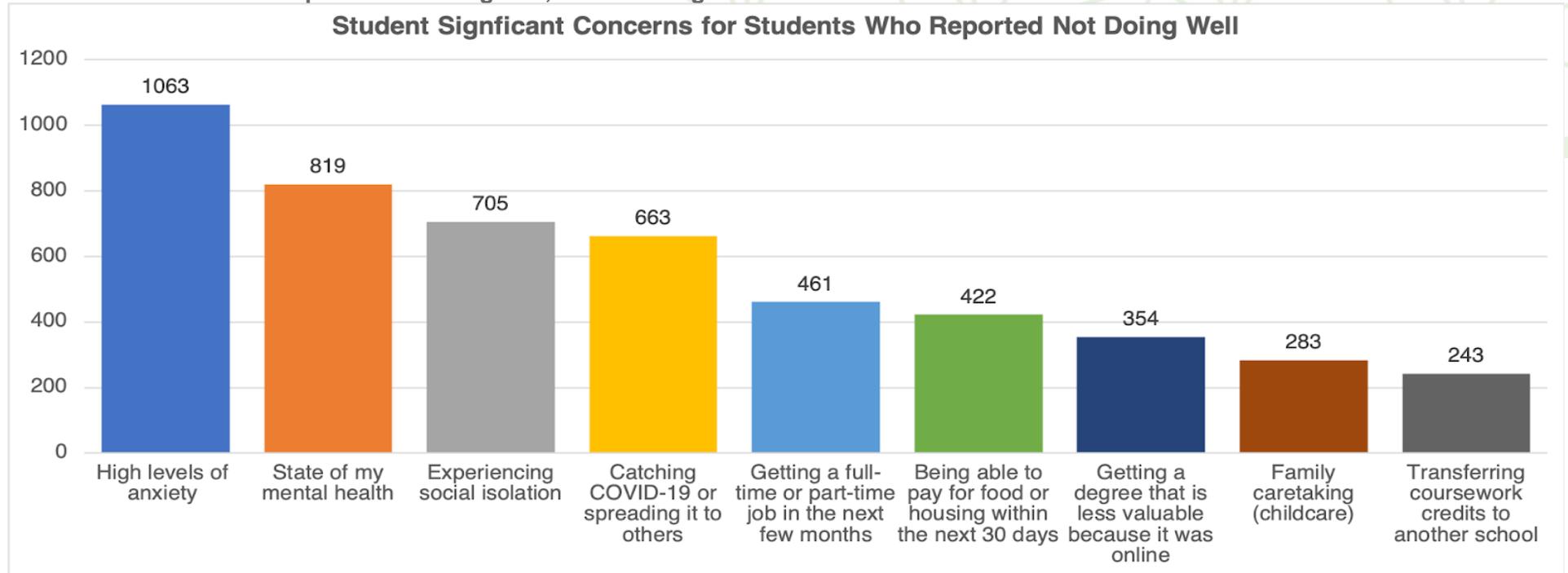
How are you doing?





Appendix C: Student Survey Results—
 Significant Concerns for Students Who Reported Not Doing Well

Out of the students that reported not doing well, the following were their concerns



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

Name: Finance Committee

Date: May 19, 2021

Title: 2021 Legislative Summary

Purpose (*check one*):

Proposed New Policy or
Amendment to Existing Policy

Approvals Required
by Policy

Other Approvals

Monitoring/Compliance

Information

Brief Description:

Details of the 2021 Legislative Session will be provided during the meeting.

Scheduled Presenter(s):

Bill Maki, Vice Chancellor for Finance and Facilities

Steve Ernest, System Director for Financial Planning & Analysis

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**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD INFORMATION ITEM
2021 LEGISLATIVE SUMMARY

Overview

The 2021 regular legislative session officially adjourned the afternoon of Monday, May 17, 2021 with a budget agreement reached, but not a lot of work done. Gov. Walz is expected to call lawmakers back for a special session June 14 to extend his emergency powers, so lawmakers are looking to that date to pass the appropriations bills. The framework put forward by the Governor and legislative leaders in the budget agreement reached May 17 is to have conferees and commissioners complete their finance spreadsheets by Friday, May 28, and finalize language by June 4, 2021.

There were many areas of disagreement this session, which made end-of-session negotiations difficult, including the tax bill, police reform, housing, E-12 education, federal funding, and the Governor’s emergency powers. The Senate and House tax proposals varied significantly this session. The House and Governor were proposing a tax increase, while the Senate had consistently said there is no reason to increase taxes with a \$1.6 billion surplus and \$2.8 billion in federal COVID-relief state government aid coming to Minnesota. Legislative leaders and Gov. Walz all said they were grateful for the federal funding, and it helped with the overall budget negotiations, but the funding also added another layer of complexity to the budget process.

The budget agreement includes the Legislature having oversight working with the Governor on the federal funding, but they have set aside \$500 million for Gov. Walz to use for COVID-related expenses in order to be able to respond to needs. Also of note, many of the policy issues, including police reform, were not part of the budget agreement, and will be decided through the conference committee process. The almost \$52 billion two-year state budget must be approved by June 30, 2021 to avoid a full or partial government shutdown.

Below are the agreed-upon targets for each budget area that legislators will use in finalizing the appropriations bills by June 4.

Net Targets	2022-2023	2024-2025	ARP Federal Funds
Higher Education	\$100 million	\$100 million	
E-12 Education	\$575 million	\$675 million	
Health and Human Services	\$100 million	\$100 million	
Environment	\$30 million	\$10 million	
Agriculture/Broadband	\$10 million	\$10 million	
Housing	\$10 million	\$12 million	
Transportation	\$200 million	\$15 million	
Public Safety	\$105 million	\$110 million	
Labor/Workforce	\$125 million	\$17 million	
Energy/Commerce	\$16 million	\$8 million	
State Government	\$67 million	\$63 million	
Capital	TBD	TBD	
COVID Flexible Fund	\$0	\$0	\$500 million
Other Bills	\$9.6 million	\$6.9 million	

Regarding **capital investment**, a bonding bill is generally reserved for the second year of a biennium; however, smaller bonding bills have traditionally passed during odd-numbered sessions. Given that, the Board of Trustees put forward a \$188.2 million bonding request this session. The request was comprised of asset preservation and campus-specific infrastructure projects that were part of the unfunded Minnesota State 2020 bonding request.

The House and Senate took different approaches this session in putting together a bonding bill. The House Capital Investment Committee spent much of the 2021 session putting together a \$1 billion bonding package, which includes \$32 million in asset preservation for Minnesota State. That bill made it to the House floor, but was not heard. The Senate Capital Investment Committee only met a handful of times this session, and ended up approving a bill consisting of multiple corrections and changes to projects in the 2020 bonding bill.

The budget agreement does not include a target for capital investment, so bonding bill negotiations will occur separately, likely including the House and Senate minority leaders, because a bonding bill needs the support of the minority parties in both bodies. The Legislature can wait to pass a bonding bill next year, or pass a bill this year to take advantage of historically low interest rates.

Looking ahead to next session, the traditional bonding year, the Minnesota State Board of Trustees will adopt a bonding recommendation in June that will be submitted to the Governor and Legislature for consideration in the 2022 legislative session. Lawmakers typically visit campuses in the fall to learn more about the different bonding projects and needs. It remains to be seen at this time whether they will take the traditional bonding tours.

While working groups (formally known as conference committees) work to put together a final bill for each spending area, not much is known at this time regarding many issues, including funding for higher education. Below is a summary of the House and Senate higher education bills being negotiated. During the regular session, higher education conferees adopted some provisions that were the same in both bills, but they did not make any financial decisions.

Lawmakers are scheduled to return to St. Paul for the 2022 legislative session on January 31, 2022.

Higher education bill

The House and Senate took different approaches to fund higher education for the 2022-2023 biennium. Specifically for Minnesota State, the Senate bill appropriates \$25 million in new money over the biennium.

The \$25 million in the Senate bill includes:

- \$10 million over the biennium for campus operations and maintenance
- \$5.4 million over the biennium for small school supplemental aid for colleges located outside the metropolitan area
- \$4 million over the biennium in additional funds for workforce development scholarships
- \$2 million over the biennium for the system office budget
- \$1.5 million in one-time funding for mental health awareness programs
- \$1 million in one-time funding to help with student basic needs
- \$1.1 million in one-time funding for textbook affordability to expand the Z-Degree (zero textbook cost) program to at least eight additional colleges beginning in the 2022-2023 academic year.

In comparison, the House bill appropriates \$68.6 million in new money over the biennium to Minnesota State. The \$68.6 million includes:

- \$21.5 million the first year, and \$43 million the second year of the biennium for campus operations and maintenance
- \$2.7 million over the the biennium for student basic needs, including mental health resources
- \$1 million over the biennium in one-time funding to expand the Z-degree program to two additional colleges or universities by 2023-2024
- \$400,000 in one-time funding the first year of the biennium for a career and technical educator pilot project at Winona State University and Minnesota State College Southeast.

In regards to **tuition**, the Senate bill requires Minnesota State to reduce tuition; tuition rates for both years of the biennium are required to be five percent lower than the current tuition rate. The House bill requires Minnesota State to freeze tuition both years of the biennium.

The Senate bill includes language that requires the colleges and universities to provide a **tuition**

credit for enrolled students, and a refund to students no longer enrolled, for the amount of the online differential tuition rate charged to students for online courses during the 2020-2021 academic year that were not offered as online courses during the previous academic year.

There is also language in the Senate bill that required Minnesota State to award **one-time COVID-19 risk stipends** of \$500 to instructors, including adjunct and part-time instructors, who taught in-person during the spring 2021 semester in which students were present.

In regards to **financial aid**, the Senate bill amends the state grant program by reducing the assigned family responsibility (AFR) for dependent students from 82 percent to 72 percent, and reduces the AFR for independent students with dependents from 74 percent to 64 percent, and independent students with no dependents from 38 percent to 31 percent. The AFR is the expected family contribution to the student's cost of attendance. The Senate bill also increases the default amount of the living and miscellaneous expense (LME) allowance from 106 percent to 107 percent of the federal poverty guidelines.

The House bill reduces the AFR for independent students with dependents from 74 percent to 73 percent, and independent students with no dependents from 38 percent to 37 percent. The House bill also increases the LME allowance from 106 percent to 113 percent of the federal poverty guidelines.

The Senate and House bill both amend the state grant program and child care grant program, respectively, entitling students who are providing care to a spouse, child, or parent with a serious health condition that substantially limits the student's ability to complete the term to an additional semester of eligibility. There is also a provision in both bills that amends the state grant program to exempt developmental education and below college-level courses from counting against the eight-semester cap for the state grant awards. The conference committee adopted these same provisions during the regular session.

Other provisions in the bills include:

There is language in the Senate bill that establishes the **Fostering Independence Higher Education Grants** Program, which provides grants to attend a post-secondary institution to individuals who are currently, or were formerly in foster care. An eligible individual is between the ages of 13 and 27, a resident of the state, has been or is currently in foster care, and has been accepted for admission or is currently attending a postsecondary institution. The grant is equal to the cost of attendance after deducting all scholarships and grants. Grants are awarded beginning in the 2022-2023 academic year.

There is language in the Senate bill that amends the **Teacher Candidate Grants** program, renamed the Student Teacher Grants program, which provides stipends to low-income students during the period of time the student is student teaching. The House bill includes a similar provision, the Underrepresented Teacher Candidate Grants program. Under this provision, the Office of Higher Education is to create a new grant program for student teachers who belong to

a racial or ethnic group underrepresented in the state's teacher workforce. This new program is spun off from the existing student teacher candidate grant program.

The Senate and House bill both amend the **Hunger-Free Campus Designation** program to include the state universities, the University of Minnesota, and the private colleges, in addition to the two-year colleges that are already part of the program. Both bills provide funding for the program. The Senate bill requires the Office of Higher Education to establish a competitive grant process to distribute initial grants with the funding up to \$5,000 and sustaining grants up to \$2,000 for campuses that meet and maintain the hunger-free campus designation. Each campus that receives a grant, must match at least 25 percent of the grant awarded with funds or in-kind resources. The bill also adds a new requirement that each campus reapply for the Hunger-Free Campus designation at least every three years. The House bill requires that awards be based on headcount from the most recently completed academic year, and institutions must provide matching grants in order to receive a hunger-free campus grant.

In regards to the funding for the **mental health awareness** program, the Senate bill provides specifics regarding how the money is to be used. There is language that requires Minnesota State to implement a mental health awareness program at each college and university by fall of 2022. The program is to include a web page at each institution that includes links to existing self-assessment resources, among other things. The program is to include mandatory mental health first aid training, evidence-based suicide prevention training, or other similar mental health training for faculty, staff, and students. Each college and university are to identify the appropriate faculty, staff, and students to receive training based on college or university structure and available funding. There is a requirement for a session at each student orientation program that includes information about maintaining good mental health, the symptoms of mental health conditions common among students, and mental health resources and services available to students. There is also language that requires Minnesota State to make grants to colleges and universities to establish a peer support pilot program.

In regards to the funding for **student basic needs**, the Senate bill requires institutions to create a web page that clearly identifies basic needs resources available and for the system to pursue the creation of a centralized basic needs online resource web page. There is also a requirement to develop and implement a financial aid resource trigger utilizing information provided on the FAFSA to identify students who are likely eligible for assistance or programs, such as the Supplemental Nutrition Assistance Program (SNAP).

In contrast, the language for the mental health resources and student basic needs funding in the House bill require the funding to support students in meeting critical needs, including providing online mental health resources and an online information hub to connect students with state and local resources that address basic needs, including housing and food insecurity.

Along with the additional funding for the **workforce development scholarship** program in the Senate bill, the bill expands the program by adding "construction" to the list of high-demand fields. Both the House and Senate bills expand the program to allow each institution to add one

additional area of study based on a workforce shortage that is unique to the institution's specific region. The House bill does not include additional funding for this program.

There is language in the Senate bill that requires Minnesota State to expand **credit for prior learning** for work-based experiences and make students aware of the opportunity to receive credit for prior learning. The House bill does not include this provision.

Both the Senate and House bills establish a **Direct Admissions Pilot Program**, which requires the Office of Higher Education to develop a pilot program in consultation with stakeholders, including Minnesota State, Minnesota Department of Education, and others, to automate the admissions process to Minnesota public colleges and universities for high school seniors based on a student's performance in high school. The pilot is required to the extent feasible and must include high schools with a significant number of students of color, low-income students, or both, and must achieve statewide representation. The Senate establishes the appropriation as onetime funding, while the House appropriation for this program is ongoing.

Both bills include language that would prohibit institutions from attaching the release of a **transcript** to the payment of student debt. The Senate bill provides that a school may not refuse to provide a transcript if requested by a prospective employer or graduate school for the student. The House bill provides that a school may not refuse a transcript if the debt owed is less than \$500, the request is from a prospective employer, the student has entered into and is in compliance with a payment plan with the school, or the school has sent the debt to collection.

The House bill includes a new program in their bill called the **Aspiring Minnesota Teachers of Color Scholarship** program and appropriates \$4.5 million over the biennium for the program. The Office of Higher Education is to establish a scholarship program to support undergraduate and graduate students who are preparing to become teachers, have demonstrated financial need, and belong to racial or ethnic groups underrepresented in the state's teacher workforce. An applicant must be admitted and enrolled in a teacher preparation program approved by the Professional Educator Licensing and Standards Board and be seeking initial licensure, or be enrolled in an eligible institution and be completing a two-year program specifically designed to prepare early childhood educators. An eligible applicant may receive a scholarship award more than once, but may receive a total of no more than \$25,000 in scholarship awards from the program. The Office of Higher Education is to establish the scholarship award amount based upon the anticipated number of eligible applicants and the funds available for the program. This program is not in the Senate bill.

Both the House and Senate include funding for **emergency grants for students**. The House appropriates \$1.3 million over the biennium, and the Senate appropriates \$350,000 over the biennium to the Office of Higher Education to allocate grants on a matching basis to eligible institutions located in Minnesota with a demonstrable homeless student population. The grants are intended to meet student needs that could result in a student not completing the term or their program including, but not limited to, emergency housing, food, and transportation.

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

Name: Finance Committee

Date: May 19, 2021

Title: FY2022 Annual Operating Budget (1st 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 to 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 FY 2022 operating budget will largely be determined by legislative budget and policy decisions that have not yet been finalized. An update on the legislative session, including higher education funding decisions, will be distributed at the Finance Committee meeting.

Scheduled Presenter(s):

Bill Maki, Vice Chancellor for Finance and Facilities

Steve Ernest, System Director for Financial Planning & Analysis

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

BOARD ACTION
FY2022 Annual Operating Budget (1st Reading)

BACKGROUND

Each year the Board of Trustees reviews and approves the annual operating budget for Minnesota State for the fiscal year, which begins on July 1. Typically, this agenda item is scheduled for the May and June board meetings so that colleges and universities can begin the fiscal year with an approved operating budget.

Minnesota State has two primary sources of revenue: state appropriation and tuition. Final results of the 2021 legislative session are not known until the Legislature completes the Higher Education omnibus bill and it is signed by the Governor.

Because the legislative session has not yet concluded, effects of state funding levels and legislatively-mandated policy direction are still being incorporated into Minnesota State budgets. Consequently, the enterprise level operating budget, college and university operating budgets, and tuition and fee rates are not yet finalized. Detailed college and university operating budgets, proposed tuition and fee rates, enrollment projections, and other budget information and analysis will be prepared for the June board meeting based on the work being done.

This report provides updates on enrollment, state and federal funding, potential tuition scenarios, and the priorities and pressures colleges and universities are facing as they prepare their FY 2022 annual operating budgets.

ENROLLMENT UPDATE

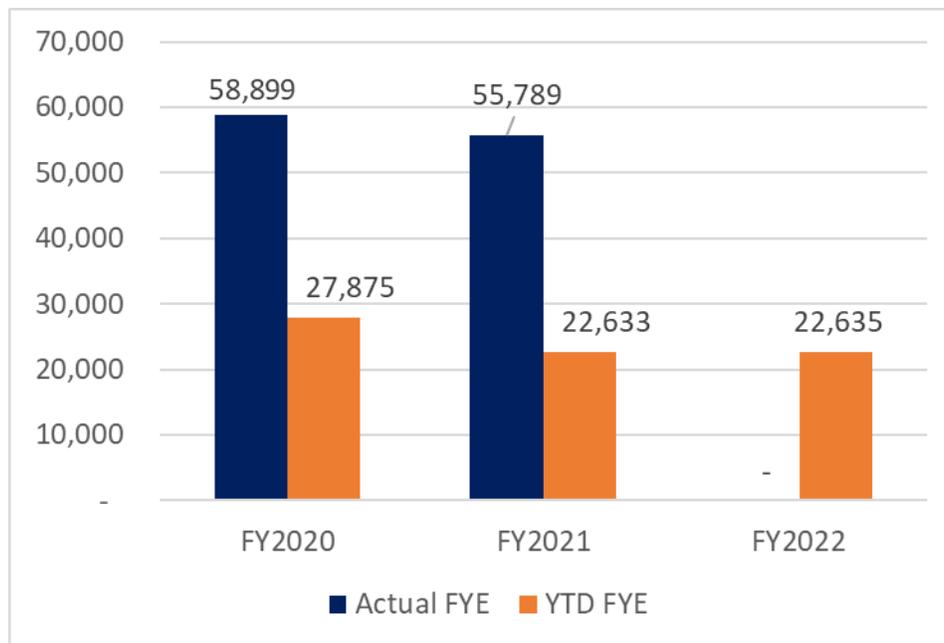
Since fiscal year 2011, colleges and universities have been losing enrollment each year. Between fiscal years 2011 to 2020, colleges and universities enrolled 35,419 less students (157,903 vs. 122,483 full year equivalent) or 22.4%. Although in recent years, our enrollment loss averaged approximately 2.5% each year, our recent projections show a larger loss of enrollment between fiscal years 2020 and 2021 which is partially explained by the pandemic.

Colleges and universities provide the system updated enrollment projections several times a year (October, March, and May). Our most recent projections are from March which show the

current fiscal year enrollment down by 5.8% from fiscal year 2020. In addition, colleges and universities are projecting a slight decrease of 0.8% between fiscal year 2021 and fiscal year 2022. We will share revised projections in the June Board report which are due to the system office later in May.

Since our previous projections from March, fall registration began which help our colleges and universities compare year-to-date actual enrollment to the same period of time a year ago and two years ago. Graph A illustrates the change in fall term enrollment between fiscal years 2020, 2021 and 2022 measured at the same point of the year as of May 10th. The graph also shows for fiscal years 2020 and 2021 fall term only actual enrollment post term.

Graph A: Systemwide Year-to-Date Fall Enrollment Comparisons and Actual Fall Enrollment Post Term (Full Year Equivalent)



Due to the pandemic and on-going enrollment loss, college and university fall of fiscal year 2021 (Fall semester 2020) enrollment was 18.8% lower (5,242 FYE) than fiscal year 2020 fall term (Fall semester 2019) enrollment at this same point in time. Once fall term began this year (Fall semester 2021), we closed that gap to just losing 5.3% (3,110 FYE) if we compare actual enrollments post term as shown in Graph A.

Looking ahead to fiscal year 2022, fall term enrollments (Fall semester 2021) are similar to the current fiscal year fall term enrollments compared to this same time last year. If this trend continues as more fall registrations occur, the system overall may not see a decline in enrollment in fiscal year 2022 as we have experienced over the past several fiscal years.

LEGISLATIVE UPDATE

As of this writing, the higher education omnibus funding bill is still being debated in conference committee in the legislature. The House and Senate versions of the bill have significantly different positions on tuition and state appropriations.

The **Senate bill appropriates \$25 million** in new money over the biennium to Minnesota State. Of that, there is \$5 million each year of the biennium for campus operations and maintenance; \$2.7 million each year for small school supplemental aid for colleges located outside the metropolitan area; \$2 million each year in additional funds for workforce development scholarships; \$2 million over the biennium for the system office budget; \$1.5 million in one-time funding for mental health awareness programs; \$1 million in one-time funding to help with student basic needs; and \$1.1 million in one-time funding for textbook affordability to expand the Z-Degree (zero textbook cost) program to at least eight additional colleges beginning in the 2022-2023 academic year.

In comparison, the **House bill appropriates \$68.6 million** in new money over the biennium to Minnesota State. Of that, there is \$21.5 million the first year, and \$43 million the second year of the biennium for campus operations and maintenance; \$1.35 million each year of the biennium for student basic needs, including mental health resources; \$500,000 each year of the biennium in one-time funding to expand the Z-degree program to two additional colleges or universities by 2023-2024; and \$400,000 one-time funding in the first year of the biennium for a career and technical educator pilot project at Winona State University and Minnesota State College Southeast.

In regards to **tuition**, the Senate bill requires that Minnesota State tuition rates for both years of the biennium be five percent lower than the current tuition rate. The House bill freezes tuition both years of the biennium.

In the area of **online tuition differential**, the Senate bill includes language that requires colleges and universities to provide a **tuition credit** for enrolled students, and a refund to students no longer enrolled, for the amount of the online differential tuition rate charged to students for online courses during the 2020-2021 academic year that were not offered as online courses during the previous academic year. The institutions are required to inform students who are no longer enrolled at the institution of their eligibility for a refund. In order for a student to receive a refund, the student must apply for it. The House bill does not include this provision. The Senate bill also provides that a university may reduce its online tuition differential and change base tuition to adjust for the reduction, provided the change is revenue-neutral.

Below is a side-by-side comparison of the funding parameters of the Senate and House bill shown in Table B.

Table B: Legislative Side-by-Side Comparison

\$s in millions

Item	Request	Senate	House	Sen-Hse
Campus Support	\$ 75.00	\$ 10.00	\$ 64.50	\$ (54.50)
Equity/Affordability Scholarhips	\$ 23.00	\$ -	\$ -	\$ -
Equity/Affordability Basic Needs	\$ 15.00	\$ 2.50	\$ 2.70	\$ (0.20)
Equity/Affordability CTE	\$ 6.00	\$ -	\$ -	\$ -
Equity/Affordability Open Texts	\$ 1.00	\$ 1.14	\$ 1.00	\$ 0.14
Non-metro Colleges	\$ -	\$ 5.40	\$ -	\$ 5.40
Workforce Scholarships	\$ -	\$ 4.00	\$ -	\$ 4.00
Central Office	\$ -	\$ 2.02	\$ -	\$ 2.02
Career Tech Ed Pilot	\$ -	\$ -	\$ 0.40	\$ (0.40)
Tuition Reduction	\$ -	\$ (71.00)	\$ -	\$ (71.00)
Tuition Refunds	\$ -	\$ (4.42)	\$ -	\$ (4.42)
Total	\$ 120.00	\$ (50.36)	\$ 68.60	\$ (118.96)

Position on tuition: silent - 5% frozen

There is also language in the Senate bill that requires Minnesota State to award **one-time COVID-19 risk stipends** of \$500 to instructors, including adjunct and part-time instructors, who taught in-person during the spring 2021 semester in which students were present. The House bill does not include this provision.

TUITION

At the time of writing this report, the system’s ability to set tuition remains unknown based on current legislative positions. The Senate position would require colleges and universities to reduce tuition rates by 5% in fiscal year 2022 and keep those rates flat in fiscal year 2023. The House position would require colleges and universities to freeze tuition both years of the biennium. Both the Senate and House positions would not provide our colleges and universities enough state support to offset the loss of new tuition revenue. Without the necessary support, both legislative positions create a structural gap in the next biennium. Table C shows the value of new tuition revenue colleges and universities would generate under four various tuition scenarios at fiscal year 2021 enrollment levels.

Table C: *Tuition rate change scenarios*

Tuition Revenue Scenarios	FY2022	FY2023	FY2022- FY2023
	A. Tuition 0%/4%	0	28.4
B. Tuition 1%/3%	7.1	28.6	35.7
C. Tuition 2%/2%	14.2	28.7	42.9
D. Tuition 3%/3%	21.3	43.2	64.5

The system’s general fund budget make up approximately 80% of the system’s overall operating budget with tuition and state appropriation as the main sources of revenue in the general fund. The ability to increase tuition rates will help offset budgetary gaps created by the current legislative conditions. Assuming the system no longer is restricted in our ability to set tuition, the budgetary gap created by the Senate and House positions compared to an inflationary assumption of 3% each year, would be reduced. Table D and E illustrate the impact the various tuition scenarios would have on closing the Senate and House budgetary gaps.

Table D: *Impact of tuition scenarios on Senate gap*

Impact of tuition scenarios on Senate gap			
A. Tuition 0%/4%	(44.8)	(67.8)	(112.6)
B. Tuition 1%/3%	(37.7)	(67.5)	(105.3)
C. Tuition 2%/2%	(30.6)	(67.5)	(98.1)
D. Tuition 3%/3%	(23.5)	(52.9)	(76.4)

Table E: *Impact of tuition scenarios on House gap*

Impact of tuition scenarios on House gap			
A. Tuition 0%/4%	(28.3)	(29.8)	(58.1)
B. Tuition 1%/3%	(21.2)	(29.5)	(50.8)
C. Tuition 2%/2%	(14.1)	(29.5)	(43.6)
D. Tuition 3%/3%	(7.0)	(14.9)	(21.9)

In either the Senate or House positions, the system is not in position to receive enough state support to help cover the costs of inflation even if we have the ability to modestly increase

tuition. In recent years, our colleges and universities have had tuition setting restrictions with not much or no state support to help fund those restrictions.

The table below provides a history of tuition rate changes that were all stipulated in legislative language.

Table F: *Recent history of tuition rate changes (*Fall 2020 tuition frozen by Board)*

Fiscal Year	Colleges	Universities	State Funding in-lieu of Tuition
2014	Frozen	Frozen	Yes, fully funded
2015	Frozen	Frozen	Yes, fully funded
2016	Frozen	Increased overall average of 3.4%	Colleges fully funded
2017	Cut 1%	Frozen	None
2018	Increased overall average by 1%	Increased overall average of 3.9%	Colleges fully funded
2019	Frozen	Frozen	None
2020	Increased by 3%	Increased by 3%	None
2021	Increased by 3%*	Increased by 3%*	None

By the time the Board meets in May, the 2021 legislative session will conclude and we expect to know the amount of state support the system will be allocated in the next biennium as well as the Board’s ability to set tuition for our colleges and universities. Without the ability to set tuition, colleges and universities will face another two years of unfunded tuition restrictions. Although some of the loss of revenue could be made up by one-time funding, colleges and universities will need to resolve budget gaps created by less ongoing revenue, but more ongoing costs.

FEDERAL FUNDS UPDATE

Federal Funding for COVID-19 related needs was enacted in three distinct rounds, as outlined below. These numbers represent system-wide totals, but each round consists of 37 individual awards, one for each accredited institution in the System.

Table G: *Federal Emergency Relief*

Federal Emergency Relief Specific to COVID-19 Pandemic Years

	CARES HEERF I	CRRSAA HEERF II	American Rescue Plan*
Total to Institutions	\$93.4M	\$186.9M	\$328M
Student minimum	\$46.7M	\$46.7M	\$164M
Institution maximum	\$46.7M	\$140.2M	\$164M
Primary years of use	2020, 2021	2021, 2022	2022

*Estimates as of March 10, 2021 from the American Council of Education



Student Grant Money

As of April 30, 2021, all of the first round (CARES) minimum funding for student grants and 95 percent (\$44.4 million) of the second round (CRRSSA) minimum funding for student grants has been distributed to students. Between CARES and CRRSSA funding, we have distributed over \$90 million of student grants. Per the Chancellor’s guidance, each college or university developed a robust student consultation process for the CRRSAA funds, and reserved 10% of the funds for emergency grants and have added more than \$20 million of institutional funds on top of the \$93.4 million required for student grants

At least half the third round (American Rescue Plan) funding for each college or university must be allocated to student grants. This means at least \$164 million will be awarded in the coming semesters. While CRRSSA guidelines required grants to be awarded primarily to students with exceptional financial needs, it is not yet known what the guidelines will be for the ARP funds.

Institutional Funds

The first two rounds of COVID-19 institutional relief had different limitations placed on their use. The first round, CARES, was only available for new expense that arose in response to the

pandemic. The second round, CRRSAA, was available for a broader variety of uses, including to make up for lost revenue. When CRRSAA guidance came out clarifying its uses on March 19, 2021, the guidance also allowed any unspent CARES money to be used for the same broader purposes. However, by the time that guidance came out, most of the CARES funds had already been spent or budgeted, so the new guidance did not make a significant difference.

The ability to use CRRSAA funds for lost revenues as far back as the declaration of the pandemic on March 13, 2020, gives colleges and universities the ability to keep ongoing operations going when that might not otherwise have been possible. However, this does not cover all the lost revenues that our institutions have experienced. For the current fiscal year as of May 3, 2021, it is estimated that Minnesota State colleges' and universities' revenues are more than \$93 million lower than the last year regular activities occurred, FY19 or FY20.

In addition to revenue losses, colleges and universities continue to have new costs associated with pandemic responses. As of May 3, 2021, allocated uses for CRRSAA institutional funds include:

- Approximately \$55 million to backfill revenues losses
- Over \$16 million for additional students grants
- Over \$20 million for new technology needs
- Over \$20 million for new campus safety efforts
- Approximately \$8 million for additional student support activities
- Approximately \$7 million for additional instructional costs

Because each college or university has its own unique local situation, priorities for use of this money vary across the system.

Future Funding

The third round of Federal assistance, the American Rescue Plan Act, was signed March 11, 2021. While the estimated total for all 37 colleges and universities—anticipated to be roughly \$328 million—will be significant, little is known about what the allowable uses of this money will be. Half, \$164 million if the anticipated total is correct, will be mandated for grants directly to students. Even if CRRSSA guidance continues, directing this money primarily to students with exceptional need rather than to reduce tuition across the board, this will mean net total cost of attendance for many students in the coming year will likely be significantly reduced. For institutional funds use, colleges and universities have only begun planning in anticipation of this money based on past guidance and remaining unmet needs. No definitive plans can be made until award letters and guidance are received by the institutions.

COLLEGE AND UNIVERSITY PRIORITIES AND PRESSURES

While the pandemic has forced colleges and universities to pivot operations in a variety of

ways recently, the budgets they are developing for the coming year still need to focus resources on investments that will ensure the success of students, continue our commitment to affordability and strengthen strategies that address workforce opportunity gaps. Strategic priorities include:

- The essential need to make sure that Minnesota State's programs provide for equitable educational success for all Minnesotans, regardless of race or ethnicity, economic status, or whether they are the first in their families to attend a college or university. The State of Minnesota needs all our students to complete their programs and contribute to the success of our economy and society.
- The need to keep the net cost of higher education affordable to Minnesotans who may be even more interested in Minnesota State due to unemployment or other life changes caused by the COVID-19 pandemic.
- The need to maintain programs and services that serve our current and future students, including enterprise-wide technology infrastructure and the structural capacity for innovation.
- The need to ensure long-term financial sustainability.

Though Federal assistance has helped colleges and universities defray the financial emergencies caused by the pandemic, the fiscal year 2022 budgetary period presents significant financial pressures.

- Enrollment losses caused by the pandemic on top of pre-existing patterns of decline may not be turned around as quickly as other areas of life get back to normal for Minnesotans. This is difficult to predict and requires back-up plans in case budgets fall out of balance.
- Proposals to help students via limits on tuition rates, on top of the unprecedented financial aid available from state and federal grants, threaten to put college and university financial sources significantly out of balance with ongoing increases in financial uses such as ongoing personnel and fixed costs..
- Limits on state appropriation support may exacerbate the imbalance of sources and uses. When tuition limitations are not backed up with state funding, budgets are driven more out of balance.
- Limits on tuition and state appropriations may significantly inhibit colleges' and universities' ability to attract and retain talented faculty and staff.
- Revenues in non-tuition areas such as room, board, events, parking and other

activities may also be slow to recover in the coming year. These revenues are dedicated to specific costs, many of which are fixed costs like debt service and facilities maintenance obligations. These areas may also require backup plans if activity levels are slow to recover.

As factors such as tuition rates, appropriations levels, collective bargaining agreement terms and others are being debated, some factors are already essentially determined. Certain cost increases—in areas such as insurance, retirement, classified employee step increases and other increases—are already being projected. On a system-wide basis, growth in these costs alone will total over 1% per year. All of these factors make development of fiscal year 2022 budgets difficult for colleges and universities.

JUNE COMMITTEE MATERIALS

If the legislative session concludes on time, the June committee report will include the following information:

- Enterprise-level all funds and general fund operating budgets
- Tuition and fee tables
- College and university FY2022 operating budgets
- Revenue fund financing information and proposed charges
- Enrollment projections
- Net cost of tuition analysis
- Budget reserves by college and university
- Health service fee budgets
- Student consultation letters

These materials will be provided to the committee as soon as they are available prior to the June meeting.

Below is a draft of the motion expected to be presented at the June committee meeting at the conclusion of the legislative session. The attachments referenced will be provided at that time. If the session does not conclude in advance of the June Board of Trustees meeting, the Board will be provide with recommendations for next steps.

RECOMMENDED COMMITTEE MOTION

The Finance Committee recommends that the Board of Trustees adopt the following motion:

- Adopt the annual total all funds operating budget for fiscal year 2022 as shown in Table X.

- Approve the proposed tuition structure recommendations and differential tuition rationale for fiscal year 2022 as detailed in Attachments X through X.
- Tuition rates are effective summer term or fall term 2022 at the discretion of the president. The chancellor or designee is authorized to approve any required technical adjustments, and is requested to incorporate any approvals at the time fiscal year 2022 tuition recommendations are presented to the Board of Trustees.
- Continue the policy of market-driven tuition for closed enrollment courses, customized training, and non-credit instruction, continuing education, and contract postsecondary enrollment option programs.
- Approve the Revenue Fund and related fiscal year 2022 fees for room and board, student union, wellness and recreation facilities, and parking ramps/surface lots as detailed in Attachments xx through xx, including any housing fees that the campuses may charge for occupancy outside the academic year.
- Authorize the chancellor or designee to enter into an agreement with the Learning Network of Minnesota to provide the funding appropriated to the organization in Minnesota Laws 2021, Chapter xx, Article x, Section x, Subdivision x, in the amount of \$4,115,000.

RECOMMENDED BOARD MOTION:

- Adopt the annual total all funds operating budget for fiscal year 2022 as shown in Table X.
- Approve the proposed tuition structure recommendations and differential tuition rationale for fiscal year 2022 as detailed in Attachments X through X.
- Tuition rates are effective summer term or fall term 2022 at the discretion of the president. The chancellor or designee is authorized to approve any required technical adjustments, and is requested to incorporate any approvals at the time fiscal year 2022 tuition recommendations are presented to the Board of Trustees.
- Continue the policy of market-driven tuition for closed enrollment courses, customized training, and non-credit instruction, continuing education, and contract postsecondary enrollment option programs.
- Approve the Revenue Fund and related fiscal year 2022 fees for room and board, student union, wellness and recreation facilities, and parking ramps/surface lots as

detailed in Attachments xx through xx, including any housing fees that the campuses may charge for occupancy outside the academic year.

- Authorize the chancellor or designee to enter into an agreement with the Learning Network of Minnesota to provide the funding appropriated to the organization in Minnesota Laws 2021, Chapter xx, Article x, Section x, Subdivision x, in the amount of \$4,115,000.

Date Presented to the Board of Trustees:

xx/xx/xx

Date of Implementation:

xx/xx/xx

Workforce and Organizational Effectiveness Committee
May 19, 2021
12:15pm
Virtual Meeting

Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings.

In a closed session pursuant to Minn. Stat. §13D.03, Closed Meetings for Labor Negotiations Strategy, the Board will hear the current status of labor contract negotiations and will discuss strategy.

1. Update on Labor Negotiation Strategy (pp 1-2)

Committee Members

Michael Vekich, Chair
Dawn Erlandson, Vice Chair
Ahmitara Alwal
Alex Cirillo
Roger Moe
George Soule
Cheryl Tefer

Presidents Liaisons

Ginny Arthur
Annette Parker

Bolded items indicate action required.



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

Name: Workforce and Organizational Effectiveness Committee

Date: May 19, 2021

Title: Update on Labor Negotiations Strategy

Purpose (*check one*):

Proposed New Policy or
Amendment to Existing Policy

Approvals Required
by Policy

Other Approvals

Monitoring/Compliance

Information

Brief Description:

In a closed session pursuant to Minnesota Statutes §13D.03, Closed Meeting for Labor Negotiations Strategy, the Board will hear the current status of labor contract negotiations and discuss strategy.

Scheduled Presenter(s):

Eric Davis, Vice Chancellor for Human Resources
Chris Dale, Sr. System Director for Labor Relations

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD INFORMATION ITEM

Update On Labor Negotiations Strategy

BACKGROUND

Vice Chancellor for Human Resources Eric Davis and Sr. System Director for Labor Relations Chris Dale will provide an update on labor negotiations and discuss strategy.



Board of Trustees Meeting
May 19, 2021
1:30 p.m.
Virtual Meeting

The Board of Trustees are adhering to Governor Walz's Executive Order 20-01, the State of Minnesota Peacetime Emergency Declaration, and the Center for Disease Control's social distancing guidelines. Meetings will be conducted on a virtual meeting platform. Interested parties can listen to the live stream of the proceedings from the [Board website](#). Times are tentative – meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of previous meetings.

Convene and Call to Order, Jay Cowles, Chair

Chancellor's Report, Devinder Malhotra

Chair's Report, Jay Cowles

Consent Agenda

- 1. Minutes of the Committee of the Whole Meeting, March 16, 2021**
- 2. Minutes of the Board of Trustees Meeting, March 17, 2021**
- 3. Minutes of the Executive Committee Meeting, April 7, 2021**
- 4. Minutes of the Committee of the Whole Meeting, April 20, 2021**
- 5. Minutes of the Board of Trustees Meeting, April 21, 2021**
- 6. Minutes of the Executive Committee Meeting, May 5, 2021**
- 7. Mission Statement Change - Dakota County Technical College**
- 8. Mission Statement Change - Inver Hills Community College**
- 9. Contracts Requiring Board Approval:**
 - a. D2L Learning Management System Master Contract Extension, System Office**
 - b. Online Program Manager Academic Partnership, St. Cloud State University**
 - c. Classroom Technology Refresh Project, Century College**
 - d. Private Study/Video Conferencing Booths, Minnesota State University, Mankato**
 - e. CollegeSource – New Master Contract for Transfer Evaluation System, System Office**
 - f. MNIT Inter-Agency Agreement, System Office**
- 10. Surplus Property Designation: Alexandria Technical and Community College**
- 11. Proposed Amendment to Board Policy 7.1 Finance and Administrative Authority of Board, Chancellor, and Presidents (2nd Reading)**
- 12. Proposed Amendment to Board Policy 7.5 Financial Institutions and Investments (2nd Reading)**

Board Standing Committee Reports

Academic and Student Affairs Committee, Cheryl Tefer, Chair

- Report of the Committee

Audit Committee, George Soule, Chair

- Report of the Committee

Joint Meeting: Audit and Workforce and Organizational Effectiveness Committees,
Co-Chairs George Soule and Michael Vekich

- Report of the Committee

Joint Meeting: Facilities and Finance Committees, Co-Chairs Jerry Janezich and Roger Moe

- Report of the Committee

Finance Committee, Roger Moe, Chair

- Report of the Committee

Outreach and Engagement Committee, Dawn Erlandson, Chair

- Report of the Committee

Workforce and Organizational Effectiveness Committee, Michael Vekich, Chair

- Report of the Committee

Student Associations

1. Lead MN, Priscilla Mayowa, President
2. Students United, Jonathan McNicholes, State Chair

Minnesota State Colleges and Universities Bargaining Units

1. American Federation of State, County, and Municipal Employees, Jennifer Erwin, President, AFSCME Council 5
2. Inter Faculty Organization, Brent Jeffers, President
3. Middle Management Association, Gary Kloos, Executive Director
4. Minnesota Association of Professional Employees, Jerry Jeffries, Regional Director
5. Minnesota State College Faculty, Matt Williams, President
6. Minnesota State University Association of Administrative and Service Faculty, Tracy Rahim, President

Trustee Reports

Adjournment

Bolded items indicate action is required.

Committee of the Whole
Meeting Minutes
March 16, 2021

A meeting of the Committee of the Whole of the Board of Trustees was held on March 16, 2021.

Trustees present: Jay Cowles, Chair; Roger Moe, Vice Chair; Ahmitara Alwal, Asani Ajogun, Alex Cirillo, Dawn Erlandson, April Nishimura, Oballa Oballa, Rudy Rodriguez, Kathy Sheran, George Soule, and Cheryl Tefer

Trustees absent: Jerry Janezich, Javier Morillo, and Michael Vekich

Staff present: Devinder Malhotra, Chancellor

The meeting materials for this meeting are available [here](#), starting on page 9. An audio recording of the meeting is available [here](#).

Chair Cowles called the meeting to order at 10:00 a.m.

Chair Cowles' Remarks

Last July, the board commenced a discussion regarding the review of law enforcement and criminal justice academic programming and the next steps to law enforcement education reform. This was followed by Chancellor Malhotra standing-up a taskforce of internal and external stakeholders charged with examining this topic and advising the Chancellor and the Board of Trustees relative to anti-racism law enforcement education.

I am grateful to all taskforce members for their diligent efforts and thank the taskforce's co-conveners for their efforts in guiding this work: Trustee George Soule, Commissioner of the Minnesota Office of Higher Education Dennis Olson, and Associate Vice Chancellor Satasha Green-Stephen. I look forward to the next hour of sharing and discussion as we hear the taskforce's recommendations.

Lastly, I want to mention a couple things: today's agenda has been revised to note that the board will be asked to consider action related to this item; and, we have received a request to make public comment as part of this committee meeting so I will be holding time towards the end of the meeting to allow that to occur.

Chancellor's Remarks

Last summer, I shared with the board of our intent to constitute the Minnesota State Law Enforcement Education Taskforce and we began in earnest assembling both internal and external stakeholders to examine and provide potential reforms and changes to the law enforcement and criminal justice education, offered by our colleges and universities.

With approximately 80 percent of Minnesota's graduates in law enforcement graduating from one of the Minnesota State colleges or universities, we recognize the significant role we need to play in advancing meaningful reforms in law enforcement. While education alone is not the entire solution to police reform, it is a piece of the puzzle, and Minnesota State is committed to make the needed changes in our law enforcement and criminal justice programming to develop and prepare our graduates who are ready to anchor transformative policing.

The charge to the taskforce was straightforward and clear: To advise the Chancellor and Board of Trustees on issues, initiatives, programming and priorities relative to anti-racism law enforcement education and preparing graduates for transformative policing of our communities. The Minnesota State Taskforce on Law Enforcement Education Reform is part of the overall reform of all our academic programming which will take a comprehensive approach to directly address injustice and racism within our workplace, campus communities, and curricula. In June 2019, Minnesota State adopted a systemwide vision called Equity 2030, an aspirational goal to eliminate educational equity gaps across all campuses by 2030.

At its core, Equity 2030 is an organizing principle for all our work; for our operational structures, and for the inclusive, safe, and anti-racist organizational ethos we strive for. This work includes an ongoing focus and review of all our academic programs through an equity lens; however, the review is particularly critical at this time for our law enforcement, criminal justice, and related academic programs.

I would like to acknowledge our debt of gratitude and deep appreciation of members of the taskforce who came from across different professions and experiences. Your willingness to share your perspectives, provide feedback, and the developing recommendations is much appreciated. Your work gives us a framework to develop a systemwide shared vision for law enforcement education that is responsive to the community needs and aligned with the broader police reform efforts.

I would also like to express my deep appreciation to the taskforce's co-conveners: Trustee George Soule, Commissioner of the Minnesota Department of Higher Education Dennis Olson, and Associate Vice Chancellor Satasha Green-Stephen. Your leadership

was instrumental in completing the work quickly and with a sense of urgency. The resultant recommendations provide a robust framework which not only focuses on the needed educational outcomes for new students, but also in providing current peace officers opportunities for lifelong learning. Again, a big thank you to our three co-conveners.

Chair Cowles invited Associate Vice Chancellor Satasha Green-Stephen along with taskforce co-conveners Trustee George Soule and Dennis Olson, Commissioner of the Minnesota Department of Higher Education to present the taskforce's Advisory and Recommendations Report which can be found in the meeting materials beginning on page 15.

The co-conveners highlighted the taskforce's purpose, scope of work, meeting schedule, and membership and also reviewed the multi-prong approach to Minnesota State's law enforcement education reform efforts including the following:

- The Minnesota State Taskforce on Law Enforcement Education Reform
- Law Enforcement Faculty Community of Practice
- Program Review and Quality Assurance
- Revision of Minnesota Transfer Curriculum Goal Area 7: Human Diversity to Provide
- Systemwide Racial Issues Requirement for Graduation Diversity
- Strategic Plan for the Recruitment and Retention of Faculty of Color

The co-conveners presented the taskforce's recommendations and action steps along with the proposed timeline for continued efforts including reports to the Board of Trustees. President Merrill Irving, Jr., Hennepin Technical College, who is a taskforce member, was invited to provide additional comments as part of the presentation.

Priscilla Mayowa, LeadMN President, had previously requested to address the board and was invited by Chair Cowles to share remarks.

Chair Cowles asked trustees to consider the following recommended committee motion:

On the recommendation of the Chancellor, the Board of Trustees accepts the taskforce report and commends the taskforce members for their work. The Board charges the Chancellor, after appropriate consultation with stakeholders, to prioritize the recommendations and work with colleges and universities to implement them in a timely manner. The Chancellor and staff are to update the Board on implementation progress on a regular basis.

Trustee Soule made the motion and Trustee Cirillo seconded. A roll call vote was conducted. The vote was as follows:

Trustee Alwal	Yes
Trustee Ajogun	Yes
Trustee Cirillo	Yes

Trustee Cowles	Yes
Trustee Erlandson	Yes
Trustee Janezich	Absent
Trustee Moe	Yes
Trustee Morillo	Absent
Trustee Nishimura	Yes
Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Tefer	Yes
Trustee Vekich	Absent

The committee voted to approve the recommended motion.

Adjournment

Chair Cowles adjourned the meeting at 11:03 a.m.



**Board of Trustees
Meeting Minutes
March 17, 2021**

A meeting of the Board of Trustees was held on March 17, 2021.

Trustees present: Jay Cowles, Chair; Roger Moe, Vice Chair; Ahmitara Alwal, Asani Ajogun, Alex Cirillo, Dawn Erlandson, Javier Morillo, April Nishimura, Oballa Oballa, Rudy Rodriguez, Kathy Sheran, George Soule, Cheryl Tefer, and Michael Vekich

Trustees absent: Jerry Janezich

Staff present: Devinder Malhotra, Chancellor

The meeting materials for this meeting are available [here](#), starting on page 209. An audio recording of the meeting is available [here](#).

Chair Cowles called the meeting to order at 11:35 a.m.

Chancellor's Report, Devinder Malhotra

Before I start my remarks today, I want to bring to your attention that the Minnesota State community of faculty, staff, students, and our presidents and campus and system leadership are deeply troubled by the recent spike in hate crimes against Asian-Americans. I want to assure you that we will continue to work hard to keep our campuses safe for all and redouble our efforts to strive towards anti-racist organization ethos.

Equity 2030

This week, we have launched the *Equity 2030 blog*. The blog will help to bridge our efforts and build a shared understanding of the progress underway across our departments and campuses, as well at the system level, as we work toward pursuing our shared equity agenda. The Equity 2030 Blog will feature thoughtful commentary on meaningful equity-related issues contributed by variety of leaders from across Minnesota State.

Another opportunity to share the work in progress is the Equity 2030 webinar series that launched in February. For this semester, the series focuses on the foundational work of the Chancellor's Equity 2030 Fellows and to begin to draw connections between

work that is happening across Minnesota State.

If we are to advance on and make the necessary changes in order to meet our goal of Equity 2030, we must deepen the collaboration and knowledge sharing between and across the system. I look forward to additional opportunities where our colleges and universities faculty and staff can share their efforts as we continue to promote cross-institutional sharing and collaboration.

Mental Health Update

As I have shared previously, the goal of Equity 2030 has multiple lenses that must be taken into consideration. As we think about the whole student, we must take into account their needs outside of the classroom and the effects it has on their educational journey.

Given the urgency in addressing the challenges and pressing concerns regarding student mental health, in January I announced that I would be seeking a Chancellor's Fellow to help aid us in this work.

The position description was shared in February and I, along with Chief of Staff Simonsen and members in ASA interviewed four candidates. In each interview, I was struck by the candidates' deep commitment and energy and excitement to take on this work. Each shared their desire to be engaged in this work moving forward and to build and grow the community of practitioners to support our students with innovative approaches.

It is my pleasure to share that the Chancellor's Fellow for Mental Health will be Kate Noelke. Kate currently serves Winona State University where she is the Director of Integrated Wellness since 2016.

As the Chancellor's fellow, Kate will lead the development and implementation of a comprehensive and holistic approach to advance student mental health at Minnesota State colleges and universities. Rest assured she will not do this work along. With her focus and assistance, I know that we will grow and strengthen the network within our system and beyond to better meet the needs of our students.

Kate will work directly with Dr. Paul Shepherd, the System Director for Student Development and Success. Dr. Shepherd was instrumental in coordinating the Mental Health Summit, in cooperation with the University of Minnesota, and also convenes the Basic Needs Committee for the system. I am appreciative of the care and commitment for our students that he demonstrates on a daily basis.

Legislative Update

Picking up on the update from Vice Chancellor Maki during the Finance Committee, our colleges and universities are very appreciative of the efforts by our federal delegation

and the funding that is helping to directly support our students and our colleges and universities as they deal with the effects of COVID.

Over the course of the last month, I have continued to engage with members of our federal delegation. We held zoom meetings with all ten of our congressional offices and it was great that 7 members of congress were able to join us. I greatly appreciate their engagement and continued support of Minnesota State.

During those discussions, we continued to advocate for flexibility and clarity in the newest federal relief package so that it would help return more students to our classroom so we can help them continue their educational journey.

On the state side, we continue to work with the Governor's Office and members of the legislature. Seven weeks remain in session, and we continue to advocate for the Board's biennial budget request.

This month marks my eighth virtual remarks to the Board. I, like much of the nation and the world have spent this month remembering the changes that felt like they were coming hourly as we focused on responding to the COVID-19 pandemic.

I remember sharing with the Board last March the number of decisions that we made in just 20 short days. I will tell you that most of that now feels like a blur.

None of those decisions nor the ones made over the course of this last year were easy decisions and not one decision was made lightly without thinking about the impact on our students, faculty, and staff, and our campus and system leaders.

In those early days of the pandemic, I recall a school superintendent said, "it will be impossible to know if we overacted or did too much, but it will be quite apparent if we under reacted or did too little."

There has been criticism in this last year – why did we do this – why did we not do that. I stand firm in the decisions that we have made as a system has and will continue to put front and center the health, safety, and welfare of our students, faculty, and staff.

I want to express my deep gratitude to the board for their unwavering support of the 15,000+ individuals across the system who helped our students continue and complete their educational goals.

Chair Cowles – my closing from last March seems applicable as I close today:

Today more than ever I want anyone who is listening to know I am honored and humbled to serve as Chancellor of Minnesota State. I am honored and humbled to work alongside my system office colleagues, our presidents, but most importantly bargaining

units, student associations, our faculty and staff across all our colleges and universities.

Chair's Report, Jay Cowles

We began this month's meetings in the Committee of the Whole to receive an update on the efforts of the Minnesota State Taskforce on Law Enforcement Education Reform. I echo the sentiments expressed by trustees yesterday in commending the tremendous efforts of the taskforce in examining this important topic and bringing forward recommendations relative to anti-racism law enforcement education. In particular, I'd like to express gratitude to the taskforce's co-conveners for their efforts in guiding this work: Trustee George Soule, Commissioner of the Minnesota Office of Higher Education Dennis Olson, and Associate Vice Chancellor Satasha Green-Stephen. The board was asked to consider a motion to accept the taskforce report and to charge the Chancellor to prioritize the recommendations and work with colleges and universities to implement them in a timely manner. This motion carried and has been moved to today's consent agenda for final consideration and approval. I look forward to receiving updates on implementation progress in the months ahead.

I also want to provide a note about two of today's agenda items for the awareness of all trustees. As part of the report of this month's Executive Committee meeting, we will be reviewing proposed amendments to Board Policy 1A.2 as well as three proposed committee charter revisions. The proposed changes were reviewed and approved at the March 3rd Executive Committee meeting. Copies of related materials can be found in this month's board packet. I will be asking the board to suspend the rules requiring two readings to allow the proposed changes to be fully approved at today's meeting.

Lastly, I want to acknowledge a change in practice within our virtual board meeting environment. At the January board meeting, we heard concerns about the practice of inviting written remarks from student associations and bargaining units without the option to address trustees directly. I appreciated the concern that this practice meant that an important opportunity for interaction and engagement was being missed, an opportunity that is important to both our constituent groups and to me and fellow trustees. After consultation with the Chancellor, I extended an invitation to student associations and bargaining units to join us to provide in-person remarks, beginning with today's meeting. I am grateful for the flexibility of these groups as we have adapted to holding board and committee meetings in a virtual format and look forward to hearing from some of these groups later in the meeting.

Consent Agenda

Chair Cowles asked if anyone wanted to remove an item from the Consent Agenda. Trustee Soule requested that the Minnesota State Taskforce on Law Enforcement Education Reform Update be removed and taken up separately. This item was removed from the consent agenda.

Trustee Vekich made the motion and Trustee Ajogun seconded. A roll call vote was conducted. The vote was as follows:

Trustee Alwal	Yes
Trustee Ajogun	Yes
Trustee Cirillo	Yes
Trustee Cowles	Yes
Trustee Erlandson	Yes
Trustee Janezich	Absent
Trustee Moe	Yes
Trustee Morillo	Yes
Trustee Nishimura	Yes
Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Tefer	Yes
Trustee Vekich	Yes

The board voted to approve the consent agenda as follows:

Consent Agenda

- 1. Minutes of the Board of Trustees Meeting, January 27, 2021**
- 2. Minutes of the Executive Committee Meeting, March 3, 2021**
- 3. Mission Statement Change – St. Cloud Technical and Community College**

Board Policy Decisions (Second Readings)

- 1. Proposed Amendment to Board Policy 2.9 Academic Standing and Financial Aid Satisfactory Academic Progress**
- 2. Proposed Amendment to Board Policy 3.29 College and University Transcripts**

Chair Cowles brought forward the consent agenda item that was removed and asked the board to consider the following recommendation approved at the March 16, 2021 Committee of the Whole meeting:

On the recommendation of the Chancellor, the Board of Trustees accepts the taskforce report and commends the taskforce members for their work. The Board charges the Chancellor, after appropriate consultation with stakeholders, to prioritize the recommendations and work with colleges and universities to implement them in a timely manner. The Chancellor and staff are to update the Board on implementation progress on a regular basis.

Trustee Soule made the motion and Trustee Moe seconded. A roll call vote was conducted. The vote was as follows:

Trustee Alwal	Yes
Trustee Ajogun	Yes
Trustee Cirillo	Yes
Trustee Cowles	Yes
Trustee Erlandson	Yes
Trustee Janezich	Absent
Trustee Moe	Yes
Trustee Morillo	Yes
Trustee Nishimura	Yes
Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Tefer	Yes
Trustee Vekich	Yes

The board voted to approve the recommended motion.

Board Standing Committee Reports

Human Resources Committee, Michael Vekich, Chair

Committee Chair Vekich reported that the committee approved recommendations for presidential appointments for Minnesota State University, Mankato and Saint Paul College.

The Human Resources Committee recommends that the Board of Trustees adopt the following Motion:

The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoint Dr. Edward Inch as President of Minnesota State University, Mankato effective July 1, 2021. 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.

Recommendations of a committee do not require a second. A roll call vote was conducted. The vote was as follows:

Trustee Alwal	Yes
Trustee Ajogun	Yes
Trustee Cirillo	Yes
Trustee Cowles	Yes
Trustee Erlandson	Yes
Trustee Janezich	Absent
Trustee Moe	Yes
Trustee Morillo	Yes

Trustee Nishimura	Yes
Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Tefer	Yes
Trustee Vekich	Yes

The board voted to approve the recommended motion.

The Human Resources Committee recommends that the Board of Trustees adopt the following Motion:

The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoints Dr. Deidra Peaslee as President of Saint Paul College, effective today, March 17, 2021, subject to 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.

Recommendations of a committee do not require a second. A roll call vote was conducted. The vote was as follows:

Trustee Alwal	Yes
Trustee Ajogun	Yes
Trustee Cirillo	Yes
Trustee Cowles	Yes
Trustee Erlandson	Yes
Trustee Janezich	Absent
Trustee Moe	Yes
Trustee Morillo	Yes
Trustee Nishimura	Yes
Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Tefer	Yes
Trustee Vekich	Yes

The board voted to approve the recommended motion.

Dr. Inch and Dr. Peaslee were introduced to make remarks. Chair Cowles expressed thanks to search committee chairs and members for their work.

Executive Committee, Jay Cowles, Chair

Chair Cowles reported that proposed amendments to Board Policy 1A.2 and three committee charter revisions were reviewed and approved at the March 3, 2021 Executive Committee meeting. Chair Cowles asked the board to suspend the rules requiring two readings to allow the proposed changes to be fully approved at today's meeting. Materials related to this item begins on page 232.

Trustee Cirillo made a motion to suspend the rules and Trustee Vekich seconded. Two-thirds approval is required. A roll call vote was conducted. The vote was as follows:

Trustee Alwal	Yes
Trustee Ajogun	Yes
Trustee Cirillo	Yes
Trustee Cowles	Yes
Trustee Erlandson	Yes
Trustee Janezich	Absent
Trustee Moe	Yes
Trustee Morillo	Yes
Trustee Nishimura	Yes
Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Tefer	Yes
Trustee Vekich	Yes

The board voted to suspend the rules.

Chair Cowles asked the board to consider the following two recommended board motions:

The Board of Trustees approves the proposed amendment to Board Policy 1A.2 Board of Trustees changing the name of the Human Resources Committee and changing the current ad hoc committee on Outreach and Engagement to a standing committee.

The Board of Trustees approves the revised charters for the Executive, Human Resources, and Outreach and Engagement Committees.

Trustee Vekich made a motion and Trustee Moe seconded. A roll call vote was conducted. The vote was as follows:

Trustee Alwal	Yes
Trustee Ajogun	Yes
Trustee Cirillo	Yes
Trustee Cowles	Yes
Trustee Erlandson	Yes

Trustee Janezich	Absent
Trustee Moe	Yes
Trustee Morillo	Yes
Trustee Nishimura	Yes
Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Tefer	Yes
Trustee Vekich	Yes

The board voted to approve the recommended motions.

The board also received reports from March meetings of the following committees:

- Committee of the Whole, Jay Cowles, Chair
- Academic and Student Affairs Committee, Cheryl Tefer, Chair
- Diversity, Equity, and Inclusion Committee, Rudy Rodriguez, Chair
- Finance Committee, Roger Moe, Chair

Student Associations and Bargaining Units

Student associations and bargaining units were invited to submit written remarks and were given the opportunity to address the board in person. Written remarks were provided by Students United, Minnesota State College Faculty, and Minnesota State University Association of Administrative and Service Faculty and have also been posted to the board website.

In person remarks were provided by Lead MN President Priscilla Mayowa; Students United State Chair Jonathan McNicholes, Vice Chair Emma Zellmer, and Treasurer Victor Ayemobuwa; Inter Faculty Organization President Brent Jeffers; and Minnesota State University Association of Administrative and Service Faculty President Tracy Rahim.

Trustee Reports

Trustee Rodriguez shared that the board's inclusive leadership plan is continuing with training sessions scheduled in March and April.

The next board meetings are scheduled for April 20-21, 2021.

Adjournment

Chair Cowles adjourned the meeting at 1:00 p.m.



**Executive Committee
Meeting Minutes
April 7, 2021**

A meeting of the Executive Committee of the Board of Trustees was held on April 7, 2021.

Committee members present: Jay Cowles, Chair; Roger Moe, Vice Chair; Alex Cirillo, Dawn Erlandson, April Nishimura, Cheryl Tefer, and Michael Vekich

Committee members absent: None

Other board members present: Asani Ajogun, Oballa Oballa, Rudy Rodriguez, Kathy Sheran

Staff present: Devinder Malhotra, Chancellor; Eric Davis, Vice Chancellor for Human Resources; Kari Campbell, Interim Board Director

The meeting materials for this meeting are available [here](#). An audio recording of the meeting is available [here](#).

Chair Cowles called the meeting to order at 8:00 a.m.

Chair's Updates

As we gather today, I'm aware that currently both our state Senate and House are working to pass their higher education funding bills. I anticipate a brief update from the Chancellor today in his remarks and eagerly await the final results of these efforts which are of utmost importance to the work of Minnesota State. I encourage trustees to stay tuned as well.

I would like to note that this month's board meetings will include a Committee of the Whole meeting during which we will receive an update on the NextGen project. This will be the first update on this project since the board approved the vendor contract and finance plan for NextGen in November and will serve as the first of regular quarterly updates on this critical work. I look forward to hearing about implementation progress.

We will also hear an update on the executive searches currently underway, with two of seven searches having been concluded. This is critical work for the system and I eagerly await an update and successful conclusion of all seven searches in the next couple months.

Following these items, Kari Campbell will be providing an update on the discussion at the March Executive Committee around improving our committee effectiveness through enhanced pre-meeting support and communication along with additional planned changes to board operations.

As a reminder: our next board and committee meetings are scheduled for April 20-21 in a Zoom format for both days.

Chancellor's Updates

Chair Cowles, Vice Chair Moe, and trustees,

My remarks are brief today as we near the home stretch of the year with about 6 weeks remaining of both the spring semester and the legislative session.

As we shared with trustees this week, the House and Senate higher education committees have introduced their respective bills. We are hopeful legislative leadership will be able to come to an agreement and negotiate all the bills during the regular session. From the updates we have shared with Trustees and campus leaders, when the 'send' button is hit, you can hear voices coming from all our campuses saying, "They did what!"

I have been reminded that there tends to be positioning before conference committees, and I can assure you that we will continue to make Minnesota State's case for the long-term financial stability at each of our campuses.

We are pleased that there are provisions in each bill that are aligned with Equity 2030 as it relates to food insecurity, zero-cost textbooks, student basic needs, and support for mental health initiatives. The main concern we have is the lack of ongoing base revenue, especially in the second year of the biennium, whether it be tuition or state appropriation.

In the coming weeks, I will be laser focused on the alignment of these proposals, as well as any legislative direction on how campuses are to use one-time federal funds, because we simply cannot utilize federal funds for ongoing obligations. That does not serve our students, campuses and the State of Minnesota well.

I am pleased that Governor Walz has remained steadfast in his support for our legislative request, and we know Commissioner Olson is committed to that agenda. There is also no question that Chair Tomassoni and Chair Bernardy care deeply about

our colleges and universities success, and I am optimistic about a reasonable outcome of the 2021 legislative session.

At last month's Executive Committee meeting, I shared that we were monitoring closely the pending third coronavirus relief package. A week later the American Rescue Plan Act (ARPA) was signed into law which provides our colleges and universities with funding to help to continue to respond to the effects of the coronavirus.

We are still waiting on the final, validated numbers from the feds but early estimates from some of the national associations estimate that our colleges and universities could receive up to \$328 million of which \$164 million is direct student aid.

As we have seen with the previous two rounds of federal funding once the spreadsheets are out, there remains a lot of questions in the details. We have worked actively with our national association partners to continue to get clarity on the CRRSAA institutional funding and we are hopeful that the questions that remain regarding the use of institutional funding and clearly guidance on the student portion will be received in the ARPA guidance when it is released.

Agenda Item 4: Executive search update

Chair Cowles invited Vice Chancellor Davis to provide an update on ongoing executive searches which include five presidential searches and two vice chancellor searches.

This being an informational item, there was no vote taken.

Agenda Item 5: Update on committee effectiveness work & board processes

Chair Cowles invited Board Director Campbell to present an update on efforts to improve committee effectiveness through better pre-meeting support and communication. Board Director Campbell reviewed activities since the March Executive Committee meeting and short-term and long-term action steps.

This being an informational item, there was no vote taken.

Adjournment

The committee chair adjourned the meeting at 8:55 a.m.



Committee of the Whole
Meeting Minutes
April 20, 2021

A meeting of the Committee of the Whole of the Board of Trustees was held on April 20, 2021.

Trustees present: Jay Cowles, Chair; Roger Moe, Vice Chair; Ahmitara Alwal, Asani Ajogun, Alex Cirillo, Dawn Erlandson, Jerry Janezich, Javier Morillo, April Nishimura, Oballa Oballa, Rudy Rodriguez, Kathy Sheran, George Soule, Cheryl Tefer, and Michael Vekich

Trustees absent: None

Staff present: Devinder Malhotra, Chancellor; Bill Maki, Vice Chancellor for Finance and Facilities; Eric Davis, Vice Chancellor for Human Resources

The meeting materials for this meeting are available [here](#), starting on page 58. An audio recording of the meeting is available [here](#).

Chair Cowles called the meeting to order at 10:43 a.m.

Chair Cowles' Remarks

As I shared with trustees in the memo that accompanied this month's meeting materials, this morning's presentation will be the first update on the NextGen project since the board approved the vendor contract and finance plan in November and will serve as the first of regular quarterly updates on this critical work. Constituents across our system have now shifted to the hard work of implementation and I sincerely thank everyone involved for their diligent efforts. I look forward to hearing about implementation progress and to an opportunity for questions and discussions.

Chancellor's Remarks

Chair Cowles, Vice Chair Moe, trustees.

Before I turn the presentation over to Vice Chancellor Maki, I want to share my debt of gratitude to all those who have been working on the initial implementation efforts. That includes in-house project teams, Workday and Deloitte, as well as our third-party vendors. BakerTilly, and Finance and HR project teams. As we have shared in previous presentations, the scale and efforts of this project is unlike anything the system has

undertaken in its history. And so given the complexity, additional effort and attention is needed.

From the moment the contract was signed in December, the internal project team has been working diligently to put in place an implementation structure that was created with help from our new partners at WorkDay and Deloitte. From all accounts, the preparation for implementation are going well. I'm also heartening to see that attention is being paid to all the efforts which involve change management and involving all the stakeholders from across our colleges and universities. The focus of the teams' efforts has been:

- Establishing the Finance and Human Resource Teams drawn from experts from our colleges and universities as well as from the system office
- Creating communication channels both systemwide and at the campus level, and
- Defining and establishment of roles and mutual responsibility both at the campus and system level.

Chair Cowles invited Vice Chancellors Maki and Davis to provide an update on the NextGen project. The presentation slide deck for the presentation can be found starting on page 61 of the meeting materials.

Vice Chancellors Maki and Davis reviewed the following:

- Most recent Phase 2 status report
- Cadence of continued status updates
- Implementation timeline
- Organizational change management framework
- Project governance
- Implementation team overview
- Quality management and delivery assurance

Adjournment

Chair Cowles adjourned the meeting at 11:45 a.m.



**Board of Trustees
Meeting Minutes
April 21, 2021**

A meeting of the Board of Trustees was held on April 21, 2021.

Trustees present: Jay Cowles, Chair; Roger Moe, Vice Chair; Ahmitara Alwal, Asani Ajogun, Alex Cirillo, Dawn Erlandson, Jerry Janezich, April Nishimura, Oballa Oballa, Rudy Rodriguez, Kathy Sheran, George Soule, Cheryl Tefer, and Michael Vekich

Trustees absent: Javier Morillo

Staff present: Devinder Malhotra, Chancellor

The meeting materials for this meeting are available [here](#), starting on page 87. An audio recording of the meeting is available [here](#).

Chair Cowles called the meeting to order at 10:15 a.m.

Chancellor's Report, Devinder Malhotra

Today, I would like to provide brief updates on two-time sensitive topics before I move to the conversations that are weighing heavily on all of our minds.

Legislative Update

Yesterday, Vice Chancellor Maki provided a thorough State and Federal update to the Finance Committee. On the state level, we look forward to continuing to work with committee chairs Tomassoni and Bernardy as the higher education conference committee begins their deliberations.

We continue to have a strong partner in the Governor and Lt. Governor's office and deeply appreciate the partnership and advocacy of Commissioner Olson.

The strength of our system comes from our 54 campuses located throughout the state. Our president's leadership and the advocacy from our bargaining unit and student association leadership is critical to helping legislators understand the local impact of decisions made at the state level.

We will continue to update the board over the next four weeks as the legislative process draws to an end.

Executive Searches

Later in our meeting, the board will consider the final three presidential appointments for this year. That will bring to culmination five presidential searches. I want to express my thanks to all those who have been involved in these searches – our search firm consultants, the search advisory committee members, and the students, faculty, and staff who have participated in the finalist interviews.

My deep appreciation to those who support the logistics of our searches. This is a year-long engagement and it requires constant communication between the campus and the system office. Thank you to Vice Chancellor Davis, Associate Vice Chancellor Appelquist, Pa Yang, and Renee Hogoboom (who has also failed at retirement and shared her expertise with us this year).

We have two additional searches in process: the vice chancellor for equity and inclusion and the vice chancellor for information technology.

Both are proceeding with the search advisory committees actively involved in the screening of applicants and conducting semi-finalist interviews.

As was shared at the board's Executive Committee in April, the search advisory committee reviewed the applicant pool as it relates to the vice chancellor for equity and inclusion position and identified some very strong candidates to pursue and interview. However, there were concerns regarding the depth of the pool and made the decision to continue advertising to provide us with the needed depth.

When the finalists are identified for both searches, there will be opportunities for all Minnesota State stakeholders to participate in open candidate forums. That information will be shared in the coming weeks. I anticipate bringing my recommendation forward for both vice chancellor positions to the board's June meeting.

Equity 2030

Chair Cowles and trustees – I also want to address another matter. You all received a letter from leaders of our faculty bargaining units and student associations regarding the implementation of Equity 2030 and the follow-up to the Chancellor's Fellows reports submitted last June.

At the outset, let me state that I share their urgency and sense of immediacy of the work. I am thrilled that this work is up front and center in their strategic advice and counsel to me. For that I am grateful to all of them. I met with the group on Monday and we had a candid and far reaching conversation. They shared with me the letter you all received.

Although I have been meeting with each member of the coalition separately and other leaders of the system have also been meeting with weekly and bi-weekly during the course of the last year. But this is the first time we all have met together to discuss areas of mutual concern. As I said earlier, we had a great conversation in a true sense of mutual accountability and shared responsibility for the accomplishment of Equity 2030 goals.

Two important take a-ways from the conversation were:

- a. The need for putting in place monitoring and accountability framework at all levels and
- b. The need to incorporate student voices and each and every stage of our strategic work.

I welcome their partnership in both endeavors.

As we all know Equity 2030 work is very hard and complex. Its incorporation into our operational structures needs to proceed simultaneously both at the college and university level and at the system level. The work that needs to be done is across all areas of our organization and it can be very overwhelming of where to start and to focus.

That is why in my workplan I laid out the initial activities where, at the system level, we would focus our energies and efforts for this year. The activities are focused on the foundational work and the infrastructure that is needed at the campus and system level.

As I shared with the group on Monday, an example of this needed work, is the first iteration of the Equity Scorecard, which the board saw at last month's meeting which will go live this summer. This will enable us to have a common view all across our system so we can see and measure where we are going and the progress that will be made over the long-term.

In the midst of a very complicated year, our presidents are engaging their internal stakeholders all the time around Equity 2030, and I commend them for taking on the difficult conversations and necessary hard work underlying Equity 2030.

At the system level over the last two years, in addition to our efforts to support our campuses during the pandemic, we have been focused on strengthening the infrastructure to facilitate and coordinate the Equity 2030 work systemwide to augment the capacity to do the work.

I hired in January 2020, four Chancellor's Fellows. They became part of the team at the system level charged with building an information set that would help us understand the scope and size of the problem and to help inform our work going forward. Dr. Jeff

Ueland has continued in his fellow's role to provide all of our campuses the needed ability to examine deeper the student data and metrics. This information is critical to be able to engage faculty and staff across our institutions as they examine and better understand the equity gaps that persist. I am pleased that that work is progressing and beginning to roll out to campuses this spring.

An internal group led by Teri Hinds, Senior System Director of Strategic Initiatives, who joined us in February 2020, has engaged system office staff, coordinating the work across the system office divisions and units. This team have been vetting the fellow's reports to better understand what work is currently underway either at the campus and/or system level, the level of maturation of that work, existing or perceived barriers, and the appropriate system level support, if needed. This work will help us as we advance on our Equity 2030 goal.

As we have discussed, the strength of our system is the local context in which our 37 colleges and universities educate and train students. The needs of the students and the gaps that persist differ across our system. Thus, the need for individualized and customized approaches to help our students persist and ultimately succeed.

Our focus at the system level is creating an infrastructure and framework that will increase the effectiveness and the impact of the work at the college and university level.

In conclusion, as I told the leaders on Monday evening, I am committed to working with them in deepening and enhancing our partnership and developing a shared responsibility in for our colleges and universities to do the needed work to close the equity gaps.

Chair's Report, Jay Cowles

Good morning and welcome everyone. Trustees, it is a deeply troubling and challenging time. We are heartbroken by the tragic death of Daunte Wright. My thoughts are with his family and his community. As Minnesotans, we feel the impact of this traumatic event, the latest in a string of Black men dying in our state at the hands of law enforcement - Daunte, George Floyd, Jamar Clark, Philando Castile. They should all be with us today.

The verdicts yesterday in the trial of ex-Minneapolis Police Department officer Derek Chauvin have provided a moment of resolution, but cannot be mistaken for systemic change. The trauma in our community, especially in our Black community, remains far too present. There is profound grief, pain, and outrage.

There are no words that will bring comfort or resolution at this moment. I ask if we could join together for a collective moment of silence to honor Daunte and the tragic loss of others. This can take the form of reflection, mediation, or prayer - whatever resonates and feels right to you. Let us take a minute. Thank you.

We recognize that we all have different ways of processing - some may want to talk about how they are feeling, others process privately. Many of our colleagues, faculty, staff, and students are exhausted. As a Minnesota State community, we must support each other. Thank you to our presidents and campus leaders for all your tireless efforts in helping to provide mental health resources and support. And thank you to all of the faculty, staff, and students who have offered personal support and kindness to your peers and colleagues.

In our collective work within public higher education, we know what we need to do to help move our state forward: We must advance and support the work already underway on law enforcement education reform and we must confront and eradicate systemic racism across our campuses. Equity 2030 is our organizing principle. It provides an equity lens to all our operational structures, to all our work, policies and procedures, as we strive in creating an inclusive and anti-racist organizational ethos.

I would be remiss not to acknowledge the passing of Walter Mondale who Minnesotans have been fortunate to call our attorney general, senator, and vice president. He spent a lifetime dedicated to public service and served with integrity and values rooted in social and economic justice and fairness.

To lead transformational change, we must have leaders to guide this work. So, with our eyes on the future, I would like to segue into a couple of exciting board meeting agenda items before us.

Shortly, we will be appointing three new presidents - to the Northeast Higher Education District, Northland Community and Technical College, and Minnesota State College Southeast. After this meeting, we will attend the Board of Trustees Awards for Excellence program. While it is the 14th annual ceremony to honor and celebrate the tremendous work and dedication of our faculty, this will be our first virtual celebration. Last April we had to cancel the event due to COVID-19 so I am especially looking forward to this event to celebrate the exceptional work of our faculty, especially with the difficult challenges of the past year.

Consent Agenda

Chair Cowles asked if anyone wanted to remove an item from the Consent Agenda. No items were removed.

Trustee Vekich made the motion and Trustee Moe seconded. A roll call vote was conducted. The vote was as follows:

Trustee Alwal	Yes
Trustee Ajogun	Yes
Trustee Cirillo	Yes

Trustee Cowles	Yes
Trustee Erlandson	Yes
Trustee Janezich	Yes
Trustee Moe	Yes
Trustee Morillo	Absent
Trustee Nishimura	Yes
Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Tefer	Yes
Trustee Vekich	Yes

The board voted and approved the Consent Agenda, as follows:

Consent Agenda

1. Contracts Exceeding \$1 million:

- a. Ex Libris Alma Contract Extension for PALS Library Consortium, Minnesota State University, Mankato**
- b. Student Internet and Cable Services for Minnesota State University Moorhead**
- c. Bookstore Income Contract Extension for St. Cloud State University**
- d. Classroom Event Management Software Contract Extension, System Office**
- e. Clifton Larson Allen Contract Amendment, System Office**

Board Standing Committee Reports

Workforce and Organizational Effectiveness Committee, Michael Vekich, Chair

Committee Chair Vekich reported that the committee approved recommendations for presidential appointments for Northeast Higher Education District, Northland Community and Technical College, and Minnesota State College Southeast.

The Workforce Organizational Effectiveness Committee recommends the Board of Trustees adopt the following motion:

The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoints Dr. Michael Raich as President of Northeast Higher Education District, effective April 21, 2021, 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 Workforce Organizational Effectiveness 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.

Recommendations of a committee do not require a second. A roll call vote was conducted. The vote was as follows:

Trustee Alwal	Yes
Trustee Ajogun	Yes
Trustee Cirillo	Yes
Trustee Cowles	Yes
Trustee Erlandson	Yes
Trustee Janezich	Yes
Trustee Moe	Yes
Trustee Morillo	Absent
Trustee Nishimura	Yes
Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Tefer	Yes
Trustee Vekich	Yes

The board voted to approve the recommended motion. Dr. Raich was introduced to make remarks.

The Workforce Organizational Effectiveness Committee recommended the Board of Trustees adopt the following motion:

The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoints Dr. Sandra Kiddoo as President of Northland Community and Technical College, effective July 1, 2021, 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 Workforce Organizational Effectiveness 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.

Recommendations of a committee do not require a second. A roll call vote was conducted. The vote was as follows:

Trustee Alwal	Yes
Trustee Ajogun	Yes
Trustee Cirillo	Yes
Trustee Cowles	Yes
Trustee Erlandson	Yes
Trustee Janezich	Yes
Trustee Moe	Yes

Trustee Morillo	Absent
Trustee Nishimura	Yes
Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Tefer	Yes
Trustee Vekich	Yes

The board voted to approve the recommended motion. Dr. Kiddoo was introduced to make remarks.

The Workforce Organizational Effectiveness Committee recommended the Board of Trustees adopt the following motion:

The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoints Dr. Marsha Danielson as President of Minnesota State College Southeast, effective July 1, 2021, 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 Workforce Organizational Effectiveness 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.

Recommendations of a committee do not require a second. A roll call vote was conducted. The vote was as follows:

Trustee Alwal	Yes
Trustee Ajogun	Yes
Trustee Cirillo	Yes
Trustee Cowles	Yes
Trustee Erlandson	Yes
Trustee Janezich	Yes
Trustee Moe	Yes
Trustee Morillo	Absent
Trustee Nishimura	Yes
Trustee Oballa	Yes
Trustee Rodriguez	Yes
Trustee Sheran	Yes
Trustee Soule	Yes
Trustee Tefer	Yes
Trustee Vekich	Yes

The board voted to approve the recommended motion. Dr. Danielson was introduced to make remarks.

The board also received reports from April meetings of the following committees:

- Committee of the Whole, Jay Cowles, Chair
- Audit Committee, George Soule, Chair
- Finance Committee, Roger Moe, Chair

Student Associations and Bargaining Units

Student associations and bargaining units were invited to submit written remarks and were given the opportunity to address the board in person. A joint statement was received from the following groups: LeadMN, Students United, Inter Faculty Organization, Minnesota State College Faculty, Minnesota State University Association of Administrative and Service Faculty, and Indigenous Men and Men of Color Caucus. This statement was distributed to trustees prior to the meeting and has been posted to the board website.

In person remarks were provided by Lead MN President Priscilla Mayowa; Students United State Chair Jonathan McNicholes, Vice Chair Emma Zellmer, and Treasurer Victor Ayemobuwa; Inter Faculty Organization President Brent Jeffers; Minnesota State College Faculty President Matt Williams; and Minnesota State University Association of Administrative and Service Faculty President Tracy Rahim.

Trustee Reports

Chair Cowles commented that despite the lack of in-person commencement events which trustees attend, the board still celebrates the accomplishments of graduating students across the system.

The next board meetings are scheduled for May 18-19, 2021.

Adjournment

Chair Cowles adjourned the meeting at 11:35 a.m.



**Executive Committee
Meeting Minutes
May 5, 2021**

A meeting of the Executive Committee of the Board of Trustees was held on May 5, 2021.

Committee members present: Jay Cowles, Chair; Roger Moe, Vice Chair; Alex Cirillo, Dawn Erlandson, April Nishimura, Cheryl Tefer, and Michael Vekich

Committee members absent: None

Other board members present: Asani Ajogun

Staff present: Devinder Malhotra, Chancellor; Kari Campbell, Interim Board Director

An audio recording of the meeting is available [here](#).

Chair Cowles called the meeting to order at 8:02 a.m.

Chair's Update

As we gather today, once again in a virtual format, I want to make committee members and other trustees aware that I've started discussions with Kari about what a potential return to in-person meetings could look like as we start a new fiscal year in July. To that end, Kari will be working on development of a transition plan and related scenarios for review and discussion at the June Executive Committee meeting. Today's agenda includes a first reading of a revised meeting calendar for next fiscal year and a proposed calendar for FY2023 so I encourage committee members to share their thoughts about transition back to in-person meetings to aid the development of a transition plan.

Today's agenda also includes review of the FY2022 Board Operating Budget. Kari will walk us through the specifics of what is proposed for next fiscal year. I would like to make mention of one specific item, which is the annual subscription cost of the Passageways OnBoard software which is our online board management portal. This will be the third year that the board is being asked to invest in this resource. The benefits of the OnBoard portal are many: a one-stop site for all information related to the board including meeting materials, calendars, communications and other resources, all accessible via browser from any device. This resource has the potential to make board operations more efficient and allow trustees more timely and convenient access to

information and resources. The original implementation plan was for the portal to be fully utilized by March 2020 but we unfortunately have not achieved this goal. Board Office staff remain at the ready to provide support to trustees in accessing and using the portal and I encourage trustees to take advantage of this support so that as a board we are appropriately leveraging our investment in this resource. I'll also be asking Kari to schedule training sessions in the coming months to offer additional opportunities for trustees to learn how to navigate and utilize the board portal.

As a reminder: our next board and committee meetings are scheduled for May 18-19 in a Zoom format for both days.

Chancellor's Updates

Chair Cowles, Vice Chair Moe, members of the committee, other trustees,

We're now at the two-week mark until the legislative session ends. The Higher Education Conference committee has met a few times and just yesterday, Vice Chancellor Maki had the opportunity to address the committee. He was joined by other Minnesota State stakeholders too. Yesterday Bill again shared our position on many elements in the current House and Senate versions of the bill, including the financial concerns of cutting and freezing ongoing tuition revenue with the mistaken impression that one-time federal dollars can substitute for the loss of tuition revenue. We stressed our shared belief that tuition should be set by this Board of Trustees, which is the responsibility prescribed for all of you in the statute. We know that legislators, along with me, our presidents and senior leaders, and this board share in the commitment to college affordability of our students and that is first and foremost in all of our minds.

As we shared during the April finance committee meeting, Vice Chancellor Maki again yesterday to the committee reinforced the federal guidelines, which has shaped how the first two rounds of federal stimulus funds, which included both student and institutional aid, has been used. And I think the emphasis here is has been used. The first two rounds of those funds have already been expanded. They are not there to be available for another purpose. As we shared before, we simply have not yet received the guidance or the funding from the Department of Education on the higher education portion of the American Recovery Plan, the third stimulus package passed by the Congress. If their guidance is consistent with the first two bills, we do not believe supplanting tuition dollars would be allowable under their guidance. Joint targets have not yet been released although we hear that the news is forthcoming, perhaps as early as the end of this week. Then Committee negotiations will move into the next phase of the work. There has been talk already about if the legislature is not able to finalize the state budget that they could possibly pass a "lights on" bill that would continue to provide spending at the current levels, but no new money would be provided or, worse, could lead to a shutdown. I want to reassure the board that if a shutdown were to occur, Minnesota State has the ability to continue our operations based on language

added in the statute in 2012 to keep our campuses open and to continue to serve our students.

I want to thank Chair Cowles and Vice Chair Moe for your engagement over the past few weeks, as we have met with the leaders of the legislature to reinforce the needs of our 54 campuses, our students, and the work of our faculty and staff. In my conversations with Chair Tomassoni and Chair Bernardy, I know they are committed to continuing to be the best stewards for higher education. They understand and value the work of our colleges and universities and the value we bring to the state of Minnesota. We hope to bring you good news to a successful end of the session when the board meets this month, just days after the legislature adjourns.

I also want to update you with regard to executive searches. Last month, we brought to culmination our five presidential searches. I've begun meeting with them as they begin their transitions to their new roles. The next month continues the busy search schedule with the announcement this week of the finalists for both the Vice Chancellor for equity and inclusion and the Vice Chancellor for Information Technology. For both Vice Chancellor searches, finalists will experience a very full day meeting by Zoom, a variety of Minnesota State's stakeholders. Each candidate will meet with myself, a panel of trustees, presidents, their respective campus colleagues, cabinet, system office division leadership, and new this year, a forum just for students. In addition, we will convene an open forum for each candidate that is available to anybody within the Minnesota State community and beyond. Everyone who attend the session will have an opportunity to provide feedback. I take this feedback very seriously and it informs my own deliberations in a very fundamental way. I look forward to bringing forth my recommendations to the board's June meeting. Once finalists are named, we will share that information with trustees in addition to the open forum schedule.

I also want to provide you with an update that we are at an inflection point in our response to the pandemic. Up to this point, we were focused on two major goals: to continue to provide safety protocols which are consistent for the safety of our students, faculty and staff; and for colleges and universities to stay open to provide our students the ability to continue on their educational journey. But now with vaccinations taking hold and looking forward to gradual lifting of the restrictions by the governor, the Minnesota Department of Health, CDC, we are appropriately in real time working with our colleges and universities and communicating to them revised guidelines and framework to respond to the changing and evolving information as it becomes available. In that context, both at the system office and at colleges and universities, we are actively working on developing plans and strategies to return to workplace. As you can all appreciate, that will be gradual, thoughtful, and deliberate. We hope that by the time fall semester starts, we have the necessary complement of faculty and staff for the additional activities which will occur on our campuses with response to students coming back to campus in a much higher complement of in-person classes than there was last fall and this spring.

Agenda Item 4: Revised FY2022 and Proposed FY2023 Meeting Calendar (First Reading)

Chair Cowles invited Interim Board Director Campbell to present a first reading of the revised FY2022 and proposed FY2023 meeting calendar. The meeting materials for this can be found [here](#).

This being the first reading of the item, there was no vote taken.

Agenda Item 5: Proposed FY2022 Board Operating Budget

Chair Cowles invited Interim Board Director Campbell to present the proposed FY2022 board operating budget. The meeting materials for this can be found [here](#). Vice Chair Moe also provided comments.

Chair Cowles asked committee members to consider the following recommended committee motion:

The Executive Committee approves the FY2022 Board Operating Budget of \$189,000 and refers it to the Finance Committee to be included in the overall FY2022 budget that will be presented to the Board of Trustees for a first reading in May and second reading and approval in June.

Trustee Moe made the motion and Trustee Cirillo seconded. A roll call vote was conducted. The vote was as follows:

Trustee Cirillo	Yes
Trustee Cowles	Yes
Trustee Erlandson	Yes
Trustee Moe	Yes
Trustee Nishimura	Yes
Trustee Tefer	Yes
Trustee Vekich	Absent

The committee voted to approve the recommended motion.

Adjournment

The committee chair adjourned the meeting at 8:47 a.m.



**Consent Agenda
May 19, 2021
1:30 p.m.
Virtual Meeting**

Consent Agenda

- 1. Minutes of the Committee of the Whole Meeting, March 16, 2021**
- 2. Minutes of the Board of Trustees Meeting, March 17, 2021**
- 3. Minutes of the Executive Committee Meeting, April 7, 2021**
- 4. Minutes of the Committee of the Whole Meeting, April 20, 2021**
- 5. Minutes of the Board of Trustees Meeting, April 21, 2021**
- 6. Minutes of the Executive Committee Meeting, May 5, 2021**
- 7. Mission Statement Change - Dakota County Technical College**
- 8. Mission Statement Change - Inver Hills Community College**
- 9. Contracts Requiring Board Approval:**
 - a. D2L Learning Management System Master Contract Extension, System Office**
 - b. Online Program Manager Academic Partnership, St. Cloud State University**
 - c. Classroom Technology Refresh Project, Century College**
 - d. Private Study/Video Conferencing Booths, Minnesota State University, Mankato**
 - e. CollegeSource – New Master Contract for Transfer Evaluation System, System Office**
 - f. MNIT Inter-Agency Agreement, System Office**
- 10. Surplus Property Designation: Alexandria Technical and Community College**
- 11. Proposed Amendment to Board Policy 7.1 Finance and Administrative Authority of Board, Chancellor, and Presidents (2nd Reading)**
- 12. Proposed Amendment to Board Policy 7.5 Financial Institutions and Investments (2nd Reading)**

Bolded items indicate action is required.

