

Minnesota State Colleges and Universities
Board of Trustees Meeting Minutes
October 18, 2017

Present: Chair Michael Vekich, Vice Chair Dawn Erlandson, Treasurer Jay Cowles, and Trustees Basil Ajuo, Ann Anaya, Amanda Fredlund, Bob Hoffman, Jerry Janezich, Roger Moe, George Soule, Louise Sundin, Cheryl Tefer, and Interim Chancellor Devinder Malhotra

Absent: Trustee Alex Cirillo and Rudy Rodriguez

Call to Order

Chair Michael Vekich called the meeting to order at 1:58 pm, and acknowledged Trustee Dawn Erlandson who was participating by telephone. He also welcomed Interim Chancellor Devinder Malhotra.

Update on Chancellor Search

Mark Carlson, Vice Chancellor for Human Resources, reported that the search firm for the chancellor search is Wheless Partners. The search committee roster, timeline, and other information is available on the system's website. Trustees will have an opportunity to interview the finalists during the system office interviews. Chair Vekich explained that there is no specific deadline so that the committee has plenty of time to bring forward the right candidates.

Chair's Report

Chair Vekich announced that the Board of Trustees meeting on November 14 and 15, 2017, will be at Southwest Minnesota State University. He thanked President Connie Gores for hosting the meeting.

Chair Vekich reported that he and Vice Chair Dawn Erlandson, Interim Chancellor Devinder Malhotra, Chief of Staff Jaime Simonsen, and Director of Military Veterans and Adult Learner Services Gina Sobania were in Washington, D.C. on October 4- 6, 2017. The group met with Minnesota's Congressional Delegation, the secretary of Veteran Affairs, national higher education organizations such as the Association of Governing Boards of Universities and Colleges, the American Association of State Colleges and Universities, the Association of Community College Trustees, the Chronicle of Higher Education, and Inside Higher Education. The meetings were very successful.

Interim Chancellor Malhotra's Report

"Chair Vekich, Vice Chair Erlandson, and members of the board: my report today builds on the discussions we had at the board retreat and my discussions with Leadership Council at their retreat. The most important outcome of these discussions is the affirmation regarding the three organizing principles that have guided our work and will continue to guide us this year:

- the success of our students;
- our commitment to diversity, equity, and inclusion; and

- the financial sustainability of our colleges and universities.

These principles reflect the priorities for the entire system and it was clear to me that, as a board, you want us to continually heighten the focus on them.

As we operationalize our priorities, we will primarily be focused on foundational and capacity-building work. In other words, as an organization, as colleges and universities, we will try to answer the question *Do we have the wherewithal and the capacity to do all that we are being asked to do?* If not, what are the capacity gaps and what is the foundational work that must be done at the system level and at the institutional level?

I want to reiterate that I am not proposing that we halt the strategic work while we drill down on the foundational and capacity-building work this year. Not at all. Indeed, operationalizing our three priorities means we need to bring to a logical conclusion many of the systemwide initiatives that are in play.

The operational counterparts to the three priorities are:

- aligning ourselves to the changing needs of all learners, particularly new learners;
- aligning ourselves to new demographics and the workforce needed for the knowledge-based economy; and
- aligning ourselves to new budget realities.

With regard to our alignment to the changing needs of all learners, particularly new learners, the fundamental question is *How do we transform what we do in light of both how today's students learn but also who they are.*

Our classrooms are becoming more diverse, with new learners accessing higher education from communities that have traditionally had low participation rates in higher education. It is also important that we meet students where they are, and that we ease their mobility across institutions as they pursue their academic and career goals.

Let me give you a few examples of how we're doing this:

- First – Our work on Transfer Pathways is well underway, and we will make good progress on the fulfillment of the plan.
- Second – Also well underway is the Twin Cities Baccalaureate. That work has represented a long and aspirational road, and this is the year when, with leadership from our presidents, we will put structures into place to provide the right opportunities to students, with the simultaneous goal in this phase of the work being the expansion of baccalaureate programs across the state.
- Third – Leadership Council's engagement in fulfilling a promise our presidents have discussed, namely our promise of student success by exploring and adopting best practices around student retention.

- As a final example of our work on this priority, I want to congratulate the five Minnesota State colleges that were recently included among 150 community colleges nationwide eligible for the Aspen Institute's Prize for Excellence in improving student success:
 - Alexandria Technical and Community College;
 - Anoka-Ramsey Community College;
 - Itasca Community College;
 - Minnesota State Community and Technical College; and
 - Minnesota West Community and Technical College.

You may recall that Anoka-Ramsey Community College was among 10 finalists for the 2017 prize. I want to congratulate all five colleges and thank them for their incredible work to ensure the success of our students.

Let me turn now to aligning ourselves to new demographics. This priority sharpens our focus on serving all Minnesotans and making good on our commitment to being the partner of choice in solving Minnesota's workforce challenge. Therefore, we must engage with underrepresented groups and embed ourselves in their communities. We should not only be learning about these communities, we should be learning with them and from them.

Two examples of this:

- First – As you know, the search for a new chief diversity officer has brought us Dr. Clyde Pickett, who started just two days ago and is not at today's board meeting because he is attending the joint meeting of ASA and Diversity leaders from across the system.
- Second – With Dr. Pickett's leadership, we – and by "we" I mean students, faculty, and staff – will together develop an overarching vision for diversity, equity, and inclusion, the foundation of which is the work already underway on the campuses through the implementation of their diversity plans.

The second aspect to this priority is aligning ourselves to the workforce needed for the knowledge-based economy. I believe this is the ideal place to discuss an additional operational priority – New Workforce. This operationalizes the priority in our Strategic Framework to be the partner of choice to make sure Minnesota's businesses and industries can have the talented workforce they need so that, in turn, communities across the state can thrive.

Before I provide you with a few examples, let me share a few weeks ago, Chair Vekich, Vice Chair Erlandson, our Director of Veterans and Military Services, Gina Sobania, and I had the opportunity to meet with the members of our congressional delegation in Washington, D.C. Let me assure you that there was not one member or office that we visited that didn't have Minnesota's workforce needs at the top of their list. We were able to share campus examples of partnerships and how we continually strive to align our programs with the future workforce needs to strengthen the knowledge-based economy of Minnesota.

Let me give you two examples of this:

- First – Just this month we kicked off the pilot year for the new Workforce Development Scholarship, which the Legislature created through a \$1 million appropriation. The program funds 400 scholarships of \$2,500 each and is designed to encourage students coming out of high school to enroll in programs that prepare them for high-growth, high-demand careers. The program also gives our colleges an opportunity to partner with businesses and local chambers to match funding. For instance, Pine Technical and Community College is using the scholarship to attract \$1,000 matches from the communities where Pine students come from. \$3,500 can mean a student can cover more than half a year's tuition and fees.
- My second example is something that occurred just last week. Along with University of Minnesota President Eric Kaler and Minnesota Private College Council Board Chair Mary Dana Hinton, I co-signed a joint letter of support to Amazon, which is planning to build a new corporate campus in North America. Since Amazon is prioritizing access to a highly educated workforce that can support the company's immediate and longer term hiring needs, we contributed information about our high quality programs and the partnerships we have forged with employers to ensure that we meet the talent and innovation needs of Minnesota businesses.

I assure you, we will be at the table to shape the workforce agenda. And we will make sure that Minnesota has the workforce for today's knowledge-based economy.

The final priority is financial sustainability, whose operational counterpart is our alignment to new budget realities. In an environment where we must constantly reprioritize and reallocate, we need to stop doing things that do not support our priorities and focus on those that do. Two examples:

- First – Our work in Long Term Financial Sustainability: as you heard in the strategy roadmap review presented at the Finance and Facilities Committee earlier today. Our systemwide work has strengthened the foundation of our organization, but as we move to the operational level, the work lies at the colleges and universities. Sustainability is really a college and university imperative.
- Second, and related, is the question of how the system can help augment and provide expertise in order to build capacity on our campuses. An example of this is building campus capacity for business analytics and data predictive analytics, which we know can help us make better decisions.

Recent Leadership Council meetings have provided me with a couple of eureka moments about the critical role that *enterprise leadership* and *innovation* will play in how we adapt to new learners, new demographics, new workforce, and new budget realities.

The irony is that leadership at the enterprise level is critical to managing the tension between the quasi autonomy of our colleges and universities and enterprise work. I do not see any conflict. In fact, I consider them to be inextricably linked, one supporting the other. But, before I jump into that, I'd like to say a few things about enterprise leadership in general.

As you know, enterprise leadership is any leadership that individuals in an organization

demonstrate outside their own institution at the aggregate and collective level in pursuit of our collective, overarching mission and goals. Enterprise leaders serve the needs of the entire enterprise as they advance, including the individual units they lead. Enterprise leadership manifests itself at various levels of the organization: at the institutional level, at the sub-regional or regional level where a few institutions are working together, and at the systemwide level.

For our colleges and universities, that means individuals serving the needs of the entire system as they advance and advocate for their campuses. Minnesota State's enterprise leaders can deliver integrated solutions that come from colleges and universities working together seamlessly, which in turn produces better results not only for the system as a whole but also for their institutions.

Our discussions at our two retreats provided some clarity on the nature of enterprise leadership in our system:

- First, enterprise work isn't just systemwide work. When several institutions partner to pursue some joint objective that is beneficial to all of the partners, that is enterprise work as well.
- Second, we often think of our college and university presidents as our enterprise leaders, but colleagues at every level throughout the system are engaged in enterprise issues: the chief human resource officers recently held their conference and discussed a number of enterprise topics, including HR-TSM; and just the other day, I spoke at the conference for Academic and Student Affairs staff and Diversity staff, where they were engaged in cross-institution dialogue about our key priorities and enterprise work such as transfer and credit for prior learning. As I told conference attendees, I believe we need to rethink our profession. The pace of change requires us to reflect on the way we lead.
- Third, I am grateful to our presidents for their leadership at both the campus level and enterprise level. What I have appreciated most is that they anchor their enterprise leadership in their passion for and advocacy of their college or university and students. They recognize that by playing a role at the enterprise level, they bring greater opportunities and capacities to their institutions to do their work in an even more effective way.

I believe that it is through enterprise leadership and enterprise work that we will truly become a system. Once we all collectively take joint ownership of all our students, no matter which college or university they currently attend, then we will be the system our students need us to be.

We need to be bold and courageous and create an ethos that assumes the additional risk of encouraging entrepreneurial activities and creating an innovative landscape of learning for our students.

Innovation occurs when leaders facilitate the spawning of new ideas. Innovation flourishes in

an environment where leaders are less focused on the hierarchy of structures and more on consultation and transparent communication across the organization. I reiterate that, as we become more entrepreneurial and as our work becomes more creative and innovative, we will have to assume calculated risks.

As we discussed earlier this morning during the Audit Committee. There is inherent risk in all of our work. But that should not stop us from taking those risks – instead it is critical that we are identifying and understanding the those potential risks. The framework established in our Enterprise Risk Management plan is imbedded in our planning, implementation, and the evaluation of our work.

An example of organizational innovation is the implementation of the Comprehensive Workplace Solutions plan led by Interim Director Trent Janezich. Earlier this month, I wrote to the board about the appointment of leadership for a very important innovation – Comprehensive Workplace Solutions. The charge for Interim Director Trent Janezich is to execute the CWS strategic plan, which seeks to build capacity among our colleges and universities to expand our offerings to businesses to better meet the needs of their incumbent workers; and also to more deeply explore the interface between continuing education and customized training, on the one hand, and our academic program offerings on the other.

The CWS innovation is in trying to find organizational structures that allows us to pool the portfolio of expertise that exists on all our campuses and offer them across Minnesota and the entire upper Midwest region.

Let me close with this thought: If all we do is defend the status quo in how we meet our commitments to Minnesota; and if we measure our success at financial sustainability only by our success in balancing our budgets so we can live within our current resource constraints, then we are defining our colleges and universities by their constraints and not by their innate potential and promise.

But if we define our colleges and universities by their innate potential and promise, we are an aspirational organization whose goal is not just balancing budgets. Rather, our goal is to strive to build a system that helps transform students' lives and transform the communities in which they will live and work.

Chair Vekich, Vice Chair Erlandson, and members of the board, thank you for your time.”

Consent Agenda

Chair Vekich called for a motion to approve the Consent Agenda. Trustee Hoffman made the motion. The motion was seconded by Trustee Moe and carried unanimously.

- 1. Minutes, Human Resources Committee, May 17, 2017**
- 2. Minutes, Human Resources Committee, June 21, 2017**
- 3. Minutes, Board of Trustees Meeting, June 21, 2017**

4. **Notes, Board of Trustees Retreat, September 19-20, 2017**
5. **FY18 Audit Plan**
6. **Approval of Contracts Exceeding \$1 Million**
 - a. **D2L Contract Extension**
 - b. **Internal Audit External Services**

Student Associations

LeadMN

Isaac Jahraus, president, addressed the Board of Trustees.

Students United

Faical Rayani, state chair, and Lexi Byler, vice chair, addressed the Board of Trustees.

Minnesota State Colleges and Universities' Bargaining Units

Kevin Lindstrom, president, Minnesota State College Faculty, addressed the Board of Trustees

Jim Grabowska, president, Inter Faculty Organization, addressed the Board of Trustees.

Following discussion, there was an acknowledgement that there will be more opportunities for informal communications between the administration and faculty.

Board Standing Committee Reports

1. Academic and Student Affairs Committee, Louise Sundin, Vice Chair
 - a. Proposed Amendment to Policy 3.32 College Faculty Credentialing (First Reading)
Committee Vice Chair Sundin reported that the committee reviewed a proposed amendment to Policy 3.32. The amendment defines university faculty credentials as required by the Higher Learning Commission. The proposed amendment will return for a second reading and action at the November meeting.
 - b. ASA FY18 Work Plan and Committee Agenda Discussion
The work plan for the Academic and Student Affairs division and the Academic and Student Affairs Committee will focus on aligning the work with the organizing principles and continuing to engage in collaborative discussions on the items that were identified at the board's retreat.
 - c. Teacher Education Overview
Minnesota State provides the majority of new teachers in Minnesota. There are significant teacher shortages across the state in areas such as special education, select disciplines in middle and high school grades, and career technical education. New oversight and licensing structures will take effect in 2018.
2. Audit Committee, Michael Vekich, Chair
Committee Chair Vekich reported that the change in the report process is an improvement making it more useful for management. He summarized that both the institutional data

and purchasing card audits were satisfactory and had only minor findings.

- a. Institutional Data Reporting Audit Results
- b. Purchasing Card Audit Follow-up Results

3. Finance and Facilities Committee, Jay Cowles, Chair

- a. Long Term Financial Sustainability Report Review

Committee Chair Cowles reported that this report was primarily for the benefit of the new members.

- b. Proposed New Policy 6.11 Facilities Operation and Maintenance (First Reading)

The proposed new policy restructures the facilities related policies. The new policy is the culmination of several years of work. The proposed new policy will return for a second reading and approval in November.

- c. Tuition and Fee Policy Guidance

There was a discussion about the tuition and fee policy and its structure. Trustees had an opportunity to provide guidance and the criteria for the framework. This is a joint project with academic and student affairs and finance. A report will be presented in the spring.

Trustee Reports

Trustee Sundin reported that she, and Vice Chair Erlandson and Trustee Ajuo attended the Association of Community College Trustees Annual Congress. Vice Chair Erlandson is in her third year as a member of ACCT's Board of Directors. Trustee Ajuo was elected to ACCT's Nominating Committee

Trustee Cowles reported that he attended Anoka-Ramsey Community College's 50th Anniversary celebration.

Trustee Tefer reported that she represented the Board of Trustees and welcomed the new systemwide administrators during their orientation.

Adjournment

Chair Vekich announced that the Executive Committee is meeting on November 1, 2017, and that the Board of Trustees will meet at Southwest Minnesota State University on November 14-15, 2017.

The meeting adjourned at 3:30 pm.



Ingeborg K. Chapin, Secretary to the Board