

Minnesota State Colleges and Universities

Board of Trustees

St. Paul, MN

November 14, 2018

Present: Chair Michael Vekich, Vice Chair Jay Cowles, Treasurer Roger Moe, and Trustees AbdulRahmane Abdul-Aziz, Ashlyn Anderson, Alex Cirillo, Dawn Erlandson, Bob Hoffman, Jerry Janezich, April Nishimura, Rudy Rodriguez, George Soule, Louise Sundin, Cheryl Tefer, Samson Williams, and Chancellor Devinder Malhotra

Call to Order

Chair Vekich called the meeting to order at 8:40 am. Trustees AbdulRahmane Abdul-Aziz and Bob Hoffman participated by telephone.

Veterans Day Recognition

Chair Vekich made the following comments:

Before we begin today, this past Sunday we celebrated Veterans Day. This day renamed in 1954 celebrates the service of all U.S. military veterans. I would like to take a few moments to honor those students, faculty, and staff who have or are currently serving in the armed forces. Your dedication and commitment to our country is deeply appreciated.

To the families of those who have served or are serving, thank you for your strength and your support.

Annually Minnesota State serves approximately 10,000 veterans and service members. This is a 40.7% increase since FY2008. Minnesota State is a national leader in awarding credit for military courses and occupations. In fact, more than 75 schools from 25 other states have turned to Minnesota State to learn from our veterans groups. Minnesota State has awarded more than 197,000 credits for military courses and experiences, and saved veterans and service members more than \$37 million dollars and 8 million hours in time served.

The trustees and I have had the opportunity to share this work with members of the Minnesota congressional delegation, and let me tell you – they are impressed by the work and commitment of our faculty and staff. This weekend, FOX 9 featured a wonderful story on two students at Inver Hills Community College and Dakota County Technical College. A special thank you to our staff in marketing and communications, and Gina Sobiana, director of military, veteran and adult learner services and the staff at the two colleges for their services. On your way into the building, you may have noticed the posters recognizing system office employees for their service.

Chair Vekich invited Trustee Alex Cirillo, President Faith Hensrud, and members of the system office who have served to come to the front to lead us in the Pledge of Allegiance.

Chair's Report, Michael Vekich

Chair Vekich commented that it is an honor today to have Lt. Governor Fischbach join us. He also recognized Madelyn Nelson from the Governor's Office and Jason Fossum, committee administrator, Senate Higher Education Committee. Chair Vekich read the following resolution from Board of Trustees and Chancellor Malhotra honoring Governor Mark Dayton and Lt. Governor Michelle Fischbach for their service.

WHEREAS, Minnesota State values partnerships with communities, faculty, staff, and elected officials in order to serve 375,000 Minnesotans; and

WHEREAS, in January of 2019 Governor Mark Dayton and Lieutenant Governor Michelle Fischbach, both of whom have been unwavering leaders for Minnesota State, will be completing their terms; and

WHEREAS, Governor Dayton began his career as a teacher and made inclusivity a central issue of his administration; and

WHEREAS, Governor Dayton has provided strategic investments benefiting students and the communities we serve; and

WHEREAS, Governor Dayton signed into law \$676.7 million for capital improvements to keep Minnesota States students safe, warm, and dry; and

WHEREAS, Lieutenant Governor Fischbach served as chair of the Senate Higher Education Finance Committee; and

WHEREAS, Senator Fischbach has supported campuses across Minnesota and authored Minnesota State's Leveraged Equipment Program and Workforce Development Scholarships; and

WHEREAS, Lieutenant Governor Fischbach and family members are proud Minnesota State graduates;

NOW THEREFORE, BE IT RESOLVED THAT THE MINNESOTA STATE BOARD OF TRUSTEES AND CHANCELLOR MALHOTRA on this day, November 14, 2018, pay tribute to Governor Dayton and Lieutenant Governor Fischbach, whose leadership will benefit generations of Minnesotans to come.

The resolution was seconded and passed unanimously.

Chair Vekich invited Lieutenant Governor Fischbach to make some comments.

Lieutenant Governor Fischbach Comments

Lieutenant Governor Fischbach thanked the Board of Trustees and Chancellor Malhotra on behalf of Governor Dayton and herself. She added that the governor would have liked to be present, but he is still recovering from back surgery. He thought a lot of Minnesota State and greatly appreciates the honor.

Lt. Gov. Fischbach said that she and the governor will miss visiting the campuses and meeting with the students. She thanked Chair Vekich, Chancellor Malhotra, and the Board of Trustees for the honor, and she recognized Trustees Jerry Janezich and Roger Moe, both of whom she had the honor of serving with in the legislature. Last, she also recognized Bernie Omann, director, government relations, for his insights into legislation, and Jason Fossum, for his service as the Senate Higher Education Committee Administrator.

Trustee Jerry Janezich commented that as a former colleague, Lt. Governor Fischbach will be missed at the legislature. There was a time when it did not matter what party you were; you could have a friend. Lt. Gov. Fischbach will always be a friend, not just because of what she did from Minnesota State, but because of who she is. For young people, and people across the state, that is the way politics should be.

Chair Vekich thanked Lt. Gov. Fischbach for attending the meeting.

Update on Reimagining Minnesota State

Chair Vekich commented that Reimagining Minnesota State is underway. The trustees, Leadership Council, and leaders of the bargaining groups and student associations all received the November update. The Forum members have met twice so far. The first public forum will be on December 10 at Minneapolis College. A link to the website containing information about the sessions will be released soon.

Chancellor's Report, Devinder Malhotra

Chair Vekich, Vice Chair Cowles, and trustees - as I prepared for my remarks for today, one word kept coming back to my mind again and again, and that word is...PARTNERSHIPS.

During my visits to Lake Superior College, Southwest Minnesota State University, and Alexandria Technical and Community College, it was the importance of partnership that came out loud and clear from faculty, staff, students and the community as we begin the search for their new presidents.

- They wanted a partner to work with to lead their institution;
- They wanted a partner that recognizes both the strengths and opportunities of their institution;
- They wanted a partner who is laser-focused on student success as they are;
- They wanted a partner to address both enrollment and programmatic and financial sustainability.

My tours across the state have been focused on learning about current partnerships with the communities and highlighting those across the state and to uncover new potential partnerships with businesses, K-12 and community leaders.

As an example, during my visit to Southwest Minnesota State University – which is heavily focused on agriculture – a new type of farming is growing, SHRIMP! Yes, truShrimp is a new firm there which along with SMSU and Minnesota West are partnering to develop the workforce needed to grow the new emerging workforce for growing shrimp in Southwest Minnesota.

To offer you some examples of what has resulted as a result of these partnerships

- Minnesota West is currently working on a two-year technical degree but in the meantime, they are offering an Introduction to Shrimp course to students at Russel Tyler Ruthton High School and Tracy High School.
- Through the Launch Your Future Today program which I spoke about last month, students have aquaculture tanks in their classroom and then go to truShrimp two days a week. This opportunity provides exposure to the industry and understanding of the workforce demands to our students.
- SMSU science students and faculty are partnering to conduct research work involving bacterial testing during the growing process, while SMSU Culinology students are conducting sensory testing on the harvested shrimp for consumer satisfaction and marketing input.

This new industry will create a demand to develop new curriculum to provide trained/skilled workers in the areas of water management and aquaculture and provide internship and employment opportunities for Biology, Chemistry, and Bio-Science students. truShrimp is an example of one business, in one region of the state, partnering with higher education and K-12.

This type of partnership is what our colleges and universities do every day. We might not always hear about it or see it in the newspaper but it is woven into each and every one of our colleges and universities missions and the system as a whole – to be the partner of choice for all Minnesotans.

Today perhaps we enter into our most important partnership, the legislative session and our goal is to advance the board's biennial budget request. The board's request is big and bold but I am confident that due to the broad consultation conducted by myself and members of my team, that it is the right request.

From day one, I heard from bargaining unit leaders...ask for what you need. We took that advice. The biennial budget request won't address all that needs to be done for

programmatic and financial sustainability. Those are the steps that we, as a system, as a board, and as colleges and universities are undertaking each and every day.

We continue the partnership with the State of Minnesota to support the funding for ISRS/NextGen. This is a critical endeavor to provide students with the technology they need and expect for success and the infrastructure for our faculty and staff to deliver on that promise.

The College Promise and Transfer grants offer us a new path to provide access and opportunity to all Minnesotans. The grants are a focused initiative to increase enrollments and degree completion.

The strategic workforce investments, part of the biennial legislative request, are centered on partnership. It provides our colleges and universities the investments to continue partnering not only with local businesses and organizations but calls on the system to enhance our partnerships with state agencies as well, including the Minnesota Department of Education, Labor and Industry, and Employment and Economic Development.

We can't do it alone. The partnership that developed this request must continue until the last gavel of the legislative session. We are stronger together. We need each trustee, president, faculty, staff, and students to be laser focused on the board's request.

That is why in a couple of weeks, presidents along with the individual they identified on their campus as their campus advocate will come together for a two-day workshop to understand the new legislative landscape and to develop local and regional advocacy plans.

I want to thank the board for passing the resolution honoring Governor Dayton and Lt. Governor Fischbach. It reflects that as an organization we appreciate the work of our friends and of our advocates. We honor those that have served and look forward to the work that is ahead with the new members of the legislature in sharing the story of Minnesota State's colleges and universities and earning their support.

Chair Vekich, Vice Chair Cowles – before I conclude my remarks today I would like to invite Eric Davis, our incoming vice chancellor for human resources, to share a few remarks in person this time. As you recall, Eric will be joining us on January 7 as the vice chancellor for human resources. He was unable to join us in November when the board appointed him to this position.

Eric has already begun his onboarding. I have met with him along with Interim Vice Chancellor Sue Appelquist and Senior System Director Chris Dale. Over the course of the next month, he will meet with members of the Human Resources team, Cabinet, Leadership Council Executive Committee, and members of the Board of Trustees. In addition, I have

asked the Human Resources team and Cabinet to develop transition materials to provide background on strategic initiatives so that he can hit the ground listening on January 7.

Chancellor Malhotra introduced incoming Vice Chancellor Eric Davis.

Incoming Vice Chancellor Erik Davis Comments

Mr. Davis said it is a tremendous honor to join Minnesota State, and that he is grateful for the opportunity to be the next vice chancellor for human resources. He started his career in the U.S. Air Force, and then joined the Minnesota Department of Transportation as the Human Resources Director. He also spent three years as the human resources supervisor with the Stillwater Area Public Schools, he returned to the Minnesota Department of Transportation, where he has been honored to serve for the past six years as the Chief of Staff to Commissioner Charlie Zelle. Mr. Davis said he is looking forward to joining Minnesota State on January 7, 2019. He thanked the Board of Trustees and Chancellor Malhotra for the opportunity.

Consent Agenda

- 1. Minutes, Board of Trustees Retreat, September 18-19, 2018**
- 2. Minutes, Committee of the Whole, October 16, 2018**
- 3. Minutes, Board of Trustees, October 17, 2018**
- 4. Surplus Property, North Hennepin Community College**
- 5. Increases to Board Established Fee Maximums**
- 6. Approval of Mission Statement: Bemidji State University**
- 7. FY2018 and FY2017 Audited Financial Statements and Student Financial Aid Audit**

Following a motion by Trustee Roger Moe and a second by Trustee Alex Cirillo, the Consent Agenda was adopted.

Board Policy Decisions

- 1. Proposed Amendments to Policy 3.3 Assessment for Course Placement**
- 2. Proposed Amendments to Policy 3.41 Education Abroad**

Chair Vekich announced that the Academic and Student Affairs Committee has recommended approval of the proposed amendments to Policy 3.3 and Policy 3.41. The proposed amendments were adopted.

Board Standing Committee Reports

Facilities Committee

Committee Chair Jerry Janezich commented that the Surplus Property for North Hennepin Community College was approved on the Consent Agenda.

Finance Committee

Committee Chair Roger Moe reported that the Finance Committee had several important items before them, of which one, the Increases to Board Established Fee Maximums, was adopted on the Consent Agenda. The substantive discussion focused on the Biennial Budget Request. The

following motion was approved by the committee which also recommended approval by the Board of Trustees.

- **FY2020-FY2021 Legislative Biennial Budget Request**

The FY2020-FY2021 legislative request strengthens the state's commitment to access and affordability, invests in critical technology infrastructure, and supports student success. The Board of Trustees approves the 2020-2021 biennial budget request in the amount of \$817,919,000 in FY2020 and \$870,919,000 in FY2021 for a total of \$1,688,838,000. The Board strongly urges the state of Minnesota to support Minnesota State's biennial budget request.

The Board of Trustees has been granted the authority in state statute to govern and operate Minnesota State. The board, after full consultation with Minnesota State constituencies, will make final budget decisions, including setting tuition rates, at the conclusion of the legislative session. If the legislative request is fully funded, the board intends to hold undergraduate tuition rates at current levels.

The motion was adopted.

Academic and Student Affairs

- Innovation and Evolution: Shaping Our Work

Committee Chair Alex Cirillo thanked the representatives of Riverland Community College, MSU, Mankato, and Central Lakes College for introducing us to the FlexSpace program and open educational resources. He also acknowledged and thanked Kim Lynch, senior system director for educational innovations.

Ad Hoc Committee on Outreach and Advocacy, Dawn Erlandson, Chair

- Economic Contribution Analysis

Committee Chair Dawn Erlandson reported that the committee received the Minnesota State Driving Economic and Social Vitality across Minnesota report. It is an analysis of the individual colleges and universities and their economic impact on their local communities during FY2017. She encouraged everyone to review it.

Joint Audit and Human Resources Committees, Michael Vekich and Jay Cowles, Co-chairs

- HR-TSM Advisory Project Update

Committee Co-chair Jay Cowles commented that our consulting partners Chris Jeffrey and Christine Smith with Baker Tilly and Sue Appelquist, interim vice chancellor for human resources and Eric Wion, interim director of Internal Auditing, reported on the progress of the HR-TSM Advisory Project. A number of adjustments have been made over the past six months to improve our HR functions and to minimize systemwide risks associated with HR processes. There will be an interim report at the January meeting.

Audit Committee, Michael Vekich, Chair

- **Role and Responsibilities of Audit Committee Members**

Committee Chair Vekich announced that there is an annual training for members of the Audit Committee and it has been completed. Executive Director Wion provided the training materials to each member in October and has offered to meet individually for additional training.

The committee also heard from our external auditors from CliftonLarsonAllen who presented the results of five recently completed audits with overall excellence results. The Student Financial Aid Compliance Audit had a clean opinion on compliance with no material weaknesses and only two minor findings. The Four Financial Statement Audits: Systemwide; Revenue Fund, St. Cloud State University, and Itasca Community College Student Housing all had unmodified clean reports, with no material weaknesses, and no significant deficiencies. To continue to receive unmodified reports for an organization as vast and complex as ours is due to the leadership at the colleges, universities, and the system office. Chair Vekich complimented Vice Chancellor for Finance Laura King for her leadership.

Student Associations

LeadMN

Fankie Becerra, president, addressed the Board of Trustees.

Minnesota State Colleges and Universities Bargaining Units

Inter Faculty Organization

Brent Jeffers, president, addressed the Board of Trustees.

Minnesota State College Faculty

Kevin Lindstrom, president, addressed the Board of Trustees. He introduced Kent Quamme, MSCF's Treasurer, who developed and runs the Emerging Leaders College. Members of the third class of Emerging Leaders College were present and introduced themselves, as follows:

- Richard Finley, Riverland Community College
- Forrest Brownlee, Hibbing Community College
- Jennifer Joffe, Inver Hills Community College
- Nate Maertens, Normandale Community College
- K.C. Hanson, Minnesota State Community and Technical College, Moorhead
- Maran Wolston, Minneapolis College
- Donovan Jackman, Anoka Technical College
- Linda Samuelson, Northland Community and Technical College, Thief River Falls
- Brent Braga, Northand Community and Technical College, East Grand Forks
- Melissa Siebke, Riverland Community College

Trustee Reports

Trustee Moe congratulated St. Cloud State University and Minnesota State University, Mankato for their rankings in college hockey.

Vice Chair Cowles reported that he attended the Association of Community College Trustees Annual Congress. He added that Trustee Dawn Erlandson was elected as chair-elect of ACCT's Board of Directors. Trustee Erlandson announced that she will become the chair of ACCT's Board of Directors at the association's annual congress next October in San Francisco. Minnesota State will host the ACCT board retreat in the summer of 2020.

Adjournment

Chair Vekich announced that the next meeting is the Executive Committee on January 9, and the committee and board meetings on January 29 and 30, 2018.

The meeting adjourned at 9:40 am.

Recording Secretary
Ingeborg K. Chapin, Secretary to the Board