

**Minnesota State**  
**Board of Trustees and Leadership Council**  
**Study Session**  
July 25, 2018  
30 7th Street East  
St. Paul, MN

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

**Trustees Absent:** *Alex Cirillo and George Soule*

**Opening Remarks Chair Michael Vekich**

Chair Michael Vekich welcomed the trustees and the Leadership Council and outlined the process for the joint session. First, he will make remarks on the *Reimagining Higher Education: Minnesota State* initiative. Next, Chancellor Devinder Malhotra will make remarks, and then the floor will be opened for discussion. Although the initiative has been approved, today's intent is to have your consensus.

Chair Vekich introduced the new trustees that were appointed by Governor Dayton on July 15, 2018. They are:

- Ashlyn Anderson, student, Hennepin Technical College
- April Nishimura, global finance director, Ecolab
- Samson Williams, student, North Hennepin Community College

He recognized Trustees Alex Cirillo, Dawn Erlandson, and George Soule who were reappointed to the board also on July 15, 2018.

Chair Vekich announced that the Executive Committee will meet in August to consider several changes to the board's governance structure. The recommendations are to add two new standing committees, facilities and nominating, and an ad hoc committee that will bring greater focus to the board's work.

**Chancellor Devinder Malhotra**

Chancellor Malhotra also welcomed everyone and introduced the following new presidents who assumed their duties on July 1, 2018:

- Jeffery Boyd, Rochester Community and Technical College
- Stephanie Hammitt, Interim, Fond du Lac Tribal and Community College
- Robbyn Wacker, St. Cloud State University
- Carrie Brimhall, Minnesota State Community and Technical College

- Michael Berndt, Interim, Dakota County Technical College and Inver Hills Community College
- Craig Johnson, Ridgewater College
- Annesa Cheek, St. Cloud Technical and Community College (not present)

Chair Vekich announced that in September President Hammitt is hosting the board for a tour and dinner at Fond du Lac Tribal and Community College during the board's retreat in Duluth on September 18-19, 2018.

### **Forum on Reimagining Higher Education: Minnesota State**

The following are Chair Vekich's remarks:

I would like to set the stage for our collective work today and that is becoming the nation's most innovative public higher education system. One of my favorite management people is Peter Drucker. As I was preparing for my remarks today, I was reminded of a quote by him:

"The best way to predict your future is to create it."

I was inspired by that quote because today's conversation is really about how we create the future of Minnesota.

Over the last few months, I have visited with each of the trustees to elicit your thoughts about the initial draft of the Forum on Higher Education proposal. I've also met with Leadership Council and with leaders from bargaining units and student associations to gather their thoughts on how we must – together as a system – think and act more innovatively and more purposefully if we are to fully deliver on our mission which is to provide an opportunity for all Minnesotans to create a better future for themselves, for their families, and for their communities.

After the feedback we heard, we have revised the proposal that we talked about earlier this year. It has evolved into a clear description for why we must change and the process we will follow to do so. To deliver on our mission, we must choose to become the nation's most innovative public higher education system. We must choose. And yes, it is a choice. A very conscious choice.

In his book *From Good to Great*, Jim Collins makes the case for organizations choosing to be great. To quote:

"Greatness is not a function of circumstance. Greatness, it turns out, is largely a matter of conscious choice."

We choose to embrace our solemn responsibility to become the nation's most innovative public higher education system.

Minnesota State is the fourth largest system of higher education in the country. Every year, 375,000 students look to us to improve their economic and social mobility, to prepare them for success for today and tomorrow, and to help them pursue their dreams of a better future for them and their families and to build capacity in their own communities.

We are uniquely positioned and charged with improving the future of our state and its residents.

- We have the scale: 375,000 students and more than 16,000 faculty and staff.
- We have the vertical integration: from non-credit certificates to doctoral degrees.
- We have the geographic reach: from Rainy River Community College to Southwest Minnesota State.
- And we have the network of local, regional, and global partners to connect Minnesota to an increasingly globalized economy.

Our faculty and staff are working hard every day to serve our students and communities. We know that great things are happening on every campus. But we also know there are places where we could do better, especially if we are to fully live into our principles of student success; equity, diversity, and inclusion; and financial sustainability.

Making real progress on these outcomes that we all care deeply about will not occur through simple solutions or adjustments made around the edges. They will require new approaches, new programs, and new ways of working together that are different from yesterday.

Ron Heifetz, the Director of the Center for Public Leadership at the Kennedy School, calls these adaptive challenges, gaps generated by bold aspirations amid challenging realities. To quote Professor Heifetz:

“To build a sustainable world in an era of profound economic and environmental interdependence, each person, each country, each organization is challenged to sift through the wisdom and know-how of their heritage, to take the best from their histories, leave behind the lessons that no longer serve them, and *innovate*.”

As chair, I believe that is what our initiative – *Becoming the nation’s most innovative public higher education system: Reimagining Minnesota State* – will prepare us to do. The goal of this initiative is twofold: to build and strengthen the core capacity of our board, system office, and campuses; and to guide our innovation strategy for how we

continuously innovate to meet the challenging needs and expectations of our stakeholders. To do so, I'm proposing a project in two phases.

The first phase is the Forum on Reimagining Higher Education. Through the Forum, we will have the opportunity to learn from – and think through together – selected thought leaders about innovation and adaptive leadership. The question we want answered is: What do successful organizations do to thrive in this dynamic environment?

Together we will learn about the industries and organizations from across Minnesota and the country as they are navigating the demands of our rapidly changing world and how they are not only surviving but thriving through strategic innovation.

Thriving is the important word in that statement. Thriving during times of turbulence means *preserving what is essential* to us. It means discarding those things that are no longer working. And it means developing new arrangements that will allow us to be more successful in today's disruptive environment.

The Forum is not designed to tell us what to do. Let me repeat that. The Forum is not designed to tell us what to do, but to spur our own thinking in new and creative ways – to provide a rich information set by which we will reimagine Minnesota State to serve the students and communities of tomorrow. We have a great deal to learn from each other, and I believe that engaging these thought leaders and concerned citizens in the conversation will better position us to serve this state in the future.

But we must also engage the members of the Minnesota State community in these conversations. Our goal is to be transparent, open, and engaged throughout the process; and to create opportunities for input that will allow us to think together about our future.

Throughout the course of this year, the Forum will hold approximately five public Convenings.

- Each Convening will focus on a specific topic impacting Minnesota State.
- We will invite individuals with expertise on the subject to share their perspectives through a series of guiding questions that will be developed in advance.
- Members of the Minnesota State community will have the opportunity to both hear these presentations and also respond to these questions to inform the deliberations of the board.
- The information resulting from the Convenings, the conversations of the Forum, and input from Minnesota State will be captured and shared broadly.

Based on their conversations that result from the Convenings, the Forum on Reimagining Higher Education will develop an interim and final report. The final Forum Report is intended to inform the trustees' own deliberations about the feasibility and benefits of implementing similar approaches to the innovation within Minnesota State's structure and culture.

The completion of Phase 1 will take most of this year, with a goal of completion for review and action by the full board in April 2019.

We have tentatively titled Phase 2 of the process *Launching the Innovation Journey at Minnesota State*. Its purpose is to begin to put the actions of the board that result from Phase I into practice. With the board's guidance and led by the chancellor, we will begin an innovation journey at Minnesota State that will engage leaders from all levels within the system in the practical work of identifying the organizational, operational, and procedural changes that must occur to build and sustain a culture of innovation.

While this work is set to begin in May 2019, the work has no end date. We will be on a journey of becoming a more nimble, responsive, and dynamic Minnesota State centered on enhancing student success. By that very definition, this work will never end, as we continually strive to meet and exceed the challenging needs and expectations of the State of Minnesota and its residents.

This type of transformative change must include all members of the organization. It cannot be achieved through deliberations only at the board or leadership council level. And it certainly cannot be achieved simply by listening to individuals from the outside.

This is why we have developed a detailed engagement and communication strategy as part of this effort. This strategy is detailed in the Logistics and Engagement Strategy document that accompanies the Case for Change.

As part of the Engagement Strategy, we will kick off Phase I with interviews with board members, leadership council, leaders of our bargaining units and student associations. Interviews will inform the discussion topics, to understand your frustrations and barriers to innovation, and to highlight emerging best practices that are happening across the system.

What we learn from these interviews will create an understanding of the current state of innovation within Minnesota State and point to the areas where we need to focus our attention as we identify topics and areas of conversation for Phase I. We must begin this work soon if we are to complete Phase I by the end of this year.

I am excited that we have two individuals who have agreed to guide and support our efforts.

Dr. Terry MacTaggart will serve as our external adviser. Dr. MacTaggart is an experienced leader in higher education who has served as chancellor of the Minnesota State University System and the University of Maine System. Through his consulting and research, he has worked with an incredibly wide range of academic institutions on issues such as higher education leadership and policy, strategic planning, board development, issues of shared governance, and leadership evaluation.

His most recent book is titled *Leading Change: How Boards and Presidents Work Together to Build Exceptional Institutions*.

Dr. Lisa Foss, Chancellor's Fellow here in the system office, will serve as the project lead. Dr. Foss serves as vice president for planning and engagement and chief strategy officer at St. Cloud State University. In that role, Dr. Foss leads the university's strategic planning, assessment, accreditation, analytics, institutional research, university communications, and community engagement. She also serves as a senior advisor to the president.

Dr. Foss has been an American Council on Education Fellow with the City University of New York, studying transfer student success and large-scale system change. And she has completed Harvard's Management and Leadership in Higher Education Institute. Her research interest is student success analytics and institutional and – most appropriately – system-level change management in post-secondary education.

I think we have two fine individuals who will work alongside with us.

There is an urgency to this work. The more I have engaged in putting additional detail on the original concept that started to form a few months ago, the more I am convinced that we must move forward –and must do so quickly.

I look forward to an honest conversation about how we continue to develop a path to become the country's most innovative public higher education system.

As I close my comments, let's be inspired by another quote from Mr. Drucker:

"If you want something new, you need to stop doing something old."

**The following are Chancellor Malhotra's Remarks:**

Thank you, Chair Vekich. And thank you all for joining us today for this joint session of the Board of Trustees and Leadership Council.

First, I would like to echo and endorse what you have just heard from Chair Vekich. Our efforts to become the most innovative public higher education system in the country are critical to our future, and I believe we already have within Minnesota State the

leadership, the resiliency, the creativity, and the commitment to student success to achieve such an ambitious goal.

I also want to echo the chair's recognition of the good work that is already occurring across this system. When I visit any one of our campuses, I am humbled and inspired by the extraordinary dedication the faculty and staff have for the students and the communities they serve. But I also hear from them about the challenges in their efforts to being innovative and entrepreneurial and to bring our best ideas and programs to scale across the system. I am here to tell you that I've heard your frustrations. We need to respond to them with a sense of immediacy and urgency.

Let me be clear: this effort is not about teaching our campuses and faculty and staff how to be innovative, but rather how to remove the barriers and create an organizational ethos by which all of us – together – can do our very best work. It is about strengthening and accelerating what is working and imagining new solutions that better align us with the changing needs of our students, demographic shifts, and our budget realities.

Chair Vekich has challenged us to not only survive the headwinds facing higher education, but to thrive despite them.

Ron Heifetz, the director of the Center for Public Leadership, whom Chair Vekich mentioned, believes that thriving calls for a different kind of leadership – something he calls adaptive leadership – and it is what the state of Minnesota and our students and communities are asking from us right now. But Ron Heifetz also cautions that adaptive change doesn't mean you throw away everything that once was and start again. Instead:

- *Adaptive change builds on the past rather than jettisons it.* It makes the best possible use of previous wisdom and anchors change in the values, competencies, and strategic orientations that must endure.
- *Organizational adaptation occurs through experimentation.* It makes space for trial and error and consciously learns from both successes and failures at all levels of the organization.
- *Adaptation relies on diversity.* It builds a culture that values diverse views and relies less on central planning and looks across the organization for new ideas and new ways of operating.

As I look across the room – I see a board and leadership team that is poised to lead this level of change. Your commitment to your students and communities is without question. And in the past, you have demonstrated the kind of courage necessary to lead in times of difficulty.

You all will have an important voice as we move through this initiative together. During Phase I, you will provide critical insights into where we must focus our conversations. You will provide evidence of where we have emerging practices and also where our operational structures and policies and procedures are getting in the way of your doing your best work. You will have the opportunity to learn alongside the Forum and provide your thoughts on a series of guiding questions designed to challenge us to think differently about our future.

During Phase II, you will provide the leadership and insight necessary to apply the concepts we learn during Phase I to Minnesota State. While we can learn important lessons from the members of the Forum, only we can turn those lessons into action.

We recognize that what we are asking is not easy. Reflecting on one's own work through a critical lens can be very uncomfortable. But it is necessary to have these very difficult conversations if we are to understand what is working, what is not working, and how we must adapt to the changing landscape of Minnesota State, our communities, and higher education overall.

I am excited to partner with you on this Minnesota State imperative, and I look forward to our conversation this afternoon so that we can finalize the operational frame and begin our journey of becoming the most innovative public higher education system in the country.

I would like to close by paraphrasing an idea that has been expressed many times by many people in one fashion or another, including Mark Twain, Abraham Lincoln, and Nelson Mandela: *Courage is not the absence of fear. Courage is conquering that fear and acting in spite of it.*

Chair Vekich thanked everyone for the opportunity to give them an overview of the initiative and he opened up the floor for comments, questions, and suggestions.

### **Discussion**

A discussion followed about the importance of communicating with stakeholders throughout the duration of the project. There were several questions regarding communications with students and internal and external constituents. Chancellor Malhotra explained that he has regular meetings with the leadership of LeadMN and Students United. There will also be additional discussions with them. An active website containing information and updates on the project will allow for people to make comments. The communication to the colleges and universities needs to recognize that some of our presidents are new to Minnesota State.

There was a request to provide training to better understand the adaptive leadership and adaptive change concepts that were introduced by Chancellor Malhotra.



Trustees expressed that they liked that this effort was proactive in addressing the disruptions occurring in higher education. Responding to a question on supporting presidents as they make changes on their campuses, Chancellor Malhotra commented that everyone has a responsibility at all levels. If this work is done well, it will empower and foster creativity and innovation at all levels of Minnesota State. Chair Vekich added that the Board of Trustees will support the presidents.

Chancellor Malhotra noted that innovation will occur at the colleges and universities during Phase 2 of the project. How innovation occurs at the campus level will be different at each college and university. Responding to a question about the vision and what the project aspires to achieve, Chancellor Malhotra answered that improving the achievement gap, meeting workforce needs, preparing students to live in a diverse society and community are some goals. Clarity will emerge from the Convenings and the conversations.

Responding to a question about the board's expectations of the system office and the presidents, Chair Vekich replied that the expectation is to be the most innovative system in the country. Another question asked where the investment is for campuses in this plan? Chancellor Malhotra replied that Phase 1 has to occur first, then campus innovation will follow in Phase 2.

There was agreement on the need for a common definition of innovation. Chancellor Malhotra said this will be a topic at the Leadership Council's retreat and a topic at the board's retreat.

Responding to a question about the resources to pay for this initiative, Chair Vekich replied that the funds will not come from the campuses. The resources will come from the system office budget and the board's operating budget. The budget total is about \$300,000, and it includes the time of staff already here, consultants, and bringing in experts from around the country for the forums. When you look at the scope of the system and the scope of this initiative, this is a wise investment.

Chair Vekich replied that the way this is set up is that the whole system is involved in it. This is a collaborative effort; the first part is to understand why the need for innovation. The bargaining units, students, faculty, board, everyone will be involved in it. This will not be a process that will be delivered to us. We all will have to work to do it. The ownership is us.

Responding to a question on whether discussions will be restricted, Chair Vekich replied that discussions will not be restricted.

Chair Vekich asked for consensus on moving forward. There were no objections. Chair Vekich thanked everyone and said this is an exciting time for Minnesota State.

### **College and University Emergency Planning and Management**

Associate Vice Chancellor for Facilities Brian Yolitz gave an overview of the policies, procedures, and resources associated with college and university emergency planning and management. He

outlined the national and state direction, board policy and system procedures, and resources and tools.

College and university responsibilities include identifying someone as the emergency planner who will coordinate an emergency operations plan and a continuity of operations plan. Both plans require training at the campus level and planning and training with local first responders. The communication plan should be clear at the campus level, system office level, and with the board leadership.

Associate Vice Chancellor Yolitz offered several scenarios for table top discussions.

**Adjournment**

The joint study session adjourned at 3:15 pm.