

**Board of Trustees**  
**Retreat Notes**  
**Fitger's Inn, Duluth**  
**September 18-19, 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, and Samson Williams and Chancellor Devinder Malhotra

**Tuesday, September 18**

**Welcome, Introductions, and Opening Remarks**

**Chair Michael Vekich**

Chair Vekich welcomed the board members, Chancellor Malhotra, presidents and guests to the retreat. Following introductions, Chair Vekich made the following comments.

It is great to be back together in Duluth and to have the opportunity to think and plan together about the priority work we must do together to lead Minnesota State - this vital educational and civic asset of the state of Minnesota that we are charged with governing and guiding.

We have a very full agenda to cover over the next two days. In a few moments, I will ask Terry MacTaggart, who will facilitate our retreat again this year, to walk through the agenda in more detail, including the outcomes we expect to achieve in each session. But before I turn it over to Terry, I want to say a few words about what I hope we accomplish over the next two days.

The agenda represents our dual responsibilities of guiding Minnesota State for success in both the near and long-term. We will spend time on the immediate decisions and actions that we must take as a board to keep the system moving forward.

Over the course of the next few days...

- We will work to align our priorities and committee work plans to ensure that we stay focused on addressing critical issues for this year.
- We will discuss our biennial budget request and tuition outlook so we can act as effective advocates as we seek the financial support from the legislature to appropriately fund our colleges and universities
- We will discuss progress on NextGen – our significant undertaking to create the enterprise and information architecture that we need to drive our operations and support our students in the future.

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

- And we must do our due diligence and discuss how we are managing risk across the system.

These are all critical agenda topics and I look forward to your thoughtful engagement and conversation. But we also must take time to engage in conversations about our long-term vision and direction for Minnesota State and how we will govern and guide the system in delivering on our most important outcomes and our value proposition to the state of Minnesota.

I don't think I need to remind anyone in this room that higher education in this state and country is under tremendous pressure to change. Demographic shifts, economic trends, advances in technology and artificial intelligence, and changing work force needs and employer expectations are forcing higher education systems across the country to reconsider how they will live into their mission and position their institutions and students for success in the future.

Some are bemoaning this change and are fighting against it – hoping against hope that we will revert back to a time of increasing enrollments and state investments as the solution. Some are refusing to even recognize that a fundamental shift is occurring in the world of higher education and believe that no change is even necessary. These two view points on change remind me of a children's book that a colleague of mine shared with me recently that captures quite simply this human phenomenon – in a way only children's books can do. I like the lesson so much that I bought copies for all of you!

The book is called "There's NO Such Thing as a Dragon" by Jack Kent. It's a story of a small boy by the name of Billy Bixby who one day wakes up to find a very small dragon in his room. It is small – about the size of a kitten – and he befriends it. But when he tells his mother about his new friend, she tells him quite firmly that there is "no such thing as dragons!" He was confused by the fact that she couldn't see the very real dragon that was right in front of her. But like any good boy, he listened to his mother and ignored the dragon. But as the story goes on and the more he ignores the dragon, the larger and more disruptive it becomes to the point where it has completely consumed their house! The story resolves when the mother finally recognizes the dragon– after much pleading from the son and much disruption in their lives. But interestingly enough, once they stop ignoring the dragon and begin attending to it, it shrinks dramatically in size and becomes a welcome member of their family.

So why am I talking about dragons at our Board meeting? The basic moral of the story is that simply ignoring something doesn't make it go away. And if you ignore that something long enough it can grow to a point where it will disrupt everything you do. It's not until you recognize the change and embrace it that you can learn to move forward together toward a positive future.

This same idea was recognized by Socrates a very long time ago. He observed that:  
*“The secret of change is to focus all of your energy not on fighting the old, but on the building the new.”*

This idea is at the heart of Reimagining Minnesota State. We will be spending the better part of today on this topic, and I will have more focused comments about Reimagining when we begin that section of the agenda. But I wanted to invite you, as we move through all of our agenda topics, to keep the words of Socrates and the lesson we learned from Billy’s dragon in front of you.

We can no longer ignore the very real challenges and disruptive forces that are impacting higher education but instead must focus all of our energy not on fighting the old but on building the new. How powerful would it be if our entire system – our board, our leadership council, our system office, our faculty and staff and our students – would focus our energy on reimagining Minnesota State with the sole purpose of enhancing the success of our students and the economic and social vibrancy of our communities?

Not in positioning to protect yesterday or debating if change is necessary. But on creating an innovation eco-system that empowers our leadership, faculty, staff, and students to create the innovative solutions that will deliver on our promise of student success and on our value proposition to the State of Minnesota. I believe it would be very powerful indeed and am looking forward to this year as we engage together in our Reimagining work.

But before we dive into the agenda, I want to remind you of the social event this evening. I hope you are all looking forward to our visit to Fond du Lac Tribal and Community College. Fond du Lac is a wonderful example of the power and diversity of our system and how committed we are to serve the diversity of communities and students in the state of Minnesota.

We will be joined by former trustees, tribal government leaders and leadership from our bargaining unit and statewide student associations. It will provide an opportunity for us to connect as board members and leadership and continue to build community and camaraderie in a more social setting. I believe these opportunities to connect outside of our formal meetings are very important in building a stronger board and leadership team. I hope you will join us. With that, I will invite Chancellor Malhotra to say a few words of welcome as well.

**Chancellor Devinder Malhotra**

Chair Vekich, members of the board, I know the major item on this year’s retreat is Reimagining Minnesota State. Given all the innovative and creative work taking place at our colleges and universities, I suggest that Reimagining work has actually been

occurring on our campuses for some time now, and a tremendous amount has been accomplished in that regard.

However, as innovative as many of our activities are, they are hampered in three ways: the work is being done in individual pockets, without the ability to diffuse beyond its place of origin to the rest of the system; it is not integral to the overarching operational and strategic structures; and it lacks the needed intentionality and sense of urgency. As we embark on this journey to secure our future, we have to recognize that we will be successful only if we live into our full potential as a system. Over the last year, I have often been confronted by the question - What is a system? The complexity of our work makes this a difficult question to answer, because it defies an unequivocal and unambiguous answer. Let me offer the board and the broader Minnesota State community an imperfect but working definition for operational purposes:

We are an interdependent network of vibrant institutions that by working together are committed to nurture, sustain, and enhance a civically engaged, socially mobile, and economically productive society. In short, we will be a system when each college and university is working toward the success of all students no matter where they are enrolled.

To make good on our commitment, we will truly have to work together –whether in the system office or at our colleges and universities, and take full responsibility for the success of all our students, no matter where they are enrolled. In short, we are a system when each college and university is working towards the success of both students enrolled at their institution and also students enrolled at other institutions within the system.

If we live into the promise of a vision embedded in this working definition of the system, it is clear that the boundaries of individual institutions will become porous, and we will increasingly make efforts to connect a myriad of existing operational structures across our colleges and universities in an intentional, cohesive, and unified manner where the whole is greater than sum of its parts. This inevitably leads us to a question we have been struggling for some time now, namely: What work should be at the enterprise level and when is something best left at the institutional level?

Our focus over the past year has been on three organizing principles: the success of our students, particularly those who learn differently from students in previous generations; our efforts around diversity, equity, and inclusion as we respond to a demographic shift and welcome an increasing number of students from populations traditionally underserved by higher education; and ensuring the programmatic and financial sustainability of our campuses.

In one way or another, the major system-level initiatives we took to the execution phase last year were aligned to those principles. This includes HR-TSM, NextGen, Comprehensive Workforce Solutions, Transfer Pathways, Developmental Education redesign, and baccalaureate expansion, particularly in the metro area.

As I started my tenure last year, all of these initiatives were at different stages of implementation, and in some cases, we needed to do some foundational/organizational work. For example, in Comprehensive Workforce Solutions, we executed a regional strategy that will allow us to pool programmatic portfolios for customized training and continuing education at the state level and meet the needs of any employer anywhere in the state.

In the months that followed, we used Internal Audit to evaluate and assess the effectiveness of the governance and implementation structures for these initiatives at different stages, and we made tactical adjustments and created some feedback loops where there was learning from the earlier stages of the projects to help them move forward in an appropriate manner.

These tactical adjustments took various forms, such as capacity building or paying additional attention to change management in order to gain the buy-in of our colleges and universities. The desired outcome of all of these midcourse corrections was that the initiatives would proceed in an orderly manner and live into their potential once they are completed.

The three organizing principles – student success, diversity equity and inclusion, and programmatic and financial sustainability – will continue to be our guideposts for the upcoming year, during which three areas in particular will need our attention:

First, Reimagining Minnesota State, which I will speak more about later today. Second, completion of a system-level assessment of Career and Technical Education, followed by the development of strategies to expand and strengthen CTE in order to align ourselves better with Minnesota's workforce challenges and then develop an overarching strategy for workforce development. Components of a workforce development strategy will include: non-credit comprehensive workforce training; credit career and technical education; creating feedback input from businesses; and positioning ourselves in the policy discourse so that we can shape the agenda and lead the work at the state level.

The third and final matter that needs new attention is how we will position ourselves in such a way that we convey our value proposition as a system and thereby establish the imperative for Higher Education as a public enterprise.

This value proposition will be anchored in the overall value proposition of public higher education, but it will also convey the value proposition of having a system of public higher education. In other words, our value proposition must answer two questions:

First: How does having a system of public Higher Education advantage the state of Minnesota and its people? And second: How does having a system of public Higher Education increase the ability of our colleges and universities to be more effective? Again, is whole greater than its parts?

Moving forward on this value proposition will require us to rethink the role of the system office. Traditionally, that role has been anchored in the oversight and advocacy needed to assure the board and the legislature that we are good stewards of the resources entrusted to us. But now, in this time of disruptive change, we need to broaden the scope of our work, focusing more on becoming a clearinghouse of information, engaging in coordination of the enterprise, and facilitating the augmentation of the capacity of our colleges and universities to ensure that they can do the work we are asking them to do.

This is precisely the reason I am excited about the Reimagining work, because it will help the system office become a more mature organization, broadening our scope and reach to serve all Minnesotans and become a national leader in innovative work. Simply put, our advocacy for our colleges and universities needs to be anchored in our advocacy for students no matter where they are enrolled, and in providing the talent Minnesota needs today and tomorrow.

In short, we will make sure that we as a system are ready to deliver on our stewardship of not just our students but also the general public, including the taxpayers of Minnesota. Thank you.

### **Set Tone, Review Agenda, and Anticipated Outcomes**

#### **Dr. Terry MacTaggart**

Dr. MacTaggart reviewed the agenda. Outcomes for the retreat are greater clarity regarding Reimagining Minnesota State updates on NextGen, enterprise risk management, committees' priorities, and the biennial legislative budget request. These items are not unrelated blocks of activity. Innovative questions that will be discussed during the retreat range from the board's governance role to how the system can improve student outcomes and success.

Noting that the focus is on the Reimagining Minnesota State project, Dr. MacTaggart shared comments from several people that he and Dr. Lisa Foss had consulted with over the past several weeks. Comments include:

- People are positive, but skeptical about the project.
- People recognize the need for change, but the direction is not clear.

- One board member said *“It’s essential that we do it, and it is important that we do it right.”*
- Would like to hear from our constituent groups on what they think about the Reimagining project.

During discussion, the trustees made the following comments:

- Besides the mission, Minnesota State’s website should list clearly defined objectives, strategies, and goals on one page.
- Our processes for learning in the system are not fast enough, focused enough, and do not tolerate the kind of continuous learning that we all need to recognize we are going to be embarking on.
- We will succeed to the extent that we build relationships that are in alignment with what we are building.
- Find ways to tolerate ambiguity as change occurs.
- There was a request to display the chancellor’s definition of a system on a flipchart.

**Reflections of our work: Leadership Council Executive Committee  
President Ginny Arthur, Metropolitan State University**

President Arthur commented that the Leadership Council met in a retreat at Vermilion Community College in Ely last week. The Executive Committee of the Leadership Council has been asked to share with you what the presidents are thinking about and will be working on during the year ahead. President Arthur provided an overview of the retreat discussions and themes for the year ahead. She commented that the presidents embrace the chancellor’s positioning of our system as the primary supporter of workforce development for the State of Minnesota. The presidents see that expansively, as incorporating the higher level critical thinking, communicating, problem solving and interpersonal skills that make people good workers and good citizens and community members. Presidents also think that one of the advantages of the system is that a person can start at a technical and community college with a diploma or certificate and go on to earn an associate’s degree, bachelor’s, masters and doctorate from system colleges and universities and come back periodically for new skill development through continuing education and customized training (CE/CT). President Arthur added that there is an alumnus of Metropolitan State who did just that – starting with a certificate in auto mechanics from what was then NE Metro Technical College, then getting an associate’s degree from (then) Lakewood College, completing bachelor’s and master’s at Metropolitan State. This student recently received a doctorate, which he got from outside of our system, only because we didn’t offer a doctoral degree in engineering.

President Arthur continued that we live in a world where a young person maturing today can expect to have several careers. The alumnus she mentioned earlier started as an auto mechanic and is now in a senior leadership role at a Fortune 500 company. It is an important advantage that we can and want to develop lifelong educational relationships with our students. The presidents agree that we need to be innovative and collaborative and remain

focused on student access and success, which also means, given the demographic changes, creating inclusive campuses.

Turning to her colleagues, President Arthur explained that they are going to highlight a few examples of the innovative and collaborative work that is already underway and will be continuing on campuses throughout the year.

### **President Bill Maki, Northeast Higher Education District**

President Maki provided examples of collaborations and initiatives of the Comprehensive Workplace Solutions (CWS). Eight regions across the state that involve all colleges and universities are working towards statewide operational consistencies, but with regional flexibility and latitude to meet the systemwide objectives.

#### **Systemwide Operational Objectives:**

- Increase market share across the state and solidify Minnesota State's position as the preferred provider of comprehensive workplace solutions through programs and services that build employee skills and solve real-world problems for communities and businesses across the state.
- Leverage regional and enterprise-wide resources to deliver comprehensive workforce training solutions to businesses and industries across the state of Minnesota and contiguous states.
- Redesign current sales structures, processes and procedures, and expand the breadth of workforce solutions portfolios to enhance continuing education and customized training growth.
- Share talent within regions to drive financial results and long-term financial sustainability.

#### **Iron Range Engineering**

- Minnesota State University, Mankato's Iron Range Engineering program, located on the Mesabi Range College campus in Virginia, MN, and delivered by a university-college partnership between Minnesota State University, Mankato and Itasca Community College, was recognized as one of the top 10 emerging world leaders in engineering education in a recently published Massachusetts Institute of Technology research study.
- The 170-page study is titled "The global state of the art in engineering education," and was published in March. It is the result of a benchmarking study commissioned by MIT in June 2016 to provide a rapid overview of the cutting edge of engineering education globally and a horizon scan of how the state of the art is likely to develop in the future.
- The study draws on interviews with 178 global opinion leaders in engineering education located in 18 countries. As part of the study, thought leaders in engineering education from around the world identified two sets of university programs. The two sets are the current leaders in engineering education and the emerging leaders in engineering education.



- The report indicates that the top 10 emerging leaders of innovation, in order, are:
  - Singapore University of Technology and Design (Singapore)
  - Olin College (United States)
  - University College London (UK)
  - Pontifical University of Chile (Chile)
  - Iron Range Engineering (United States)
  - National University of Singapore (Singapore)
  - Technical University Delft (Netherlands)
  - Charles Sturt University (Australia)
  - Tsinghua University (China)
  - Arizona State University (United States)
  
- Excerpts from the study indicate how Iron Range Engineering (IRE) was described:

“Catering largely to the community college student market, Iron Range Engineering (IRE) is an upper-division program, comprising the final two years of a four-year engineering bachelor’s degree. Although based on a Community College campus, IRE degrees are [awarded] by Minnesota State University, Mankato. The program first opened its doors to students in 2009 and its annual intake is currently fixed at 25. The two-year program is entirely structured around semester-long industry-sponsored projects using a Project Based Learning approach. At the start of each semester, students are expected to define their own learning goals and outcomes relating to each project as well as determine how these will be achieved. At the close of each project, students are asked to submit a design report. All exams are conducted orally, before a mixed panel. Self-directed learning is a critical element of IRE, which is supported by a significant focus on student self-reflection. Indeed, students are asked to document and submit around 150 structured self-reflections during the two-year program. With a strong program focus on ‘supporting the unique trajectory of every student,’ the continuous process of self-reflection also helps to guide and inform student decision making in their choice of projects, competencies, specialisms and ways of working. Professional expectations are also strongly emphasized in the IRE program, with a dress code, a professional code of conduct relating to student and staff communication and a learning environment that ‘emulates professional practice.’”

A number of interviewees commented that IRE was ‘a truly innovative model, based on good scholarly work, that doesn’t get the press and the accolades that it deserves.’ The Northeast Higher Education District’s Iron Range Engineering program is seeking to capitalize on its project based learning model and recent success of being named one of the top five emerging world leaders in engineering education by developing and delivering a hybrid version of Iron Range Engineering known as the IRE Bell Program. This innovative new initiative partners with pre-engineering schools across the country and brings groups of students from other states to the Iron Range for five months of intensive training in project based learning and professional skill development. Students

then return to their home state for engineering internships returning periodically to the Iron Range for evaluations. The development of the Bell Program not only increases the visibility of northeast Minnesota on a national level but the creation of a number of well-paid positions and the infusion of out of state tuition dollars into the region make it an economic development investment as well. The program is requesting an investment of up to \$5,000,000 disbursed over four years based on enrollment and program success.

### **Career and Technical Education – Minnesota West Community and Technical College and Northeast Higher Education District**

- a construction trades program in collaboration with Pipestone area school district, the Pipestone EDA and Minnesota West addressing blighted neighborhoods through remodel of homes
- LYFT (Launch Your Future Today) – rural career and technical education pathway initiative to rebuild CTE in southwest and west central Minnesota
- Applied Learning Institute
- Founded in 2006 as a Renewal of Secondary Technical Education in NE MN?
- Concurrent Enrollment/Colleges in the Schools for Career & Technical Education
- 24 high schools – mostly small and rural?
- 5 NHED Colleges?

### **President Faith Hensrud, Bemidji State University and Northwest Technical College**

President Hensrud's remarks focused on collaborations and partnerships for funding from private or foundations resources to fill gaps that result from lack of appropriate state funding.

### **Southwest Minnesota State University, Collaborations:**

The Teacher Pathway Pipeline Project involves the Worthington School District 518, Minnesota West, and Southwest Minnesota State University (SMSU) as it prepares students of color to be elementary school teachers. The intent of the Teacher Pathway Pipeline Project is to provide support services for these future teachers in high school, provide seamless transition to Minnesota West and to complete their degree and licensure in SMSU's university teacher preparation program. The collaborative partners are creating an intentional, reciprocal, and sustainable Teacher of Color Pipeline Project that begins in high school and continues through matriculation at SMSU, with a completed Minnesota teaching license. The Southwest Initiative Foundation (SWIF) is supporting this project as is the McKnight Foundation.

### **Workforce Development**

Neilson Foundation contracted with Bemidji State University's MARS program to conduct research on the skills gap in the Bemidji region. Northwest Technical College (NTC) was then invited to review the survey results, meet with the Foundation and determine where best to develop programs to meet the workforce needs. They were then asked to present a proposal for funding to the Foundation.

Northwest Technical College has received a \$185,000 grant from Bemidji's George W. Neilson Foundation to fund equipment, faculty support, and professional development for the college's new Commercial Refrigeration/HVAC program, which begins this fall. The grant will provide a \$150,000 match for equipment purchases, and \$35,000 for faculty support and professional development. The \$150,000 designated for equipment has an additional benefit: it opens a possibility for matching funds through the Minnesota State's Leveraged Equipment Fund. The leveraged equipment program requires a donation or contribution to be obtained by the college and then those dollars are matched through that program. So the \$150,000 from the Neilson Foundation for equipment will be matched with \$150,000 from the state leveraged equipment funding program. That means we'll have \$300,000 of new equipment to ensure our technical instruction in commercial refrigeration is up to date and technically sound.

The college will first purchase technical training platforms which will teach students how to monitor processes in and performance of commercial refrigeration systems, while also offering opportunities for troubleshooting. NTC created its Commercial Refrigeration/HVAC program in direct response to feedback from north-central Minnesota commercial refrigeration employers. They reported a shortage of skilled employees in the field during a December listening session at the college. We listened to business and industry in December, and by March we've got approval for a new program. The program will offer a 60-credit diploma combining courses from the college's current Plumbing/HVAC and Electrical Construction & Maintenance programs with a 15-credit block of new Commercial Refrigeration courses, along with general education requirements. The program will provide training and coursework that directly correlates to business and industry requests. Initially, about 60 percent of its instruction will be in classrooms with the rest occurring in hands-on training and field experience. Students will take courses in electrical theory and advanced electronics and motor controls along with specialized coursework exploring commercial refrigeration systems and equipment.

### **St. Cloud State University, Collaborations**

St. Cloud State University initiated an innovative partnership model that unites community colleges and universities to collaboratively develop and deliver in-demand disciplinary-related academic programs at multiple institutions while replacing unnecessary competition with a collaborative utilization of physical, intellectual and spatial resources and advantages. The North Metro Computing Education Alliance (NMCEA) is the first implementation of the new model. NMCEA is a consortium designed to meet the needs of students and respond to the demands of the workforce marketplace for talent in Software Engineering, Information Systems, and Cybersecurity. It includes partnerships among Minnesota State institutions—St. Cloud State University, Anoka-Ramsey Community College, Century College, and North Hennepin Community College as well as active engagements and consultations with external/industrial advisory councils. The NMCEA promotes higher efficiency and quality in the development and delivery of the curriculum by utilizing the cumulative talent of faculty and staff from the consortium members, eliminating redundancies and using industry expertise and capacity in the Twin Cities.

### **President Joe Mulford, Pine Technical and Community College**

President Mulford commented that Pine Technical and Community College (PTCC) and others are opening up portals for academic pathways and student support. Former Trustee Amanda Fredlund pursued this as a student at PTCC enrolled at Southwest Minnesota State University. Some students like the experience of a small school. PTCC has the lowest higher education attainment rate in his area. The Power of You is a partnership program in the Twin Cities with Saint Paul College that provides support for low-income students. PTCC is working with a private donor who paid for students in Pine City to go to college tuition free. This is the first year of the program.

### **Discussion**

During discussion, President Maki shared that St. Louis County awarded money out of its county budget to three colleges to retrain people in high skills jobs in our county to stop the brain drain. Discussion centered on finding ways to support innovation; allocate innovation funds to each campus; do more to reward collaboration; need to find different strategies for our different areas/regions; and engage the Centers of Excellence to help facilitate collaboration.

Following a break, Dr. MacTaggart invited the leaders of the bargaining units to comment on the presidents' comments and the subsequent discussion.

### **Bargaining Unit Leaders**

#### **Brent Jeffers, President, Inter Faculty Organization**

Southwest Minnesota State University has experienced declines for a long time. The Twin Cities Baccalaureate program that is delivered on two campuses has had some challenges. For example, there are financial aid challenges for students enrolled on two different campuses. In faculty meetings concerns about the Reimagining Minnesota State project have been expressed, such as:

- Who is going to control the curriculum?
- Preserve critical thinking and problem solving skills?
- Innovation for what end, purpose, outcome?
- Will it increase our enrollment?
- What is the threshold that will make the system sustainable?

#### **Tracy Rahim, President, Minnesota State University Association of Administrative and Service Faculty**

The MSUAASF members are discussing the Reimagining project and want to be included in the process. President Rahim echoed President Jeffers comments - what is the end game? What do we mean by innovation and to what benefit – campus or system-based? There are major concerns among members as enrollment has declined, tuition and fees have increased, and there have been layoffs. There are fewer MSUAASF members who struggle with serving more students who arrive on campus with higher needs.

#### **Kevin Lindstrom, President, Minnesota State College Faculty**

President Lindstrom had several suggestions.

- Define the dragon very clearly as there is uncertainty on the campuses.
- Find a way to bridge the gap and acknowledge the oversight role of the board to the people on the campuses.
- The answer is the college and university presidents.
- MSCF relies on its two-year college presidents.

President Lindstrom complimented the board on its recent presidential hires and he urged the trustees to engage with them conversationally. One challenge for the board is to evaluate everything you hear against your established values. There is a huge distinction between first and last dollar scholarship programs. The second challenge is in the spirit of looking for progress and the premises on innovation, change, and doing things differently.

#### **Tom Torgerud, Representative, AFSCME**

Mr. Torgerud commented that if there is not a strong foundation, we will crumble. Obstacle is the need to have everybody on board. We need everybody on board. He believes we have to make some changes.

#### **Jerry Jeffries, Minnesota Association of Professional Employees**

Mr. Jeffries commented that we cooperate on some things and compete on others. He would like to see some more shared services. Employees want to be sure they are not working themselves out of a job. If a program is successful, why not replicate it or share it with other campuses. One of the best ways to keep a student on a campus is help them develop personal relationships with counselors, faculty, and other staff.

#### **National and State Trends in Public Higher Education**

Dr. MacTaggart listed several national and state trends in higher education.

**Consolidations and mergers:** Connecticut has been the richest state in the country. They have a cost driven program to bring two and four years together. Its accrediting body said they could not do it and the Connecticut system has been set back several years. Georgia had higher functionality with changes that were mandated by its powerful board. Fourteen institutions have been reduced to seven.

**Agility versus control:** North Dakota has a new governor who chairs a blue-ribbon commission on higher education. He would like to reduce the authority of the system so that the institutions can compete.

Oregon got rid of its system. It has a coordinating board. Michigan has not had a system, and neither has New Jersey.

**Stronger executive:** Missouri has a strong head of its system. Rutgers has the same thing. Maine has advertised itself using the term "one university. "

Dr. MacTaggart commented that Minnesota State is set apart because it is unique. Minnesota State is ahead of all of the other systems. The Reimagining Minnesota State project is a future-looking, systematic approach that will include all of the stakeholders, and it is realistic.

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

Part I: Updates, approach, and engagement strategy

#### **Chair Vekich's comments:**

I have been looking forward to this agenda item for some time. Since we first began our conversations about engaging in the Reimagining Minnesota State initiative last spring – even before we had an official name or structured process -- I have been eager to engage in the critical questions that we must ask ourselves as a Board if we are to lead Minnesota State into the future.

Over the course of the next four hours, Terry MacTaggart and Lisa Foss will guide us through a discussion of the current thinking about Reimagining Minnesota State initiative and to seek guidance from the Board on Phase 1 activities, including the topics that will be the focus of our Forum Sessions and our approach to engaging our Minnesota State community in these deliberations.

It is my understanding is that Reimagining Minnesota State was on the agenda of the Leadership Council retreat last week and that the Presidents and Vice Chancellors had the opportunity to provide input and ask questions about the Reimagining Minnesota State initiative. It also is my understanding that their conversation has led to increased clarity and purpose to the Reimagining Minnesota State initiative and process that will be shared with you later in this session. I am very pleased that our Leadership Council provided such insightful feedback. I believe the ongoing engagement with our leadership team and our bargaining unit and student leaders is and will continue to be important to the success of our effort. I have been clear that transparency, communication and engagement must be important pillars of our collective work to Reimagine Minnesota State.

Since our last conversation about this topic at the July Board meeting, we have more clearly articulated the goals of the initiative. While Reimagining Minnesota State is an effort to build our capacity to be more responsive and nimble through ongoing innovation, we are not advocating for innovation for innovations sake. In fact, we are challenging our entire system – the Board of Trustees, the system office, our campuses and our faculty, staff and students -- to seek out and be more open to promising innovations that will result in improved outcomes for our students and state.

Through the Reimagining Minnesota State initiative, as Board Chair, I am challenging all of us to set a goal for ourselves that we will lead the country on key outcomes of

student success and economic and social mobility. I recognize that this goal is a bit audacious. Jim Collins, author of *Good to Great*, might even call it a BHAG... A Big Hairy Audacious Goal! But I believe that as the 4th largest public higher education system in the country, we have the leadership, the resiliency, the creativity, and the commitment to student success to achieve it.

We will only be able to achieve this goal by embracing innovation and change and continually seeking out new methods and approaches to improve the education and experience of all our students. That is the purpose of Reimagining Minnesota State.

Not to create a tactical plan that will identify point solutions for single challenges. But to create a culture of evidence-based innovation across our system, campuses and employees and to empower our people to identify innovative, evidence-based solutions to our most difficult challenges. If we do this work and we do this work well, I am confident we will become recognized as the most innovative and student success driven higher education system in the country.

And what is most exciting about that possibility is that it will be a great achievement for the board and the chancellor and the presidents and our campuses. But the real winners if we achieve our goals will be our students and the people of Minnesota. At that point, our value proposition will no longer be in question. We will be the unquestioned catalyst for social and economic vibrancy and mobility and a valued partner for the State of Minnesota.

The work of Phase 1 is to bring clarity to that value proposition and to create an organized approach to innovation – or what we’ve begun calling an innovation ecosystem -- that creates the expectations, environment, support structures, processes and policies that will drive progress on our goals.

In the Board packet, there were a few background readings and even a few TedTalks that were to spark the Board’s thinking about ‘innovation’. I want to draw your attention to one reading in particular. It was an article by AGB on Innovation. At the end of the article, the author poses a series of questions that Board’s should ask themselves about how they are encouraging and supporting innovation in their institutions. A few of these questions were:

- Is the culture of the board supportive of innovation?
- Does the board have the right composition and committee structure to foster innovation?
- Are innovative ideas recognized and rewarded at your institutions?
- Do your Board and Presidents support and encourage innovation on the part of your faculty?
- How has the Board signaled to your campus community its commitment to support innovation?

These are important questions that we need to ask ourselves as a Board as we move through Phase 1 of Reimagining Minnesota State and to keep in front of us as we engage in the session today.

Before I turn the remainder of the session over to Terry and Lisa, I am excited to share with you the names of our confirmed members of the Forum on Reimagining Higher Education Advisory Group. We are very fortunate to have leaders of this caliber and experience agree to dedicate time and energy to thinking with us about the future of Minnesota State. The Forum Advisory Group members are:

Neel Kashkari, President and Chief Executive Officer, Federal Reserve Bank of Minneapolis  
Kenneth Holmen, Chief Executive Officer and President, Centracare Health  
RT Rybak, President and CEO, The Minneapolis Foundation  
MayKao Hang, President and CEO, Amherst H. Wilder Foundation  
David Mortenson, Chairman, Mortenson Construction

Joining the external members of the Forum Advisory Group will be myself serving as a co-chair with Mr. Kashkari, Chancellor Devinder Malhotra, Trustee Roger Moe and Trustee Alex Cirillo. We are anticipating one more business leader to be added to the Forum Advisory Group in the next few weeks. We will officially announce the final membership when we launch the first Forum Session later this fall.

This is a powerful group of thought leaders and their willingness to serve Minnesota State in this advisory role is a testament to the important role we play in this state. Now we need to challenge ourselves to be bold in our thinking and our action as together we Reimagine Minnesota State.

### **Chancellor Malhotra's Comments**

Chair Vekich, members of the board, as our work to reimagine Minnesota State gets underway, I would like to share a quote about higher education that I have already shared with Leadership Council. It comes from a 1972 article by Michael D. Cohen, James G. March, and Johan P. Olsen:

“An American college or university is a prototypical organized anarchy. It doesn't know what it's doing. Its goals are either vague or in dispute. Its technology is familiar but not understood. Its major participants wander in and out of the organization. These factors don't make a college or university a bad organization or a disorganized one; but they do make it a problem to describe, understand, and lead.”



If our reimagining work is to succeed, it must permeate all through the organization, and every single corner of the organization must do this reimagining, including the board and the system office. In that regard, the reimagining that takes shape at our colleges and universities will occur in 37 different ways, because different institutions are at different levels of organizational maturation. They have different contexts and different histories, and their communities have different needs.

As we reimagine our work at the system office, I believe there are critical questions that need to be answered:

- How do we make creative and innovative work integral to our operational structures?
- How do we create a more facilitative and supportive environment to ensure that this work can permeate throughout the system?
- And how do we support our people in taking risks that sometimes pay off and sometimes result in failure – failure that is viewed as an opportunity to learn and adjust?

The authors of the quote about colleges and universities being organized anarchy also argue that such organizations operate in a high degree of uncertainty and ambiguity. There is ambiguity of purpose. In a system as large and varied as ours, it is difficult to develop a shared vision and goals that will be applicable throughout the system and the colleges and universities.

There is also ambiguity of power. This emanates from a lack of clarity of roles, and thus a lack of clarity around domains of power. The authority our positions at the system level supposedly grant us is illusory. The reality is, our ability to move the system forward depends less on using authority and more on building networks and coalitions and developing consensus. And then there is ambiguity of experience. We continue to struggle to determine what should be done at the enterprise level and what is to be left for the colleges and universities. Given the complexity of the environment in which we operate and the uncertainties we face, the notion that our past experience and actions will hold us in good stead in the future is no longer true.

In order to navigate this complex environment, we will need very different kinds of leadership traits. Leaders will be called to fully engage all stakeholders, both internal and external, to develop a shared understanding of how we will align our work to changing circumstances. In other words, we will need leaders who engage and align.

We will also need leaders who can facilitate very difficult conversations and challenge us, our colleagues, and our organization to rise above short-term existential threats and focus instead on long-term sustainability. This understanding might explain why we are embarking on this reimagining at this point in time, and answer the question, Why now?

If we fail to engage in this important conversation and readjust to current disruptions, we are putting our colleges and universities and our system as a whole on an increasingly unsustainable path. This is a threat to our very existence. But more importantly, this is a threat to every Minnesotan. If we don't ensure student success, if we don't address disparities, our students will not have a brighter future and our state will not prosper.

Chancellor Malhotra introduced Dr. Lisa Foss, Chancellor's Fellow, who is the lead on the Reimagining Minnesota State project.

### **Updates, Approach, and Engagement Strategy**

Dr. Lisa Foss said that Reimagining Minnesota State began with a challenge from the chair: "How does the Minnesota State Board of Trustees enable a large, complex, and risk and change-averse organization to transition itself into a more dynamic enterprise centered on enhancing student success?"

Practices that worked yesterday will not work tomorrow. Changing demographics, shifting enrollment patterns, increased competition, technology, financial sustainability, and the public's perception are all challenging higher education. Traditional models do not serve underrepresented and non-traditional students well. The goals of Reimagining Minnesota State are to:

- Lead the country on key outcomes of student success and economic and social mobility.
- Become recognized as the nation's most innovative and student success driven higher education system.

The outcomes of Reimagining Minnesota State are to:

- Create a culture of evidence-based innovation across the system
- Empower our people to identify innovative, evidence-based solutions to challenges, and
- Create structures, policies, procedures, and funding models to support

Dr. Foss explained that there are two phases to this initiative. Phase One will run through April 2018. During this phase we will learn together how industries and organizations in Minnesota and around the country are meeting the demands of the rapidly changing environments within which they operate.

Phase Two, beginning in May 2019, is when the work begins to create an innovative ecosystem for Minnesota State that will engage leaders from all levels within the system in identifying the organizational and operational changes that are needed to build and sustain a culture of innovation.

During discussion, trustees expressed a need for clarification of the purpose and goals. There is ambiguity at this point in the initiative, yet there is also a sense of urgency. Trustees also discussed messaging and communications around the Forums.

### **Convening Topics**

Dr. Foss explained the format for the Forum sessions. First, they are open to the public. There will be a briefing paper, public presentations on each topic, and a public report after each session. There will be broad conversations across the system. There will be updates at the Board of Trustees meetings, meet and confers with the bargaining units, and meetings with the student associations. In addition, the materials will be available on the Forum's website. The Forum sessions can be accessed in real time. The tentative topics for the Forum sessions are:

- Forum Session 1: Forces for change around the country
- Forum Session 2: The Digital Age/ opens the door for NextGen
- Forum Session 3: Nature of work, future as machines take over
- Forum Session 4: The World: Competition, emerging markets and global competency
- Forum Session 5: Emerging Business Models

### **Frameworks for Innovation**

Dr. Foss explained that there are many definitions of innovation. It is a localized definition influenced by industry type. She summarized approaches to innovation systems in business and industry, health care, and social and education organizations. Innovation can come from leveraging existing business and technical competencies or requiring new ones. The investment of time and resources depends on what kind of risk your organization is willing to take.

Dr. Foss highlighted innovation systems at the Institute for Healthcare Improvement, the Carnegie Foundation for the Advancement of Teaching, and the Collective Impact Forum.

Principles of practice in innovation include:

- Design and implement the initiative with a priority on equity
- Include community members in the collaborative
- Recruit and co-create with cross-sector partners
- Use data to continuously learn, adapt, and improve
- Build a culture that fosters relationships, trust, and respect
- Customize for local context
- Cultivate leaders with unique system leadership skills

Dr. Foss noted that similarities in Peter Senge's key capabilities of system leaders:

- Commitment to the health of the whole
- Ability to see reality through the eyes of people different from themselves
- Build relationships based on deep listening and networks of trust and collaboration
- Do not wait for a fully developed plan
- Encourage learning by doing
- See intractable problems as opportunities for innovation

### **Align Priorities with Committees' Work Plans**

Senior Vice Chancellor Ron Anderson talked with the board about the national issues and trending themes in higher education, and the potential use of these themes as an organizing

framework for building FY19 committee work plans/agendas. He listed eight themes and asked trustees if they are the right ones, and if they can think of any others. He also asked them to consider where there are opportunities to advance equity and inclusion across the themes?

- Value and purpose of higher education
- Student success, enrollment, and changing student demographics
- Innovation and quality in curriculum, programming, services and operations
- Campus climate
- Disinvestment in public higher education
- Affordability and student debt
- State and federal policy, and
- Leadership and change

Trustees commented that they were not sure that the names of the committees and their charters accurately reflect their work. Progress has been made on reducing the number of PowerPoint presentations to allow more time for strategic discussions to occur. The presentations need to clearly state the key points that the trustees need to know. Some trustees, especially the newer members, do not have the background on all of the information that is presented. Regarding leadership and change, a suggestion was made to develop a workforce development training session for staff. There was also consensus on developing a common definition of change management.

Dr. MacTaggart recommended letting the board's new committees get settled before looking at changing their names and charges. Day one of the retreat concluded and the topic of aligning priorities with the committees' work plans will continue in the morning.

### **Wednesday, September 19**

#### **Retreat Continues, Recap of Day One**

Dr. MacTaggart recited take-aways from day one:

1. Heard a strong go ahead on Reimagining
2. Communications on all fronts
3. More participation built around and in addition to the forums
4. Greater awareness of campus innovation; particularly for the board
5. Art and science of change leadership

The goal is to be the most innovative system in the nation. Minnesota State has a lead on this because no one else is going it. There were concerns about Reimagining following on the heels of Charting the Future. There is also a need to consider the reactions of faculty and staff who need to be supportive of the initiative.

#### **Continued discussion - Align Priorities with Committees' Work Plans**

Sr. Vice Chancellor Anderson and Dr. MacTaggart presented several discussion questions:

- How to align committee work with reimagining?
- How do you spend your time in committee meetings?

- Communications within committees? Can you use technology? Communicate with the board?
- Input, getting information, hearings?
- Working relationship with staff?
- Name and charge of the committee?

Trustee Cirillo suggested spending times in each of the committees on the Reimagining work. It can be a standing item on the agenda and the purpose of this is to change the board. By doing this in committees, we can bring the rest of the system along. Trustee Cowles suggested inviting all stakeholders in a non-formal but structured way to participate in the committee work. Trustee Rodriguez said there is a lot of good work going on and would love input from all of the stakeholders.

Chair Vekich commented that the Audit Committee is the most compliance oriented of all of the committees. Baker Tilly has been engaged as part of the audit team and it has been working very well. The Audit Committee is taking independent views of NextGen and thinking about how Reimagining gets integrated into NextGen.

Trustee Janezich commented that a separate committee for facilities makes sense. He has consulted with Trustee Soule who is the vice chair of the Facilities Committee. One goal is to share thoughts with Trustee Moe who is the chair of Finance. Trustee Sundin added that there is a need on almost every campus for spaces for food banks, clothing banks and other services to help students.

Trustee Moe said that he is not sure that the Finance Committees needs a new name. There is a need to be thoughtful on NextGen and how the narrative around it is framed, as well as the budget in general. There ought to be creative ways to pursue sources of revenue and to be strong supporters of increasing the budget. He suggested putting workforce centers on campuses where they can make a difference, instead of having them on all campuses. What distinguishes a community apart in this state is the college or university campus within its area. Consider some structure to find a way for a tax as students spend money in the community. Dr. MacTaggart noted that there are a lot of institutions around the country that get tax support.

Trustees Cowles, chair, Human Resources Committee, said that compliance is also a function of his committee. It is also the committee that deals with organizational development. One area to explore is how to understand the ability of the employees and the leadership to get the work done. Perhaps that can be done by conducting a climate survey. He supports bringing stakeholders to committee discussions.

Trustee Erlandson, chair of the Ad Hoc Committee on Outreach and Advocacy, said the committee has two members so far. The full board does not often get to hear about our external effort such as marketing and stakeholder engagement. She suggested that we should

think about marketing to Generation Z, as they are still in school. Trustee Abdul-Aziz suggested marketing to students. Other ideas are partnerships, working with communities, unions; and building trades. Trustee Sundin added visiting campuses because that is the best way for the board to find out what is going on so that we have stories to share about what is happening on our system.

Trustee Cowles commented that instead of looking at this as a project, we should actually consider this as our normal work expectations. We need to keep up, be relevant, and take care of our students.

Chair Vekich explained that the Chancellor Performance Review Committee will be convened in the next month or so, and that the Nominating Committee members will be selected in 2019.

Sr. Vice Chancellor Anderson commented that the changes in how the committees interact will add value to their work. He thanked the trustees for a good discussion.

### **Biennial Budget and Tuition Outlook**

Chancellor Malhotra said that this will be Vice Chancellor Laura King's 12<sup>th</sup> biennial legislative request, and his first! The focus of this biennial budget request is on fiscal stability, managing our operational expenses with our budget, and student success. We heard again and again to ask for what we need for campus investments, inflationary increases, cost?, compensation, and closing some of the structural deficits because of the way the state's appropriation has been awarded over the years.

Vice Chancellor King said that this is the Board of Trustees' formal request to the governor and the legislature for two years of funding. During the 2018 legislative session, the board had a capital program request and a FY2019 supplemental budget request. There was no legislative support for the supplemental budget request.

Vice Chancellor King reviewed a timeline for the FY2020-FY2021 budget request. It began with consultations with bargaining units and student associations in April and will conclude with a first reading at the October board meeting, a second reading and approval at the November meeting. The FY2020-FY2021 budget request will be submitted to Minnesota Management and Budget on November 15, 2018.

State funding has been erratic over the past several years. There is no relationship in our funding levels with enrollment levels. At one time, the state funded two-thirds, and the students' portion was one-third. Since 2002, that has declined. Since 2013, there is a consensual relationship on funding level since the board agreed to not increase tuition. Current funding level is 50/50. Minnesota's higher education funding trails the U.S.; Minnesota's investment has declined more than twice the national average since 2007.

Enrollment has declined one percent from FY19 and FY18. Every year for the last six years, our campuses have faced budget shortfalls. The state appropriation has been trending in such a way that it leaves us with a gap in the second year of the biennium.

The three organizing principles shaping the legislative request are:

- Student success/new learners;
- Diversity, equity, and inclusion/ new demographics; and
- Programmatic and financial sustainability/ new budget realities

This is our opportunity to make the case that adequately funding higher education is critical to nurture and sustain Minnesota's economy. Two new scholarship programs targeting enrollment and completion would help student success: the MN State College Promise Program (tuition and fee scholarship for new and continuing college students), and the MN State University Transfer Scholarship (for transfer students from our colleges to our universities). The first year would be paid for, the second year would be their contribution

Vice Chancellor King said that the budget request is for \$246 million in new funding over the biennium.

- \$37 Million to support ISRS NextGen
- \$169 Million to provide high quality programs
- \$25 Million for targeted financial support to strengthen access
- \$15 Million for address the workforce gap

Trustees offered suggestions for making a persuasive case before the legislature. The compelling argument is educating Minnesota's talent with campus investments and strategic investments.

### **NextGen Update**

Vice Chancellor Ramon Padilla said that NextGen is Minnesota State's next great technology investment. The urgency is the technology piece – we are running on a legacy system that is very old. What sells it is that this system is the core around which everything revolves around. It is making us look at our business processes, better management, and governance processes.

NextGen will provide an enhanced student experience by improving registration, degree planning, credit transfer, online advising. NextGen is the next generation because this is what your students need.

Vice Chancellor Padilla said that NextGen is not a legacy rewrite. We are not writing anything. We are going to lease the software. We are not even going to run it ourselves, we are going to be on the same platform as other software programs. Software is a service and as we invest in it, and it will be continuously modified as it meets changing needs. Second plus, is that no customization is allowed. There is a difference between customization and configuration. Configuration is tweaking the software to fit the model to meet our needs.

NextGen will change how faculty and staff support our students and administrative processes. Two hundred people are working on the business processes. Students, faculty, and staff will have an opportunity to review the process maps starting on October 8 through November 16. They can provide feedback online, through a virtual Q/A session, or in person at a regional review site.

The change management strategy is in place and the board, chancellor, and presidents all have a role to sponsor and enable the program. The project timeline has been revised. There will be an update at the October board meeting.

### **Enterprise Risk Management**

Chancellor Malhotra listed Minnesota State's strategic objectives: student success, diversity, equity, and inclusion, and programmatic and financial sustainability.

Interim Executive Director Eric Wion gave an overview of the ERM process. The Steering Committee felt there was an opportunity for a robust discussion and feedback. All of the presidents were surveyed and asked to rank risks identified by the system office and additional risk areas. The risks were sorted in areas of emphasis and ranked. Individual risk owners were identified and then were asked to put together a risk mitigation plan. Twenty-six presidents participated in WebEx discussions and 21 presidents completed the survey. Out of ten risks, the presidents' selected three - financial sustainability, change management, and enrollment management - as the number one risks from both a system and institution level. Following the presidents' feedback affordability was added as a strength and state and federal government policy and public support were added as risks.

Ms. Rose Tagle, Baker Tilly, reviewed areas of emphasis. The last time it was all about the process. This time it is all about the risk. Compared to other systems, Minnesota State is pretty far in front of risk identification. Chancellor Malhotra added that reviewing and evaluating past change efforts has resulted in lessons learned from the past. He cited the HR-TSM as an example. A suggestion was made to evaluate current change efforts as well.

Vice Chancellor Padilla reviewed information security/privacy and IT systems. He explained there are two modes of mitigation from an IT security standpoint: policy/ procedure and governance. The IT risk assessment has been completed and is in the process of being reviewed, and relevant board policies have been reviewed and updated since February 2017.

Associate Vice Chancellor Brian Yolitz discussed risks associated with safety issues. The campuses routinely have drills covering a variety of emergencies including campus shootings, fires, tornadoes, etc.

Vice Chancellor King reviewed the financial sustainability risks that include ensuring that the system can continue to operate in the short-term as well as the long-term. Mitigation plans



include financial performance oversight, implementing predictive analytics for enrollment management, and implementing collaborative planning for academic programs, along with government relations efforts. A suggestion was made to include retention and graduation to implementing predictive analytics for enrollment management.

Chief Marketing and Communications Officer Noelle Hawton summarized risks in managing legislative and public support. The mitigation plan includes practicing robust government relations efforts, gaining public awareness and support through paid and earned media. For example, she is working on developing a content strategy on alumni, and the companies they work for, to promote the value proposition of public education.

Senior Vice Chancellor Anderson reviewed risks in academic and student affairs. Mitigation plans for technological disruptions include continuing to explore new learning technologies, enhancing enterprise opportunities (NextGen, for example), and supporting institutions in implementing online education strategies. Mitigation plans for enrollment management include re-envisioning the processes for recruitment, orientation, and placement testing, and strengthening partnerships with local communities, high schools, industry, and diverse organizations. The next steps are to continue working with the Steering Committee. The Leadership Council had a similar discussion last week. Campus Tools & templates will be developed for presidents after this year.

### **Final thoughts and take-aways**

Dr. MacTaggart commented that trustees will receive a copy of Chancellor Malhotra's working definition of a system. Chair Vekich asked trustees for their thoughts on two questions: Did we accomplish what we wanted to accomplish, and what would be helpful to know, what did we miss? In general, trustees concurred that the conversations over the past two days were a good start. They also commented on:

- the importance of building trust in the entire system;
- the board's role in helping the team (system staff) be successful;
- staying connected with the Reimagining Minnesota State project;
- wanting to know the reasons why students chose Minnesota State, and reasons why they go elsewhere;
- interested in knowing how other institutions are growing their market share; and
- how will learning change in 10 years

Chancellor Malhotra invited trustees to join him at any of the second round of Partnership Tours on October 4 and 5, starting with Anoka Technical College, Pine Technical and Community College, Lake Superior College, Bemidji State University, and Itasca Community College.

Chair Vekich thanked everyone for their participation. The retreat ended at 2:30 pm.