Board of Trustees Meeting Schedule
Southwest Minnesota State University
Conference Center
1501 State Street
Marshall, MN
Tuesday and Wednesday, November 14-15, 2017

Meetings may begin up to 45 minutes earlier than the times listed if a committee meeting concludes its business before the end of its allotted time slot. In addition to the board or committee members attending in person, some members may participate by telephone.

Tuesday, November 14, 2017
Conference Center, Lower Ballroom

8:30 AM Welcome, Connie Gores, President
Southwest Minnesota State University Overview
- Programs and Tours

10:30 AM Academic and Student Affairs Committee, Alex Cirillo, Chair
Conference Center, Upper Ballroom
- Teacher Education Follow-up

12:00 PM Luncheon, Conference Center, Lower Ballroom

1:30 PM Audit Committee, Michael Vekich, Chair
Conference Center, Upper Ballroom
1. **Minutes of October 18, 2017**
2. **FY2017 and FY2016 Audited Financial Statements**

2:30 PM Academic and Student Affairs Committee, Alex Cirillo, Chair (reconvene)
Conference Center, Upper Ballroom
1. **Minutes of October 18, 2017**
2. **Proposed Amendment to Policy 3.32 College Faculty Credentialing (Second Reading)**
3. Proposed New Policy 3.41 - Education Abroad Programs (First Reading)
4. Student Demographics

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

3:30 PM   Joint Meeting: Academic and Student Affairs and Finance and Facilities
              Committees, Alex Cirillo and Jay Cowles, Co-chairs
              Conference Center, Upper Ballroom
              - Collaborative Campus and Regional Planning

4:30 PM   Meeting Ends

5:30 PM   Dinner (social event, not a meeting)

Wednesday, November 15, 2017
8:00 AM   Finance and Facilities Committee, Jay Cowles, Chair,
              Conference Center, Upper Ballroom
              1. **Minutes of October 18, 2017**
              2. **Contracts Exceeding $1M**
                 a. **Lease Extension for System IT Services Space**
                 b. **ISRS Next Gen Business Process Re-engineering Vendor Contract**
              3. **Potential Supplemental Budget Request Discussion**
              4. FY2020-2024 Capital Budget Guidelines Framing Discussion
              5. Enterprise Wide Administrative Services and Related Financing Project
                 Report
              6. **Proposed New Policy 6.11 Facility Management and Operations
                 (Second Reading)**

10:30 AM   Human Resources Committee, Dawn Erlandson, Chair
              Conference Center, Upper Ballroom
              - Executive Searches Update

11:30 PM   Luncheon, Conference Center, Lower Ballroom

1:00 PM   Board of Trustees, Michael Vekich, Chair

2:30 PM   Meeting Ends

Bolded items indicate action is required

SOUTHWEST
MINNESOTA STATE UNIVERSITY

Parking in lot A (#37)

Meetings in
Conference Center
(#13)

MINNESOTA STATE
Board of Trustees

APPROVED FY2018 AND FY2019 MEETING CALENDARS
The meeting calendar is subject to change with the approval of the board chair. Changes to the meeting calendar will be publicly noticed.

FY2018 MEETING DATES

Meeting	Date	If agendas require less time, these dates will be cancelled.
Orientation and Board Retreat	September 19-20, 2017	
Cancelled: Executive Committee	October 4, 2017	
Committee / Board Meetings	October 17-18, 2017	October 17, 2017
Executive Committee	November 1, 2017	
Committee / Board Meetings	November 14-15, 2017	November 14, 2017
Executive Committee	January 10, 2018	
Committee / Board Meetings	January 23-24, 2018	January 23, 2018
Executive Committee	March 7, 2018	
Committee / Board Meetings	March 20-21, 2018	March 20, 2018
Executive Committee	April 4, 2018	
Committee / Board Meetings and Awards for Excellence in Teaching	April 17-18, 2018	
Executive Committee	May 2, 2018	
Committee / Board Meetings	May 15-16, 2018	May 15, 2018
Executive Committee	June 6, 2018	
Committee / Annual Board Meetings	June 19-20, 2018	June 19, 2018

FY2019 MEETING DATES

Meeting	Date	If agendas require less time, these dates will be cancelled.
Orientation and Board Retreat	September 18-19, 2018	
Executive Committee	October 3, 2018	
Committee / Board Meetings	October 16-17, 2018	October 16, 2018
Executive Committee	November 7, 2018	
Committee / Board Meetings	November 13-14, 2018	November 13, 2018
Executive Committee	January 2, 2019	
Committee / Board Meetings	January 15-16, 2019	January 15, 2019

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Executive Committee	March 6, 2019	
Committee / Board Meetings	March 19-20, 2019	March 19, 2019
Executive Committee	April 3, 2019	
Committee / Board Meetings and Awards for Excellence in Teaching	April 16-17, 2019	
Executive Committee	May 1, 2019	
Committee / Board Meetings	May 21-22, 2019	May 21, 2019
Executive Committee	June 5, 2019	
Committee / Annual Board Meetings	June 18-19, 2019	June 18, 2019

Committee Roster
2017-2018

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Ver. 10.24.17

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ACADEMIC AND STUDENT AFFAIRS COMMITTEE
November 14, 2017
10:30 A.M.

Southwest Minnesota State University
Marshall, MN

Please note: Committee/Board meeting times are tentative. Committee/Board meetings may begin up to 45 minutes earlier than the times listed below if the previous committee meeting concludes its business before the end of its allotted time slot**.**

1. Teacher Education Follow-up (pp. 1-124)

ACADEMIC AND STUDENT AFFAIRS COMMITTEE
Alex Cirillo, Chair
Louise Sundin, Vice Chair
Dawn Erlandson
Amanda Fredlund
Jerry Janezich
Rudy Rodriguez
Cheryl Tefer

Bolded items indicate action required.

MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet

Name: Academic and Student Affairs   **Date:** November 14, 2017

Committee **Title:**   Teacher Education Follow-up

Purpose (check one):

☐ Proposed New Policy or Amendment to Existing Policy

☐ Approvals Required by Policy

☐ Other Approvals

☐ Monitoring / Compliance

☒ Information

Brief Description:

The 2017 Minnesota State Legislature incorporated significant provisions in the education budget bill that will have profound implications for Teacher Education in Minnesota. The October presentation and background information provided an overview of the teacher education landscape as it currently exists, and the role of Minnesota State within that domain.

This month's presentation and background information addresses the concerns that led to the legislative changes, and Minnesota State's strategic response to both these concerns and the new licensure system. Representatives from Fond du Lac Tribal and Community College, Winona State University, Southwest Minnesota State University, and Minnesota State University, Mankato will highlight programs from their institutions that are making a difference in teacher education in Minnesota.

Scheduled Presenter(s):
Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs
Jon Dalager, System Director, Academic Initiatives and Program Support

Fond du Lac Tribal and Community College and Winona State University Program:
Larry Anderson, President (FdLTCC)
Roxanne DeLille, Dean of Indigenous and Academic Affairs (FdLTCC)
Sara Montgomery, Program Coordinator of Anishinaabe and American Elementary Education (FdLTCC)
Tarrell Portman, Dean of the College of Education (WSU)

SMSU Para to SPED Program:
Dwight C. Watson, Provost and VPAA
Sonya Vierstraete, Chair and Associate Professor of Education

1

MSU, Mankato Programs:
Jean Haar, Dean of the College of Education
Robbie Burnett, Director for Recruitment and Retention
Monica Ocampo, teacher candidate in Elementary Education

INFORMATION ITEM
Teacher Education Update

BACKGROUND

The 2017 Minnesota State Legislature incorporated significant provisions in the education budget bill that will have profound implications for Teacher Education in Minnesota. The October presentation and background information provided an overview of the teacher education landscape as it currently exists, and the role of Minnesota State within that domain.

This month's presentation and background information addresses the concerns that led to the legislative changes, and Minnesota State's strategic response to both these concerns and the new licensure system. Representatives from Fond du Lac Tribal and Community College, Winona State University, Southwest Minnesota State University, and Minnesota State University, Mankato will highlight programs from their institutions that are making a difference in teacher education in Minnesota.

November 14, 2017
Academic and Student Affairs

The Teacher Education Landscape in Minnesota – Part II

Board of Trustees
Academic and Student Affairs Committee

EXECUTIVE SUMMARY

- Minnesota State offers a wide array of teacher education and pre-teacher education programs across the state
- Teacher education landscape continues to evolve
- Teacher shortages are of state and national concern
- Factors impacting these shortages are broad and include:
  - Declining interest and enrollment in teacher education programs
  - Barriers such as difficult licensure requirements, student teaching requirements, and a perceived social stigma of the profession

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EXECUTIVE SUMMARY

- School districts are responding to these challenges in a number of ways:
  - Reinstating programs that were cut during the recession
  - Seeking to recruit more teachers of color and American Indian teachers
  - Addressing issues of teacher retention and attrition

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EXECUTIVE SUMMARY

- Minnesota State universities are responding to these challenges in a number of ways as well:
  - Increasing enrollments in teacher education and pre-teacher education programs
  - Implementing teacher education transfer pathways
  - Creating academic pathways for Tier 1 licensees
  - Improving student success and degree completion
  - Revising academic and student support services and programming
  - Extending teacher support post-graduation

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PROGRAM PROFILES

- Anishinaabe and American Elementary Education
  - Fond du Lac Tribal and Community College and Winona State University
- Para to SPED Teaching Initiative
  - Southwest Minnesota State University has partnered with the Southwest West Central Service Cooperative to address the shortage of special education teachers in rural Minnesota
- Recruitment and preparation for teachers of color and American Indian teachers
  - Minnesota State University, Mankato Teachers of Tomorrow program, in partnership with the Coalition to Increase Teachers of Color and American Indian Teachers in Minnesota

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Strategic questions for consideration and discussion

- Are there additional strategies that we should be exploring to address teacher shortages and the diversification of the teacher pool?

- Are there critical policy issues related to teacher education for the committee to consider in the year ahead?

Background Materials

Minnesota State offers a wide array of teacher education programs

- All seven universities prepare teachers for licensure, 18 colleges offer pre-education and paraprofessional programs in education
- Enrollment is stable
- Enrollment of students of color and American Indian students has increased since 2008
- Placement rates for licensed teachers range between 90-93%

- More than half (18) of Minnesota State colleges offer pre-education and para-education programs leading to certificates, diplomas, and associate degrees.

- All seven Minnesota State universities offer teacher preparation programs leading to teacher licensure.

- Enrollments in teacher preparation programs peaked with the great recession in 2011 but have leveled off since then

- Enrollment of students of color and American Indian

students as a percent of total enrollment has increased markedly since 2008.

- Minnesota State universities awarded nearly half of all teacher education bachelor's degrees in the state, and one third of the degrees are awarded to students of color and American Indian students.

- Placement rates of bachelor's prepared teachers declined during the Great Recession but rose to 90% by 2013 and have ranged between 90% and 93% in recent years.

Teacher education landscape is changing

New law changes teacher licensure and oversight
- Professional Educator Licensing and Standards Board (PELSB) assumes office on January 1, 2018
- Tiered Licensure structure takes effect July 1, 2018

Shortages and lack of diversity in teacher candidates
- Schools districts have hard time finding qualified teachers in many areas
- Teacher pool is predominantly white and female

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- New oversight and licensing structures will take effect in January 2018, under a single *Professional Educator Licensing and Standards Board.*

- A new, four-tiered licensure structure takes effect in July 2018, replacing the existing licensure framework.

- The legislature adopted the new system because of significant teacher shortages across the state, with the greatest shortages occurring in special education, select disciplines in the middle and high school grades,

and career technical education.

- Schools are challenged in not only finding qualified licensed teachers, but also in diversifying the racial/ethnic background of teachers to mirror that of the student body. Teacher race/ethnicity **does not** mirror that of current students.

Teacher shortages are of national concern

Figure 1. Projected Teacher Supply and Demand
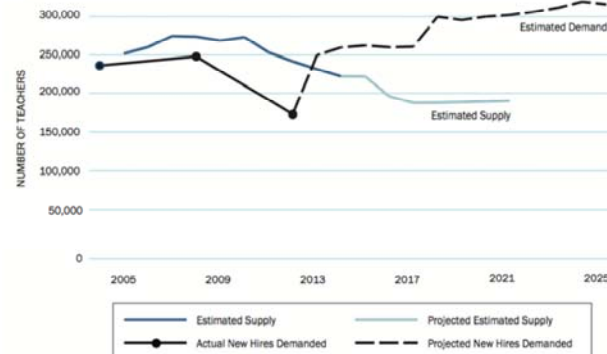
- The teacher shortage is not a local issue, but a concern facing the entire nation. The U.S. Department of Education forecasts a decrease in the supply of teachers in the face of increasing demand.

Teacher supply has not kept up with need

- Increasing number of students in schools
  - Nationwide, between fall 2000 and fall 2014, total enrollment in public elementary and secondary schools (pre-K through grade 12) increased by 7 percent, reaching 50.3 million students.
  - Total public school enrollment is projected to continue increasing through fall 2026 by 3% to 51.7 million students.
  - In Minnesota, public school student enrollment from 2010 to 2016 has increased by 3.2 percent from 822,697 to 848,742.

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There are a number of drivers leading to the teacher shortage crisis. First among them is differential growth rates between student enrollment (demand) and the teacher availability (pool).

- The number of students enrolled in public schools has been increasing over the past few years, which has increased the need for more teachers. The rate of growth at the national and state level has been about 3% over the past several years.
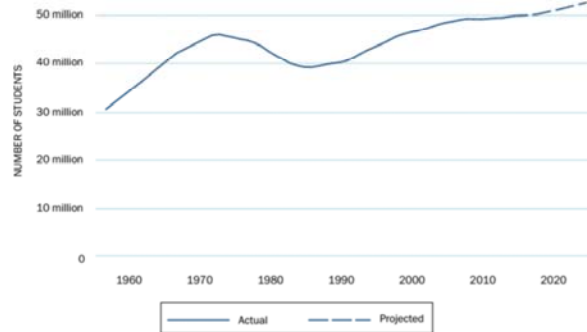
Looking at the long-term trend reveals that our public schools are under pressure to serve more students than ever before.

Decline in interest and enrollment in teacher education programs

- Only 5% of students in a recent survey of those taking the ACT college entrance exam were interested in pursuing a career in education, a decrease of 29% between 2010 and 2014.
- Nationally, enrollment in teacher education programs has decreased by 36% since 2010.
- In Minnesota, teacher education enrollment peaked with enrollment at 10,600 in 2011, decreased until 2015, but has increased over the past few years.

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Teacher availability itself is impacted by a number of different factors:

- Nationally, only 5% of students in a recent survey of those taking the ACT college entrance exam were interested in pursuing a career in education, a decrease of 29% between 2010 and 2014.

- Enrollment in teacher education programs has decreased by 36% since 2010.

- In Minnesota, teacher education enrollment peaked

with enrollment at 10,600 in 2011, decreased until 2015, but has increased over the past few years.

National data on interest and enrollment

FIGURE 1: HIGH SCHOOL STUDENT INTEREST IN GENERAL TEACHER EDUCATION MAJORS: 2010-2014

		2010	2011	2012	2013	2014
Nation	Percent	15%	13%	12%	12%	12%
	N Count	15,595	13,754	11,347	11,089	10,678

Source: ACT. The Condition of Future Educators 2014 (Iowa City: ACT, 2015), 3. http://www.act.org/content/dam/act/unsecured/documents/CCCR-2014-FutureEducators.pdf (accessed April 6, 2016).

FIGURE 2: ENROLLMENT IN TEACHER PREPARATION PROGRAMS: 2008-2009 THROUGH 2013-2014
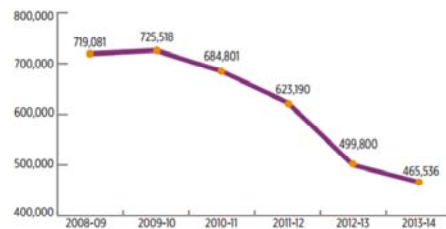
Source: U.S. Department of Education, Office of Postsecondary Education, Enrollment in Teacher Preparation Programs (Washington, D.C.: U.S. Department of Education, 2015), 5-6. https://title2.ed.gov/Public/44077_Title_II_Issue_Brief_Enrollment_V4a.pdf (accessed April 7, 2016). States first began reporting the number of individuals enrolled in teacher preparation programs in AY 2008-09.

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At the national level, high school student interest in teacher education is decreasing and enrollment in teacher preparation programs has declined considerably since the 2009-2010 academic year.
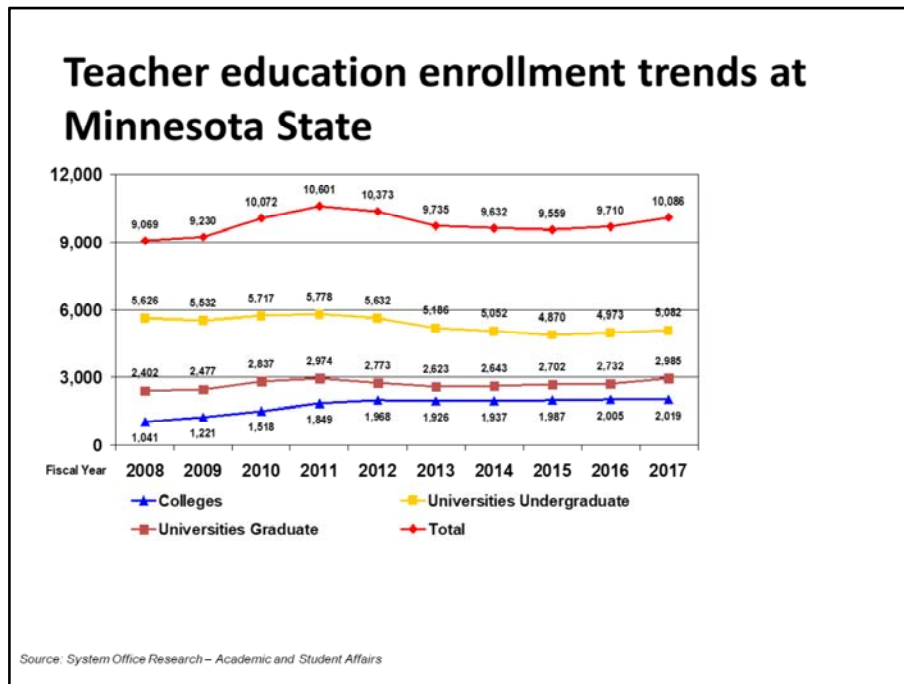
Key points illustrated by the data above:

- Undergraduate teacher education enrollments at the state universities include junior and senior students who have been admitted to teacher education majors.

- Teacher education enrollments peaked with systemwide enrollment during the great recession in 2011.

- Undergraduate enrollments decreased between 2011 and 2015 and have risen slightly since.

- Although enrollment in graduate level teacher education programs decreased between 2011 and 2014, 2017 enrollment is at a ten year high.

Barriers to the profession

- Difficult licensing requirements
  - State exams for licensure
  - Pedagogy, content, basic skills
- Student teaching requirements
  - Financial burden
- Social status of profession
  - Traditional roots
  - Hyper-feminization of profession
  - Perceived social stigma

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- Minnesota's high standards for its teachers has also led to the apparent shortage in that many students struggle with one or more of the requirements for licensure, The state requires a passing score on a pedagogy, content, and basic skills exam. Although most students do well on the pedagogy and content exams, they struggle with the basic skills exams, and some never pass it.

- In addition, Minnesota requires 12 weeks of student teaching experience in the classroom. For working students, it is difficult to get time off from their regular

jobs, and it is a financial burden to spend those weeks in an unpaid job

- As Trustee Sundin noted last month, teaching tends to run in the family. As teaching loses its status as a profession, more parents are encouraging their children to seek other careers, and the core of the profession is dissolving,

- Finally, the teaching profession has been dominated by white women. Students of color and male students have few role models in the field, and shy away from teaching as a career.

Reinstating programs and teacher retention

- Programs cut during the Great Recession are being reinstated by school districts
  - School districts attempt to return to pre-recession teacher/student ratios
- High rates of attrition
  - Although teacher preparation programs produce new teachers, school districts have a difficult time retaining those teachers. Research indicates 17% of new teachers will leave the profession within 3-5 years, while anecdotal evidence suggests that the numbers may be higher in some districts.

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- Another cause of the shortage is historical in the sense that many school districts were forced to cut programs during the Great Recession and, as student populations grow, they now seek to reinstate these closed programs and need teachers and staff.

- Finally, the rate of attrition for teachers is relatively high. Of new hires, 17% will leave the profession within three years. The rate of attrition nationally is 8% while in Minnesota it was14.1% in 2015-16. Those teaching in schools with 25% or more students of color were more

likely to move or leave teaching than teachers in schools with fewer students of color.

Reasons for the high attrition rate

- Low salary and benefits
  - High costs to enter profession = student debt
- Insufficient Resources and Support
  - Lack of related services: counselors, social workers, speech pathologists, school psychologists, nurses
- Inability to impact curricula and classroom
- Success and accountability based on student exam performance
- Overabundance of paperwork

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Why do so many teachers leave their chosen profession? The answer is not simple, and there are many factors.

- For many, the salary and benefits for starting teachers are not sufficient to provide them with their desired lifestyle, especially when the new teacher is carrying considerable student debt. The Economic Policy Institute reports that in 2016, teachers' pay is behind the pay of comparable workers by 17%. In 1994, however, teachers' pay was only 1.8% lower than that in comparable fields.

- Many new teachers are overwhelmed by the needs of the students, but don't have the resources to adequately deal with the social, physical, mental, and emotional problems that emerge in the classroom. Without the support of service professionals, the teacher finds herself unprepared for the stress and pressure of the modern classroom.

- Many teachers who leave the profession cite the lack of control or input regarding the curricula, testing, learning practices, or behavioral policies.

- The focus on student performance by many administrations is laudable, but teachers feel that it is often unfair that they are held accountable for the exam scores without adequate resources and flexibility to teach as they see fit.

- Finally, teachers leaving the profession, especially those in special education, contend that the paperwork required is excessive.

Impact and shortage of teachers of color and American Indian teachers

- Increasingly diverse students creates imbalance
  - Teachers of color and American Indian teachers are increasing but not as fast as student diversity
- Licensing requirements disproportionately affect future teachers of color and American Indian teachers
  - Basic Skills Exam not correlated with teaching effectiveness and proven to be racially biased
  - Costs of student teaching and exam fees prohibitive

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- In Minnesota, 92% of teachers are white, although 35% of students are Native American, Asian or Pacific Islander, African-American, or Hispanic. The increasing diversity of the students is not being met by similar diversity among their teachers.

- The Deans of Education at Minnesota State cite the licensing requirements as disproportionately burdensome on their students of color. Although the students do well on the pedagogy and content exams, they struggle with the basic skills exams. Research has

shown that there is no correlation between the scores on the basic skills test and teaching effectiveness. In addition, courts have determined that the exams are racially biased.

- The financial burden imposed by the student teaching requirement and examination fees have a significant impact on students of color.

Attrition rates

- Attrition rates are especially high for teachers of color and American Indian teachers due to:
  - Low salary and benefits
  - Lack of administrative support
  - Lack of culturally relevant course materials
  - Racially biased student behavior policies
  - Inequitable resources in schools with large percentage of diverse students

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- The attrition rates for teachers of color and American Indian teachers are higher than the rate for white teachers, but for many of the same reasons.

- Low salaries, lack of support, and lack of resources affect all new teachers.

- But for teachers of color and American Indian teachers, they point to the lack of culturally relevant course materials, racial bias in student behavior policies, and the lack of appropriate resources

available to help their diverse students.

Strategies to remedy concerns

- Minnesota State universities and educational associations have identified strategies to remedy concerns
  - Increase enrollment in teacher education programs through marketing/outreach
  - Connect with high school students
  - Recruit students of color
  - Overcome stereotypes of race and gender in teaching profession

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Researchers and education organizations have studied these concerns, and many have recommended insightful strategies to remedy these problems.

- The teacher education programs at Minnesota State have been at the forefront of these issues and are doing what they can to produce more qualified teachers and more teachers of color and American Indian teachers.

- Our institutions are partnering with neighboring school districts to connect with high school students, especially students of color, to get them thinking about

a career in education.

- They also emphasize that there is not a typical teacher, but that any one can be successful in an education career.

Pathways for teacher preparation and licensure

- Transfer Pathways
  - Early Childhood Education
  - Elementary Education
  - Special Education
  - Communication Arts and Literature Education

- Create academic pathways for Tier 1 Licensees

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Minnesota State is developing Transfer Pathways in four education fields: early childhood education, elementary education, special education, and communication arts and literature education.

- Students can enroll in these pathways at any two-year college offering the program and then transfer the 60 credits to the teacher education program at any of the seven state universities.

- This option will benefit students at our two-year colleges that didn't have the means or inclination to

attend a university right out of high school or were place bound due to family and work issues.

The new licensure system will allow Tier 1 teachers to be in the classroom for a maximum of three years with the hope that they will enter a teacher education preparation program and move to Tier 2, 3, and then to 4.

- Bemidji State University has created an online program that was designed to help community experts and teachers with special permission under the old licensing system to gain the requisite qualifications to continue teaching, That program can easily be adapted to the Tier 1 licensees.

- Other Minnesota State universities are developing similar programs and will reach out to their partner school districts to promote these programs,

Focused recruitment and outreach

- Increase recruitment in areas of greatest need
  - Special education
  - Science and math
  - Teachers of color and American Indian teachers
- Improve student outcomes in teacher education programs
  - Increase program completers
  - Tutoring, student support services

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Teacher shortages are discipline specific:

- There is an abundance of Elementary Education and Social Science teachers, but the shortages are in the sciences, math, special education, agricultural education, and in some career and technical fields

- As mentioned, there are also shortages of teachers from diverse backgrounds. Minnesota State universities have developed programs and partnerships to recruit in these high need areas, and some efforts have met with

great success.

Once the students are recruited, they need to succeed and progress to licensure. Each of our universities has programs in place to offer academic support services to the students in teacher education.

University support services and program revisions

- Improve licensure passage rate
  - Increase exam preparation resources and materials
- Financial assistance
  - Exam fees
  - Student teaching
- Integrate culturally relevant materials in curriculum
- Align teacher education programs to meet areas of highest need

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- Minnesota State education programs provide resources for students taking the licensure exam, including tutoring, practice exams, and support groups.

- The financial burden is difficult and at least one school is looking into a grant program that will support the financial needs of the students who need to pay exam fees or complete student teaching.

- Every Minnesota State teacher preparation program includes culturally relevant materials in its curricula,

and prepares students to work in a multicultural environment.

- Finally, the Deans of Education at each Minnesota State university are working hard to align their programs and student training to the areas of greatest needs. Preparing a student for a job that doesn't exist is a waste of the student's time and money.

Support to teacher education program

- Address high rates of attrition
  - Support increased salary, benefits and financial assistance
  - Help partner districts to improve administration policies
  - Provide support for induction and mentoring
  - Support increased staff and resources for districts with needs
  - Universities now provide continued support to teacher education program graduates after commencement

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- By working with partner districts and identifying the barriers to success, Minnesota State universities can assist the administrations in adopting policies that support teachers in their first few years.

- As new teachers begin their careers, research has identified the induction process and mentoring as vital to their long-term success.

- Minnesota State universities have established programs that maintain their connection to their graduates and provide the crucial mentoring and support in

partnership with the graduate's new employer.

- Finally, the expertise and resources of the universities are used to provide support for the school districts and their needs in the areas of student services.

Three featured teacher education programs at Minnesota State

- Anishinaabe and American Elementary Education
  - Fond du Lac Tribal and Community College and Winona State University
- Para to SPED Teaching Initiative
  - Southwest Minnesota State University has partnered with the Southwest West Central Service Cooperative to address the shortage of special education teachers in rural Minnesota
- Recruitment and preparation for teachers of color and American Indian teachers
  - Minnesota State University, Mankato Teachers of Tomorrow program, in partnership with the Coalition to increase teachers of color and American Indian teachers in Minnesota

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We would like to feature the activities of three of our universities as they address the shortages of teachers of color or American Indian teachers or shortages in special education.

- The first presentation will feature a program that has gained international attention at the World Indigenous Peoples Conference on Education (WIPCE) in Toronto. It is a unique partnership between Fond du Lac Tribal and Community College and Winona State University.

Presenting information about that program from Larry Anderson, President (FdLTCC), Roxanne DeLille, Dean of Indigenous and Academic Affairs (FdLTCC), Sara Montgomery, Program Coordinator of Anishinaabe and American Elementary Education (FdLTCC), and Tarrell Portman, Dean of the College of Education (WSU).

- The second presentation will highlight the Innovative Para to SPED Teaching Initiative at Southwest Minnesota State University in partnership with the Southwest West Central Service Cooperative. Presenting will be Dwight C, Watson, Provost and Vice President for Academic Affairs and Sonya Vierstrate, Chair and Associate Professor of Education.

- The final presentation will provide an overview of activities occurring at Minnesota State University, Mankato and the work they are doing to increase the number of teachers of color and American Indian teachers. They, and several other of our universities are partnering with the Coalition to Increase Teachers of Color and American Indian Teachers in Minnesota. Dr. Jean Haar, Dean of the College of Education, and Dr. Robbie Burnett, Director for Recruitment & Retention, along with Monica Ocampo, a teacher candidate in the Elementary Education program at MSU-Mankato, will discuss this important work.
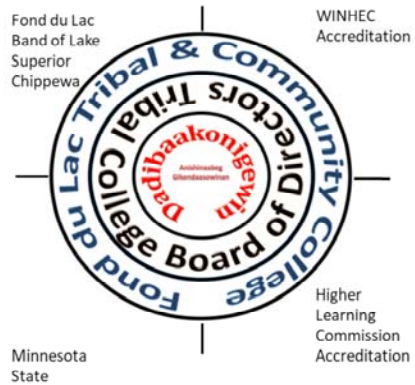
Fond du Lac Tribal and
Community College
and
Winona State University

Building a Different Elementary Education Program in Order to Build a Whole Future

A presentation to the
Minnesota State Board of Trustees
Tuesday, November 14, 2017

WINHEC Accreditation: Two Necessities

- Develop, approve, embed, and practice cultural standards throughout Anishinaabeg Gikendaasowinan programming, including the American Indian Studies AA curriculum and the Anishinaabe and American Elementary Education program.
- Form Dadibaakonigewin, the local cultural oversight board.

Gidizhitwaawinaanin: Cultural Standards

- **Gikendaasowin:** to develop human beings that value knowledge, learning and critical thinking, and are able to make effective use of the language, knowledge, and skills central to an Ojibwe-Anishinaabe way of knowing.

- **Gwayakwaadizin:** to develop balanced human beings that are reflective, informed learners that understand the interrelatedness of human society and the natural environment, recognize the importance of living in harmony with creation.

- **Zoongide'e'win:** to increase the students' capacity to live and walk with a strong heart – to be humble and open to new ideas and courageous enough to confront the accepted truths of history and society.

- **Aangwaamiziwin:** to develop students' capacity to proceed thoughtfully and carefully.

- **Debwewin:** to increase students' capacity to think and act with honesty and integrity.

- **Zaagi'idiwin:** to encourage students acceptance of the diversity within their school, community, and environment built on respect for all.

- **Zhawenindiwin:** to expand the student's knowledge of the human condition and human cultures, and the importance of compassion.

Meanwhile, in 2013 - 2014. . .

- FDLTCC revisited its legislative approval for a four-year degree in elementary education.
- Curriculum (and lots of other) work began.
- Two presidents agreed to partner: Larry Anderson and Scott Olson.
- In fall 2016, Minnesota State approved the final articulation agreement between FDLTCC and WSU.
- Classes at FDLTCC began in fall 2017 (20 students in first cohort).

Fond du Lac Tribal and Community College (FDLTCC) Anishinaabe and American Elementary Education Program
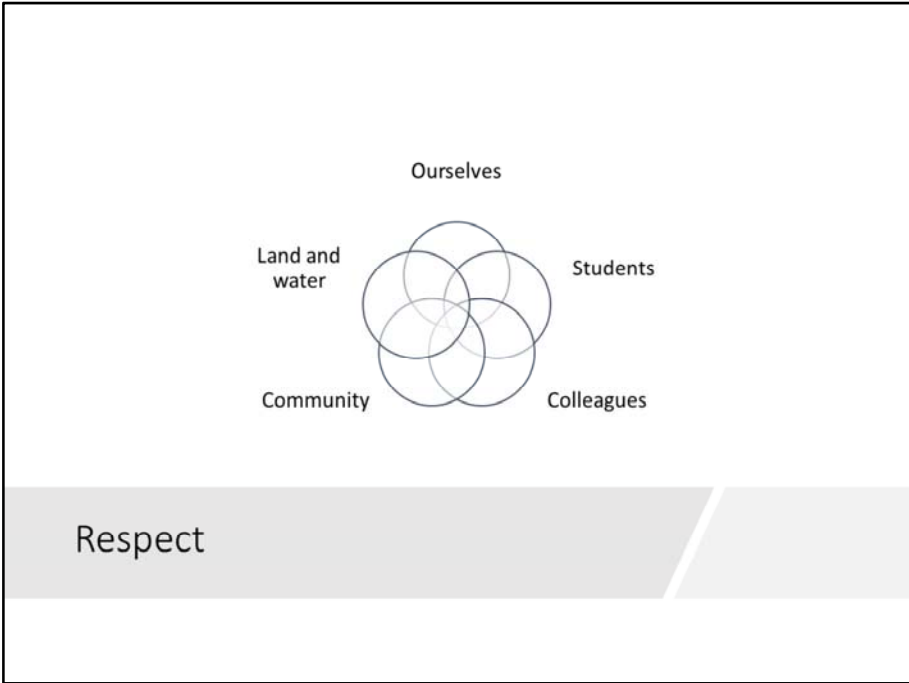
Nindaa i'wedaa o'o gikendaasowin:

Let's send this knowledge forward

Respect

Relationships

Winona State University	World Indigenous Nations Higher Education Consortium	FDLTCC AASC
• MN Board of Teaching • WSU IFO/Administration	• Communities across the world	• FDLTCC students • Local & Tribal school districts
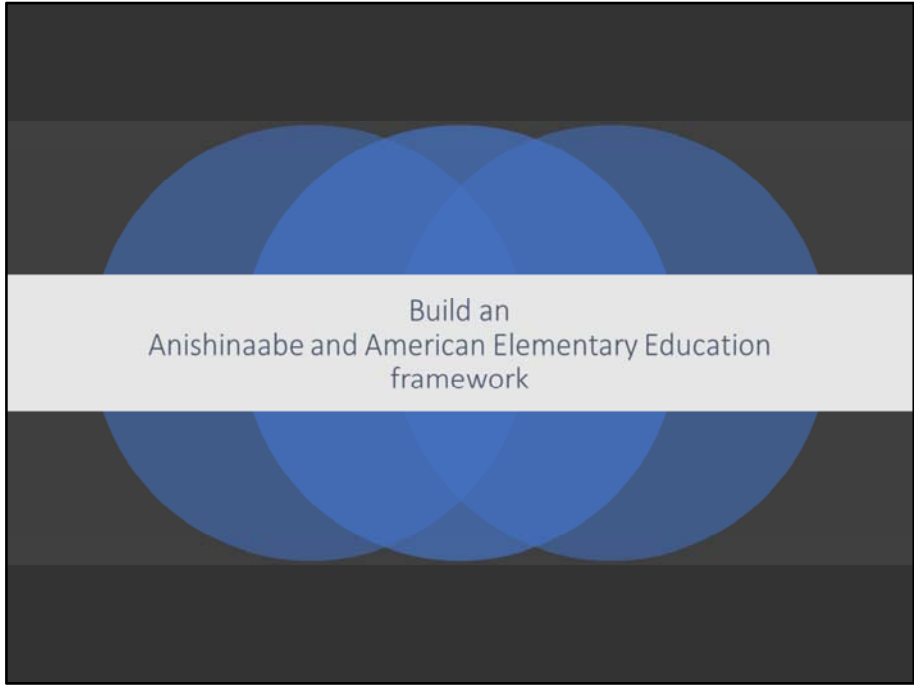
Program Goals

The goals for the program include:

- learning and growing in preparation for the MN Board of Teaching standards and guided by the Gidizhitwaawinaanan (cultural) standards and pedagogy throughout the curriculum.
- becoming intentional with the implementation of a culturally responsive classroom perspective with students in a K-6 classroom.
- promoting the Indigenous pedagogy of the distinctive spritual, cultural, and social mores of the community to enhance their personal well-being.
- providing different educational theories, application in planning, instruction and assessment of knowledge and skills. This includes field experiences and clinical placements that are appropriately structured to provide teacher candiates with extensive classroom experience, as well as mentored, practiced, and experienced teachers.
- providing core Indigenous educators to perpetuate the enthusiasm of the Indigenous language and culture.
- restoring Anishinaabe history and culture specific to science and nature.

Four phases

Plan and develop an elementary education program with an Anishinaabe perspective

• Write the curriculum from two-eyed view.

• Implement curriculum and recruit students

• Students graduate with a Bachelor of Science program.

First phase: Needs and committees

1 — Gidizhitwaawinaanin standards developed

2 — Dadibaakonigewin formed

3 — MN Board of Teaching standards phased in throughout the courses.

4 — Develop curriculum from an Anishinaabe perspective

Third phase: Implement curriculum

Fourth Phase:
Graduate
students

The Mission of Teacher Education

The mission of the Professional Education program at Southwest Minnesota State University is to create communities of practice where each learner is an active participant in the investigation of learning, teaching, and leadership processes. Teachers and learners will engage in educational theory, research, inquiry, critical reflection, and application in pursuit of excellence in education.

School of Education Teacher Education

ν Enrollment: Fall 2017 - 642 Teacher Education Program majors in the 38 approved undergraduate and graduate licensure programs with approximately 85 student teaching in Fall 2017 with 619 total field experience placements

ν Collaboration with stakeholders: Active TEAC - Teacher Education Advisory Council with co-chair in the E-12 system; collaborative work with SW/WC Service Cooperative

ν Over 500 E-12 school partners hosting our teacher candidates for field experiences and student teaching, providing a variety of experiences

ν Active local EMSP – Education Minnesota Student Program encouraging educators to be civic leaders with a recent alumna elected to serve a two-year term as the National Education Association Student Program Chair; Current teacher candidate serving on the national board

ν Placement rates between 95-100% on average for SMSU completers in all licensure fields

The Conceptual Framework of Teacher Education

The School of Education at Southwest Minnesota State University (SMSU) is comprised of the undergraduate and graduate faculty and the Dean of Business, Education, Professional and Graduate Studies responsible for teacher licensure programs. Undergraduate and graduate teacher (licensure) demonstrate the Minnesota Standards of Effective Practice and the standards of the SMSU framework *Communities of Practice Investigating Learning and Teaching.* The non-licensure graduate students demonstrate the National Board of Professional Teaching Standards plus one additional SMSU standard in teacher leadership. The framework illustrates a relationship between learning and teaching in the context of participation in communities and globally.

MN Code of Teacher Ethics

Board of Teaching - Teacher Ethics:
https://mn.gov/board-of-teaching/teacher-ethics/

MN Code of Teacher Ethics

MN Legislation: Code of Ethics for Teachers
https://www.revisor.mn.gov/rules/?id=8710.2100

Cultural Competency

Culturally Responsive Teaching begins with cultural competency – getting to know learners and building relationships. As the saying goes, "learners don't care how much you know until they know how much you care." The teaching and learning process begins with caring for each learner. Culturally Responsive Teaching – CRT - is the foundation for our teaching and student learning.

2017 Report of Teacher Supply and Demand

Key Findings:

Minnesota Teachers and Student Enrollment

Retention

Hiring

Teacher Preparation

Addressing Teacher Shortages

∨ Development of a nonconventional Para-to-Sped program to allow paraprofessionals to work while working toward their SPED licensure. This includes a request to implement a year-long student teaching experience, which allows the paraprofessional to continue to work as well student teach in a co-teaching model with a licensed SPED teacher.

∨ Minnesota Rural Education Association membership
  ∨ Several teacher prep institutions are members
  ∨ Critical Needs

Addressing Teacher Diversity

∨Development of the Winston Gittens Diversity in Education Scholarship for underrepresented populations with special focus on English Learners

∨Development of a language lab for English Learners as a resource to support speaking, listening, reading, and writing

Teacher Licensure Requirements

https://www.revisor.mn.gov/rules/?id=8710

Teacher Licensure Pathways

Conventional:
   8705.2000 (MN Code of Ethics for Teachers)
+ 8710.2100 (SEPs – Standards of Effective Practice)
+ 8710._____(process rules)

Nonconventional:
   8705.2000
+ 8710.2100 (or waiver)
+ 8710._____(or waiver)

Alternate Pathways:
   8705.2000
+ 8710.2100 (or waiver)
+ 8710._____(or waiver)

Para-to-Sped Non-Conventional Program

•Acute shortage of teachers in the field of Special Education, particularly in Greater MN - initial meeting with SW/WC Service Cooperative and SMSU Leadership in July 2014.

•SWSC's Dr. Mary Palmer conducted a survey of area paraprofessionals to determine interest in becoming a SPED teacher resulting in over 50 interested; needed a program offered online, and to be able to continue to work

•Already working in the field of SPED, know the work involved, passionate about working with students with special needs

Para-to-Sped Non-Conventional Program

- Sought funding from the MN legislature with support from SW/WC Service Cooperative and MREA – Minnesota Rural Education Association

- Supported by local legislators and party leadership

- Awarded a grant for $385,000 to cover the costs over a 3-year timeframe - one full-time faculty member and overload/adjunct faculty.

Para-to-Sped Non-Conventional Program

Dr. Rhonda Bonnstetter, School of Education Faculty and former Director of Assessment & Accreditation, facilitated the program design and instrumental in its creation and funding

Dr. Chris J. Anderson was hired to teach and serves as the advisor of the program. Dr. Anderson and the Special Education faculty have made curriculum changes to improve the program, which supports teacher candidates, strengthens the program design and course offerings, and maintains standards and requirements.

Para-to-Sped Non-Conventional Program

- Cohort develops a professional learning community – Special education mentor
  - Peer engagement
  - Consistent faculty support
  - Shared experiences through discussion boards

- Paraprofessionals are community experts immediately implement theory to practice
  - Course assignments enhance professional engagement
  - Professional experiences contribute to course completion
  - Immediate implementation of learned strategies strengthen classrooms

Para-to-Sped Non-Conventional Program Waivers Requested

Waiver from Rule 8710.2000, Part D.3(a) requiring candidates to complete a sequence of courses…consistent with credit requirements of existing board-approved programs

Requested waiver to the requirement for 12 weeks of full-time student teaching to allow for the year-long co-teaching model

Submitted Nonconventional applications for SEPs – Standards of Effective Practice, SPED Core Skills, and SPED-ABS Content. Seeking waivers to allow courses to be considered in substitution of courses approved via the approved Conventional ABS program.

Para-to-Sped Non-Conventional Program
Next Steps

Seeking formal approval of the Non-Conventional Program from the Board of Teaching

Final decision regarding approval is tentatively set for the March Board of Teaching (Professional Education Licensing and Standards Board) meeting

Additional historical information regarding PASP:
http://www.mreavoice.org/wp-content/uploads/2016/11/MREA-Innovative-Para-to-Sped-Teaching-Initiative.pdf

N

83.5% of all public school teachers are White (NCES, 2009).
In the State of Minnesota, over 90% of all public school teachers are White (TOCAIT Legislative Report, 2017).
The number of teachers in Minnesota has increased yet the growth in the number of teachers of color has been sluggish.

Given that MN State has;
Affordable tuition
Accessibility
Healthy portion of market share
Teacher education programs are primary providers awarding of teacher education degrees
There is opportunity to do our BEST at providing qualified licensed teachers who mirror that of the Minnesota K-12 student body

Commitment to Advancing Teacher Diversity

- Director for Recruitment & Retention
  - A seat at the table

- Teachers of Tomorrow program
  - Operating as connective tissue
  - Faculty student interactions—relationship building
  - Informing US about OUR practice

MINNESOTA STATE UNIVERSITY MANKATO

In direct response to this situation, the College of Education at MSU, Mankato has demonstrated a commitment to teacher diversity in our programs, our college and university and our state with a designated Director for Teacher Diversity Recruitment and Retention. The Director also directs MSU, Mankato's *Teachers of Tomorrow* program.

Teachers of Tomorrow (ToT)

- Vision

  To empower life-long learning and professional growth for future educational leaders.

- Mission

  To serve all students but specifically students of color aspiring to become educators, as they navigate academic, licensure and graduation requirements.

MINNESOTA STATE UNIVERSITY MANKATO

College of Education
Commitment to Advancing Racial Equity

- **Vision:** To inspire lifelong learning and professional engagement through racial consciousness, social justice, and inclusion within a global context.
- **Mission:** To prepare professionals through research and evidence-based practices who demonstrate excellence in their profession.
  - Faculty professional development grounded in racial equity, social justice & inclusion
  - Climate & curriculum transformation
  - Hiring opportunities to increase representation of faculty of color

MINNESOTA STATE UNIVERSITY MANKATO

As our candidates of color informed us about their lived experience in our predominantly white teacher preparation program it caused us to stop, pause, and reflect within as to what we are intentional or unintentionally doing that may bring harm to students.

Intention vs. Impact

What can we do as providers to better prepare our candidates

Anchor our work through these comitments

The heart of recruitment and retention goes beyond numbers to lived experiences, perspectives and stories. During Fall, 2016 the COE Intercultural Competency Development (ICD) Advisory Board conducted a study with teacher candidates regarding a common lived experience which was their participation in their teacher preparation program. Two separate focus group interviews with teacher candidates who were of color and White were conducted. Participants responded to several open-ended questions. A particular focus was placed on responses from teacher candidates of color in an effort to identify barriers to staying in their program. For example, students responded to questions such as (1) How do participants describe their lived experiences with faculty in their teacher preparation program? (2) …with the curriculum in their teacher preparation program? (3) …with other candidates in their teacher preparation program? In summary, findings from the study revealed barriers teacher candidates of color experience when in their teacher preparation program:

Racial unconsciousness of White peers and teacher education faculty
Isolation and exclusion in the university classroom
Absence of race pedagogy and content in the curriculum

Given our goal is to retain candidates of color or who are American Indian, our findings suggest that we must build the critical consciousness, racial awareness and cultural

competence capacity of our teacher education personnel who prepare, supervise and support teacher candidates at MSU, Mankato.

Commitment to the issue

THE COALITION TO INCREASE TEACHERS OF COLOR AND AMERICAN INDIAN TEACHERS IN MN

Dr. Robbie Burnett (Minnesota State University, Mankato)

Our 2nd Annual Conference for Current and Aspiring Educators of Color and America Indian Educator Transforming Education Equity—amplifying and centering student, families and community voices

Core Steering Committee
- Lead efforts to partner with P-12 constituents
- Engagement with BoT MDE and MACTE
- Participate in legislative activities
- Grant writing
- Scholarship
- Event planning

Gerald White (Leech Lake & Deer River Schools)
Paul Spies (Metro State Univ)
Kristy Snyder (MCTC & Project for Pride in Living)
Yvonne RB-Banks (Metro State Univ.)

Rachel Endo (Hamline Univ)
Brett Grant (Voices for Racial Justice)
Faustina Cuevas (U of M)
Victor Cole (Metro State Univ.)
Rose Chu (MN Education Equity Partnership)
Braulio Carrasco (Education MN)
Robbie Burnett (MN State-Mankato)
Stanley Brown (Hopkins Public Schools)

Accomplishments
Hosted

Commitment to the issue

FUTURE DIRECTIONS

• Commitment to using a lens of racial equity to review, refocus and reshape policies and practices

• Commitment of resources

• Commitment to hearing, understanding and acting upon student voices, stories and experiences

Commitment to the issue
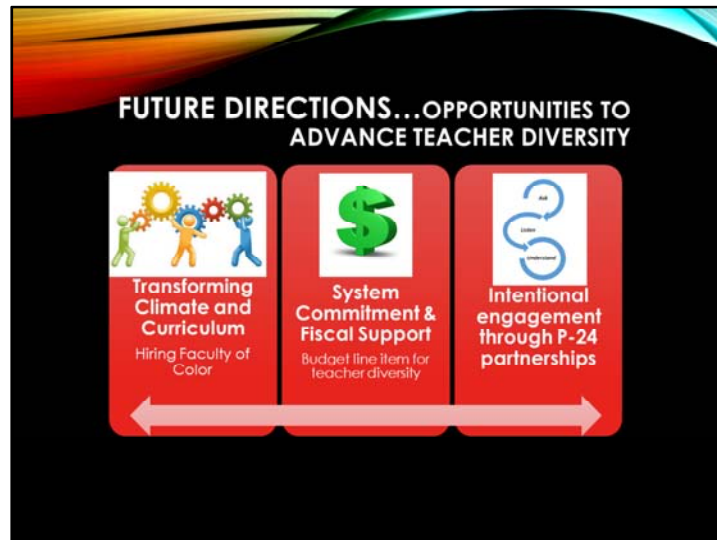
SYSTEM WIDE APPROACHES, STATEWIDE EFFORTS

Transformation of Climate and Curriculum
- Implementation of faculty professional development grounded in racial equity/social justice
- Listening to student voice as data to aid in making informed decisions
- Implementation of intentional hiring activities to increase representation of faculty of color that in the composition of search committees, language used to write position descriptions and ensuring current faculty and staff of color during campus interviews

System Commitment for Innovative Programs & Fiscal Support
- Budget line item for diversity recruitment in and across all teacher preparation programs
- Equity statements from MN State, U of M, and Council of Private Colleges
- Special funding/grants available for innovative programs producing results
- System scholarships funds from MN State, U of M, and Council of Private Colleges

- Paraprofessional pathways
- Intersections of P-12 Human Resources offices and Teacher Education Field Experiences offices
- Alignment and accountability across agencies (Teacher Education-Board of Teaching-Minnesota Dept. of Ed)

Profiles in Service: Teacher Education Programs at Minnesota State Universities

Bemidji State University

- Bemidji State University has recently been ranked of the top 30 best online bachelor's in elementary education or early childhood education in 2017
- Bemidji State University is one of nine post-secondary institutions in the country to be honored with a 2017 U.S. Department of Education Green Ribbon Schools Postsecondary Sustainability award.
- We offer a variety of programs, including: undergraduate, graduate, licensure only and certificate programs, as well as a variety of endorsements and electives.
- The FasTrack PostBac Secondary Initiative is an accelerated, online/hybrid cohort license opportunity designed for students who hold undergraduate or graduate degrees in an area other than education.
- The DLiTE program is an online/hybrid, cohort-based elementary education teacher licensure program, spanning six semesters. Those who complete the program will earn a Bachelor of Science degree in Elementary Education.

MINNESOTA STATE

Metropolitan State University

- The Urban Teacher Preparation Program (UTP) in the School of Urban Education was founded via legislative mandate in 2000 to help close the racial/ethnic gap between teachers and their students in Minneapolis, St. Paul, and the seven county metro area.
- In Fall 2015, the UTP met its legislative mandate that 50% of its students identify as students of color or American Indian—as of Fall 2017—54% of students are of color or American Indian
- Fall 2017 Enrollment—320 students
- Curricular focus on racial equity and its intersections with content and pedagogy
- Unpaid student teaching and basic skills exams prevent many of our students from becoming fully licensed
- Hopkins and Osseo Area Schools Partnerships—paid student teaching interns for pre-service teachers of color and American Indian teachers

MINNESOTA STATE

Minnesota State University, Mankato

- Fall 2017 enrollment in teacher preparation programs (undergrad and grad) – **1805 students**

- We address teacher retention, diversity, and shortages through investment in people:

  - Intentional recruitment and retention of teacher candidates of color

  - Increased field and student teaching experiences focused on impacting P-12 student learning

  - Purposeful school district partnerships focused on improving P-12 student learning

MINNESOTA STATE

Minnesota State University, Mankato

- We build sustainable partnerships to prepare and support educators and to be change leaders for excellence in education:
    - Our 10 school district partners join us in real world improvement of P-12 education through collaboration in our flagship initiatives
    - Our PDS Governance Council is the voice, and engine, for change in P-12 education

- We have designed, and use, a model that addresses multiple stressors and contributors to the ongoing challenge of teacher shortages:
    - A mentorship intensive student teaching experience to build not only expertise but also confidence
    - Our programs go far beyond the quantity of student teaching hours required (students' average 640 hours of student teaching) and have innovated to produce unique, higher quality student experiences

MINNESOTA STATE

Minnesota State University - Moorhead

- **Elementary Inclusive Education program**
  - Integrates special education content
  - Prepares new teachers for diverse classrooms
  - Add-on special education licensure option
  - Four consecutive semesters of field experiences including student teaching

- **MSUM Noyce: Teacher Scholarship Program**
  - Increase the number of new STEM teachers prepared to work with ethnically and economically diverse students in high needs schools
  - Augment new STEM teachers' potential for sustained, successful classroom teaching in high needs schools through innovative coursework, targeted field experiences, and mentorship support
  - Produce new STEM teachers equipped to provide effective instruction in high needs schools (https://www.mnstate.edu/noyce/)

Minnesota State University - Moorhead

- 32 state approved licensure programs
- Over 180 undergraduate completers in 2016-2017
- Early childhood, elementary and secondary MTLE pedagogy exam averages above 90% for first-time takers
- 100% of surveyed supervisors (i.e., principals) agree that MSUM graduates in the first year of teaching effectively teach subject matter in their licensure area
- 97% of surveyed first-years teachers who completed MSUM's teacher prep programs agree they were prepared to act as an advocate for all students

St. Cloud State University

- Increasing teacher diversity through multiple pathways to certification and focused attention on high need certification areas.
  - Teacher Preparation program cohorts located in various locations to widen our regional accessibility. (Plymouth, North Branch, Minnetonka)
  - Online/hybrid delivery and flexible schedule options for several programs.
  - Para to Teacher Special Education Cohort – partnership with St. Cloud District 742 focused on recruitment of teachers of color and American Indian teachers.
  - Strong and vibrant international outreach
  - Human Relations programming as part of the School of Education portfolio supporting connections to a variety of student groups.
  - Currently the largest ESL K-12 certification program within Minnesota State.
  - Only Technical Education and CTE teacher certification programs in the state plus wide range of focus areas (construction, manufacturing, transportation, comm. technology)
  - STEM Education P-6 minor program.
  - Library Media Specialist program that includes instructional technology integration.

MINNESOTA STATE

St. Cloud State University

- Supporting well-prepared new professionals through a focus on quality clinical experiences
  - Office of Clinical Experiences – working closely with our area partner districts to ensure high quality clinical placements in a wide variety and scope of placement sites.
  - Large scale implementation of Co-Teaching as a research based structure for student teaching with demonstrated impact on PK-12 learner outcomes.
  - Professional Learning Community for field and student teacher supervisors to support their growth and professional development.
  - Placement sequence begins before official program admittance providing many hours of classroom field time, building up into the student teaching semester.

- Support of our new professionals in order to retain teachers and build professional skills and resilience
  - Ignite Center and Director of Induction and Mentoring – 3 year cycle with partner districts of intensive new teacher support – available to all SCSU grads and any new teachers in our region.
  - Instructional coaching programming currently being piloted for further development.
  - Programming related to trauma informed practices and ACES Conference

MINNESOTA STATE

Southwest Minnesota State University

- Vision and Conceptual Framework: Communities of Practice Investigating Teaching & Learning

- Enrollment: Fall 2017 - 642 Teacher Education Program majors in the 38 approved undergraduate and graduate licensure programs with approximately 85 student teaching in Fall 2017 with 619 total field experience placements

- To address recruitment, retention, diversity, and teacher shortages:
  - Retention: Updated advising guides and created sample graduation plans for education majors; Development of marketing plan and collaborative projects with stakeholders (New Teacher Center initiative with the SW/WC Service Cooperative)

  - Diversity: Development of Winston Gittens Diversity in Education Scholarship for underrepresented populations with special focus on English Learners; Development of a language lab for English Learners

  - Teacher Shortage: Offering of concurrent enrollment *Introduction to Education* courses; Development of nonconventional Para-to-Sped Program; Promote multiple licensures for teacher candidates to meet the needs of the region

MINNESOTA STATE

Southwest Minnesota State University

- Collaboration with stakeholders: Active TEAC - Teacher Education Advisory Council with co-chair in the E-12 system; collaborative work with SW/WC Service Cooperative

- Over 500 E-12 school partners hosting our teacher candidates for field experiences and student teaching, providing a variety of experiences

- Active local EMSP – Education Minnesota Student Program encouraging educators to be civic leaders with a recent alumna elected to serve a two-year term as the National Education Association Student Program Chair; Current teacher candidate serving on the national board

- Placement rates between 95-100% on average for SMSU completers in all licensure fields

MINNESOTA STATE

Winona State University

Traditional Teacher Education Licensure Programs

- Elementary Education (Majors)
- Secondary Education (Majors)

Non-Conventional Teacher Education Licensure Programs

- Rochester Elementary Education Program (RED) – K-6 Licensure taught in Rochester Public Schools Year Round School – Riverside Central Elementary.
- Austin Elementary Education Program –K-6 Licensure Program taught in Austin Public Schools Year Round Schools – Sumpter Elementary. (Started – 2015)
- Rochester Para-to-Elementary Teacher – K-6 Licensure Program. Taught at night with students who are current para-educators in schools. (Started – 2015).

Unique Teacher Education Programs/Minors

- Model for Institutional Collaboration - WSU/Mankato for Business Education.
- Child Advocacy Studies/National Child Protection Center partnership.
- Early Clinical Experience prior to student teaching.
- Elementary Programs housed in Elementary Schools with WSU Classrooms.
- Continuous assessment process using Common Metrics, edTPA and MTLE-NES.
- Teachers of Special Assignment (TOSA) work beside teacher education faculty.
- Fall 2018 – Fond Du Lac Tribal and Community College – Anishinaabe Language and Elementary Education.
- Early Childhood Education Online Collaborative.
- ALSPED - Non-Conventional Special Education

Winona State University

Elementary Teacher Education

Undergraduate Education Majors
Business Education 5–12
Elementary Education K–6 (Austin Campus)
Elementary Education K–6 (Rochester Campus)
Elementary Education K-6 (Winona Campus)
Elementary Education K-6 (Para-Educator, Rochester)
Elementary Education with Early Childhood Emphasis Birth–Grade 6
Physical Education K–12
Special Education: Developmental Disabilities K–12
Special Education: Learning Disabilities K–12
Special Education: Academic and Behavioral Strategist K-12

Education Certificates, Minors, & Endorsements
Coaching Minor K–12
Reading Instruction Minor
Child Advocacy Studies (CAST)
Training and Development Minor
Adaptive Physical Education Minor
Preprimary Education – Endorsement

Graduate Education & Professional Development
Graduate Induction Program (GIP) Masters of Education
Teacher Preparation Collaborative (TPC) Post-Bac Secondary Licensure
STEM Certificate for Licensed Teachers
Multicultural Education Certificate (MECP)
Certificate in Innovative Instructional Leader (CIIL)
Counselor Education –School Counseling
Leadership- Principal and Superintendent

Secondary Teacher Education

College of Liberal Arts
Art Education K–12
Communication Arts and Literature 5–12
English as a Second Language (ESL) K–12
Music: Instrumental and Classroom K–12
Music: Vocal and Classroom K–12
Social Science/History 5–12
Spanish K–12
Bilingual/Bicultural Education Minor
Communication Arts and Literature Middle Level Minor 5–8
Social Studies Middle Level Minor 5–8

College of Nursing and Health Sciences
Health Education 5–12

College of Science and Engineering
ACS Chemistry 9–12
Geoscience - Earth Science 5–12
Biology - Life Science 9–12
Mathematics 5–12
Physical Science (Chemistry) 9-12
Physical Science (Physics) 9–12
Physics 9–12
Mathematics Middle Level Minor 5–8
Science Middle Level Minor 5–8

BEST COLLEGES In Education — Te..cher

teach21
Preparing Educators for 21st Century Learners

MINNESOTA STATE

Audit Committee
November 14, 2017
1:30 p.m.
Southwest Minnesota State University

Note: Committee/board meeting times are tentative. Committee/board meetings may begin up to 45 minutes earlier than the times listed below if the previous committee meeting concludes its business before the end of its allotted time slot.

1. **Minutes of October 18, 2016 (pages 1-9)**
2. **FY2017 and FY2016 Audited Financial Statements (pages 10-11)**

Committee Members:
   Michael Vekich, Chair
   George Soule, Vice Chair
   Amanda Fredlund
   Bob Hoffman
   Jerry Janezich

Bolded items indicate action is required.

MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
AUDIT COMMITTEE MEETING MINUTES
October 18, 2017

Audit Committee Members Present: Trustees Michael Vekich, Amanda Fredlund, Robert Hoffman, Jerry Janezich, and George Soule

Audit Committee Members Absent: none.

Others Present: Trustees Basil Ajuo, Jay Cowles, Dawn Erlandson, Louise Sundin, and Cheryl Tefer

The Minnesota State Colleges and Universities Audit Committee held its meeting on October 18, 2017, in the 4th Floor McCormick Room, 30 East 7th Street in St. Paul. Chair Vekich called the meeting to order at 9:44 a.m.

1. **Minutes of June 20, 2017**
   The minutes of the June 20, 2017 audit committee were approved as published.

2. **Internal Audit Update**
   Trustee Vekich noted that there were a changes in the reporting process of the two recent reports. He liked the new format, stating it was very informative and a little shorter.

   Mr. Eric Wion, Interim Executive Director for Internal Auditing, introduced Mr. Chris Jeffrey, Partner with Baker Tilly and Ms. Mallory Thomas, Senior Manager with Baker Tilly.

   Mr. Wion gave a quick update on projects that were in progress. Two final audit reports were released last month and were on the agenda to discuss today. A third audit related to credit card processing on campuses, was still ongoing. He anticipated that the work would be completed in November however, not in time for the November audit committee.

   Mr. Wion gave an update on other activities they had been working on since the last audit committee meeting in June. Those activities included the Enterprise Risk Management process, the FY18 Audit Plan, and the Project Risk Review Approach.

   Mr. Wion informed the committee that the FY18 Baker Tilly contract amendment was on the Finance Committee agenda. He reminded the committee that in FY17 there had been a competitive bidding process and Baker Tilly was selected as the Internal Auditing partner. We have a three year contract with them which is funded from internal audit's budget on an annual basis. Initially funding for the contract was through a number of years of salary savings. FY18 funding is funded by a number of positions that were held vacant within the Office of Internal Auditing.

Mr. Wion stated that in November the Audit Committee would be reviewing and discussing the results of the FY2017 financial statement audit work. In advance of that meeting each of the audit committee members would receive a 3-ring binder containing the financial statements as well as summary information. He stated that in the past, Vice Chancellor Laura King and the Executive Director of Internal Auditing made time available to committee members to meet individually to discuss the financial results and answer questions prior to the November committee meeting. He stated that his office would be reaching out to committee members and providing them with a number of dates and times that are available if they should decide to have a discussion on those financial statements.

3. **Fiscal Year 2018 Audit Plan**
   Mr. Wion began by stating that he was really excited about the audit plan for FY18. He stated that he thought it was a relevant, collaborative, risk based and dynamic audit plan.

   Mr. Wion began by outlining the guiding principles, stating that Enterprise Risk Management had informed the audit plan, and significant effort had gone into making sure that the alignment between the FY18 audit plan and Enterprise Risk Management was very clear. He thanked Chancellor Malhotra, the chancellor's chief of staff, the vice chancellors, the presidents, especially the presidential liaisons to the audit committee – President Davenport and President Johns, for the rich conversations that helped develop the audit plan.

   Mr. Jeffery reviewed the eight proposed projects that had been identified for FY18. He stated that the projects were split into two areas, consulting and advisory work and assurance work. He explained that internal audit work can be thought of as a continuum with consulting and advisory work on one end and assurance work on the other, and every project falls somewhere between those two.

   The enrollment initiatives review would focus on institutions initiatives to increase enrollment and evaluate how institutions recruit and retain successful students in relation to leading practices across higher education.

   The shared services governance framework review would focus on how institutions use shared services. Mr. Jeffery stated that there had been some challenges with the accreditation process in terms of how shared services work.
   Trustee Vekich asked for clarification about the issues around shared services and accreditation. Mr. Jeffery explained that as part of accreditation process, the institutions have to identify how they ensure that they have the right services in place. He stated that there seems to be some confusion when some of those services are shared. This project would look at that and put the road map in place to make it easier for each institution to be accredited as necessary.

Mr. Wion added that there have been some challenges where institutions had shared leadership or other shared services. They planned to look at those recent events to see what could be learned from them and to see if there were opportunities to structure things in a way that will make that process simpler as the system moves forward with more shared services.

Trustee Vekich suggested that they consult with Trustee Cowles and Trustee Cirillo who had represented the board in conversations with the Higher Education Learning Commission. Trustee Cowles stated that the stress points had primarily been around accountability issues around shared leadership and the board's oversight, which he believed had been satisfied. He added that he thought it was a growing area of scrutiny to understand the autonomy and the accountability. He added that he welcomed the review would be happy to share their experiences.

Mr. Jeffery continued by explaining that the information security consultation project would focus on information security and what the institutions and the system are doing to ensure that the appropriate information security is in place.

Mr. Jeffery explained that the Information technology risk assessment, phase 1 would look at the systems information technology infrastructure, as well as any infrastructure at the institutions and really get an understanding of where the information technology risks lie. It would be a collaborative project with Vice Chancellor Ramon Padilla and the information technology team, and would dovetail nicely with the information security consultation work. Additional phases of the project would include looking very specifically at the identified risks and helping the system address those risks.

The Human Resources, transactional service model project would focus on how the system made the change the move to the current HR Hub, identifying key lessons learned. The project would help to create a road map as to how they system might move to similar services in the future.

The compliance practices assessment would focus on a variety of different compliance areas that the system and the various institutions have to comply with. The purpose would be to gain an understanding of how it is currently happening, where there might be gaps, and then to make recommendations to close those gaps.

Finally Mr. Jeffery reviewed that two proposed assurance projects.

Chancellor Malhotra stated that he thought the audit plan development had been a robust process. There had been several brainstorming sessions and the plan was a distillation of months of intense consultations, so he felt very comfortable with the final plan. President Pat Johns, Lake Superior College, agreed that it was a robust plan with plenty of work to do. President Richard Davenport, Minnesota State University, Mankato, agreed and added that

it will be interesting to learn about the areas that will be evaluated. It will be instructive for the next steps next year.

Mr. Wion continued by outlining some of the ongoing activities that internal audit remains involved in on an ongoing basis.

Mr. Wion explained that the project risk review approach was a methodology that they had been developing for the NexGen project to define the role that internal audit will play in that project. He added that he was excited about the methodology because the framework can be used for any large scale project that the system undertakes in the future.

Mr. Jeffery explained that the goal is to increase the likelihood of project success by identifying risks on the front side, making recommendations to reduce those risks, and then ultimately monitoring the effectiveness of the risk mitigation as the project goes on.

Mr. Jeffery outlined where the coverage from the FY18 audit plan aligns with the Enterprise Risk Management process and the risks identified with that process.

Trustee Vekich asked for more information about the role that internal audit planned to play in terms of Enterprise Risk Management and the NextGen project. Mr. Jeffery explained that they had already started to have discussions on the NexGen project. NexGen is obviously a huge project for the system, and it's transformative. NexGen will replace a system that has been used successfully by the system for a number of years. One the strengths of Minnesota State is the fact that there is a single system that is used by the various institutions. It will be a big risk for the system once the new system begins to be deployed. He stated that there is a role for internal audit on the front side in understanding how the system was selected and making sure that the right governance was utilized around the system selection. There will also be a huge role for internal audit as the system is ultimately deployed. It will be a large process that will take a lot of human and monetary capital in order to implement, it's essential to have assurance that that the system is moving down the path at the right pace and that the right steps are being taken along the way. He further added that there was value to be added as decisions are made about adding work flow in certain areas, or deploying an automated control where there had been manual controls at one point. It's important to make the right decisions along the way, because ultimately the goal of putting in a new system is to make Minnesota State more efficient, and we want to make sure the system is doing that from a controls perspective as well.

Trustee Cowles stated that NexGen will touch virtually every interaction within the system, every staff member, every student, and every faculty member. He stated that it would be essential that internal audit eyes are assisting the development of processes to move to the new system that are constructive, efficient, and are listening for what the desired outcomes are at each level. He stated that he thought it would be one of the most informative sources of insight on the part of internal audit into how the system is working and which areas should be focused on. He added that he could hardly image a more useful project to

engage internal audit in the operations, and he was delighted to see this level of engagement.

President Davenport stated that the risk areas that normally use hard data are clear and very understandable, but he thought the presidents would be interested in the soft data areas like growing populations of students at risk, the relational risk, effective collaboration issues, racial tensions, and student activism. Those are softer areas that are not traditionally seen in some kind of audit review. He stated that it could be very helpful to share best practices in these areas. Chancellor Malhotra stated that President Davenport raised an important issue. He added that in terms of these soft areas that don't lend themselves to hard data, there are policies and practices surrounding this work. He thought they could look to internal audit to assess whether there were sufficient policies and practices to handle such situations well. Trustee Vekich suggested that internal audit should consider how they would address these issues and how those processes might work for softer risk areas, as well as what resources may be needed in order to make that happen.

Trustee Cowles asked about the process for reporting back to the board on the progress against this plan during the year. Mr. Wion stated that they would regularly update the committee on the progress of individual projects as they move through them and as projects come to a conclusion they would be communicating the results of those projects. He added that depending on the project, communication might vary a little bit. In general, assurance projects would have a detailed report that would go to management and to the audit committee. He anticipated that some of the advisory projects would likely have a more detailed report that would go to management than one that might be going to the board. He added that this was new territory thought so they planned to see what makes the most sense as they proceed. Finally he added that there was also some sensitive work, particularly in the area of cyber security, with reports that would be Not Public. Those topics would not be discussed at open audit committee meetings but there could be opportunities to do closed sessions when necessary.

Chancellor Malhotra stated that Internal Audit reports directly to the board with a dotted line relationship to the chancellor. So in that context, at least, it was his expectation that there would be ongoing communication from the executive director to the chair of the audit committee and the chancellor.

Trustee Vekich stated that in addition to that, he had asked Mr. Wion to put together a document that would include all open audit findings and a timeline around that, so that it would be reviewed on a regular basis throughout the year.

Trustee Erlandson echoed Mr. Wion's original comments, adding that she thought the plan was very exciting because when they think of an audit, most people think about balance sheets and numbers. She asked about the skillsets and the techniques the might be used to look at projects that are not the traditional financial audits. Mr. Wion stated that

consultation with stakeholders was critical. The enrollment initiatives review project would take quite a bit of consultation to narrow down a scope that was manageable and would still provide value added information and answers to questions.

Mr. Jeffery added that one of the things that that Baker Tilly brings to Minnesota State is a lot of experience in higher education. They have subject matter experts that have worked with similar areas in the past, and although they need to tailor their work to fit the specific needs of Minnesota State, their team has pervious experiences to draw from when looking at projects. Chancellor Malhotra added that the internal auditors do not need to be enrollment experts. Minnesota State already has that expertise. They will interact with the individuals who are leading the efforts in those areas and they will then take an overarching view of how how the whole structure and our approach toward enrollment.

Trustee Cowles asked if this work would focus on opportunities to build where advantageous, collaborative or best practice models that can be shared between institutions in different areas. Mr. Wion stated that absolutely, in every project that they do, they are always looking for the best practices, and how those best practice be applied more broadly. He stated that it was key to everything that they do. Trustee Cowles stated that he thought it was a value of this board that we take advantage of the fact that we are system. And that we work as diligently as possible, where appropriate and valuable, to take advantage of the fact that we are all in the same business together. He added that he looked forward to hearing comments emerge as a result of the work of the audit plan.

Trustee Vekich called for a motion to approve the Fiscal Year 2018 Audit Plan. Trustee Hoffman made the motion, Trustee Janezich seconded. There was no dissent and the motion carried

RECOMMENDED COMMITTEE ACTION:
On October 18, 2017, the Audit Committee reviewed the Fiscal Year 2018 Internal Audit Plan and recommends that the Board of Trustees adopt the following motion:

RECOMMENDED BOARD MOTION:
The Board of Trustees approves the Office of Internal Auditing annual audit plan for fiscal year 2018.

4. Institutional Data Reporting Audit Results
   Mr. Wion stated that audit committee members should have received a copy of the final report last month. He stated that the results were fabulous and that Senior Vice Chancellor Ron Anderson and his team had done a really good job in this area.

   Ms. Thomas reviewed the scope and the conclusion. She stated that overall they noted that the processes and controls were effective. The individuals involved in the Institutional Data Reporting process clearly understand their roles and responsibilities and were familiar with industry best practices.

Ms. Thomas stated that the process could be enhanced by just developing formal documentation so they couple be performed by new individuals. She reviewed the two findings, both of which were not significant. Trustee Vekich congratulated Senior Vice Chancellor Anderson for his good work!

5. Purchasing Card Audit Follow-up Audit Results
    Mr. Wion stated that audit committee members should have received a copy of the final report last month. He stated that internal audit had completed audit work in 2014, so this was a follow-up to that audit original audit report.

    Ms. Thomas stated that they had completed a follow-up audit on the 2014 Purchasing Card processes and controls, and had also performed a control of the e-Procurement and implementation. She reviewed the scope and the conclusion. She stated that overall there were effective controls over the Pcard activities, although we did identify some opportunities for improvement related to Pcards and the systems overall purchasing and procurement strategy.

    Ms. Thomas reviewed the findings related to the audit work which included some unaddressed findings from the 2014 audit.

    Trustee Vekich asked about the process for working with those institutions that have not cleared prior findings. Mr. Wion stated that Internal Audit would reach out to them at certain points and ask whether they have resolved the issues or not. Depending on the severity of the issues, and these issues were relatively low, internal audit would typically take a verbal confirmation from a CFO as sufficient. For critical issues, additional audit procedures might be added that could require procedural changes. In those instances internal audit would wait before following up to ensure that not only did the change in procedures take place, but that they were sustained over a period of time.

    Trustee Vekich asked if they work directly with the CFO or the president. Mr. Wion stated that they would typically work with whoever had been identified as the owner. Often that was the CFO, but in some cases it might be a CHRO or others. But he added that they do provide the president with an annual update on the status of outstanding findings to let them know when there were issues they should be aware of at their institution. He stated that those situations were extremely rare and that usually the communication to the presidents were that their teams had either resolved the issues or were working toward resolving them.

    President Davenport stated that he thought it was a comprehensive approach. He added that the audit did not really show some of the underlying issues related to it. He stated that Mr. Wion, the president and the CFO would communicate about specific details or reason for delays in resolving findings. He stated as an example that Minnesota State University, Mankato had a very healthy relationship with Wells Fargo which provided them with a

much higher rebate, so the university was intentionally transitioning their program to US Bank slowly in order to maximize the rebate from Wells Fargo. The transition will take place by March 31, and as the president of the university, he had been kept apprised of the situation. He stated that there could be a lot of reasons why institutions might have unresolved findings, variables that are known and communicated into a plan.

President Johns agreed. He added that he received annual update from Internal Audit, typically a draft report of the audit findings and where they stand at the time. He stated that he works closely with his CFO to clear those findings. He added that the findings status was also included as part of his evaluation with the Chancellor each year as well.

Mr. Wion continued by outlining some of the improvement opportunities that had been identified. In 2014 one of the objectives had been to negotiate and acquire a single vendor to provide Pcards. That was done. Other objectives were to get institutions to move to that vendor, and to standardize business practices. Currently only a few institutions had not yet transitioned to US Bank and the majority of those were moving in that direction. Institutions who have moved still have a wide variety of business practices, and very few institutions were utilizing the online tools available such as automated work flow. Mr. Wion stated that it wasn't clear if moving to common practices around Pcards was still an ongoing objective and the system should look at those opportunities and make decisions about objectives for institutions.

Ms. Thomas continued by reviewing observations related to purchasing card efficiencies, overall sourcing strategy, and e-procurement implementation. She noted that institutions didn't feel that they had the capacity to train all users. The system office was going to continue to monitor this and provide more training as needed. Mr. Wion stated that the new e-procurement system would basically take what had been a very manual process and automate that work flow. People who were used to completing paperwork would now have to be trained on the new system. For larger institutions that can be a significant number of individuals, it can be a monumental task.

Trustee Hoffman asked if auditors were actually going to the institutions as part of the review process, so that they could see how people were adapting to the challenges in the field. Ms. Thomas stated that when they were working with the institutions it was important that there was clear communications from the system and the institutions. She stated that on this engagement they did onsite visits at three institutions, and that they also sent surveys to all institutions to help gain that insight, but she agreed that it was something they would have to evaluate on each engagement.

Trustee Cowles asked if there was a strategy or plan to ensure that it was familiar with each college and university and not looking at a data set of the same group of campuses. Mr. Wion stated that they always grapple on every engagement with the work they were going to do, how many institutions they should visit, and which institutions to visit. He stated that with 37 accredited colleges and universities it would not be feasible to get to each campus

on every engagement. But he stated that on every engagement they tried to get a cross section of institutions to the extent possible. In this case, they knew that they wanted a college or university that was using some of the US Bank online work flow functionality, and they knew they wanted to sample some of the bigger institutions as well. But he stated that it was a constant challenge and they always talked to various stakeholders to try to figure out which institutions would be the right ones to include.

The meeting adjourned at 10:59 a.m.

MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
Agenda Item Summary Sheet

Name: Audit Committee   **Date: November 14, 2017**

Title: FY2017 and FY2016 Audited Financial Statements

Purpose (check one):

☐ Proposed New Policy or Amendment to Existing Policy

☒ Approvals Required by Policy

☐ Other Approvals

☐ Monitoring / Compliance

☐ Information

Brief Description:

The System, its revenue fund, one state university, and one student housing fund had financial statement audits conducted by CliftonLarsonAllen. The opinion letters provide the Board and other users of the audits with reasonable assurance that the information is materially accurate and reliable. Auditing standards also require the audit firm to convey certain required communications, including any significant deficiencies or material weaknesses in internal controls, to the Audit Committee.

Scheduled Presenter(s):
Eric Wion, Interim Executive Director of Internal Auditing
Laura King, Vice Chancellor - Chief Financial Officer
Don Loberg, CliftonLarsonAllen, LLP
Brenda Scherer, CliftonLarsonAllen, LLP

ACTION ITEM
FY2017 and FY2016 Audited Financial Statements

BACKGROUND
Board Policy 1A.2, part 5, subpart E requires the audit committee to "review and discuss the results of each audit engagement with the independent auditor and management prior to recommending that the board release the audited financial statements."

The audited financial statements for fiscal year 2017 activity will be presented at this meeting as follows:

Financial Statements audited by CliftonLarsonAllen, LLP –
- Systemwide
- Revenue Fund
- St. Cloud State University
- Itasca Community College Student Housing Funds, Itasca Hall and Wenger Hall (ICCSH)

AUDIT RESULTS
Copies of the audited financial statements were provided to members of the Audit Committee for review prior to the November committee meeting. Public copies of reports will be available on the financial Reporting website.

RECOMMENDED COMMITTEE ACTION:
The Audit Committee has reviewed the fiscal year 2017 audited financial statements and discussed them with representatives of management and the system external auditing firm. The committee recommends that the Board of Trustees adopt the following motion:

RECOMMENDED MOTION:
Based on the review and recommendation of the Audit Committee, the Board of Trustees approves the release of the fiscal year 2017 audited financial statements as submitted.

Date Presented to the Board of Trustees: November 14, 2017

MINNESOTA STATE

ACADEMIC AND STUDENT AFFAIRS COMMITTEE
NOVEMBER 14, 2017
2:30 PM
_____

Southwest Minnesota State University
Marshall, MN

Please note: Committee/Board meeting times are tentative. Committee/Board meetings may begin up to 45 minutes earlier than the times listed below if the previous committee meeting concludes its business before the end of its allotted time slot.

1. **Minutes of October 18, 2017 (pp. 1-9)**
2. **Proposed Amendment to Policy 3.32 College Faculty Credentialing (Second Reading) (pp. 10-13)**
3. Proposed New Policy 3.41 – Education Abroad Programs (first reading) (pp. 14-17)
4. Student Demographics (pp.18-63)

ACADEMIC AND STUDENT AFFAIRS COMMITTEE
Alex Cirillo, Chair
Louise Sundin, Vice Chair
Dawn Erlandson
Amanda Fredlund
Jerry Janezich
Rudy Rodriguez
Cheryl Tefer

Bolded items indicate action required.

Academic and Student Affairs Committee members present: *Louise Sundin, Vice Chair;*
Trustees Dawn Erlandson, Amanda Frelund, Jerry Janezich, Rudy Rodriguez, Cheryl Tefer.

Academic and Student Affairs Committee members absent: *Alex Cirillo, Chair*

Other board members present: *Trustees Michael Vekich, Jay Cowles, Basil Ajuo, George*
Suole, Bob Hoffman, Interim Chancellor Devinder Malhotra

Committee Vice Chair Sundin called the meeting to order at 8:05 AM.

Approval of the *Academic and Student Affairs Committee* Meeting Minutes
Committee Vice Chair Sundin called for a motion to approve the Academic and Student
Affairs Committee Meeting Minutes. The minutes were approved as written.

1.   **Proposed Amendment to Policy 3.32 College Faculty Credentialing (First**
        Reading)
        Presenter:
        Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs

Senior Vice Chancellor Ron Anderson stated the policy before the committee for first
reading is a revision of Policy 3.2 College Faculty Credentialing. It was reviewed as part
of our normal cycle but also in light of the higher learning commission's clarification of
assumed practices that call for faculty credentialing within the liberal arts areas to
include review of faculty qualifications and 18 semester credits towards specific
disciplines the faculty are teaching in. Our previous policy was 16 credits so a policy
change is needed in policy and procedure. The original policy only spoke to credentials
of college faculty. We had no procedure on the books relative to university faculty. The
change is to include both college and university faculty and aligns to higher learning
expectations. Beneath the policy are two procedures. One procedure relating to the
credentialing of college faculty and one relating to the university faculty. The college
credentialing procedure is currently under review and the university procedure review
has not yet started.

Vice Chair Sundin asked if there was anything from page 8 and 9 that the committee
needed to pay attention to. Who will be involved in the writing of the qualifications
procedure?

Senior Vice Chancellor Ron Anderson said it is vetted through our Policy Council, they
have a thirty day process statewide. The writing is via staff in HR and AA with
consultation with the Policy Committee and then the Policy Committee reviews it. For

college faculty credentialing, there is a joint committee that looks at the language, a combination of faculty and representatives. It is contractual and limited to college faculty.

The university procedure has not started to be drafted yet but it would involve a similar group of university faculty and administrators working together. It would not go through that joint credentialing committee because that is limited to the college faculty

2.   ASA FY18 Work Plan and Committee Agenda Discussion (handout)
Presenter:
Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs

Overview of discussion that was started at the retreat in Duluth. Senior Vice Chancellor Anderson opened with the Interim Chancellor's goals for the department, how it has influenced the work plan of the department. The focal areas for this year are Student Success, Equity and Inclusion and Sustainability. Three priorities that have been consistent over the past three years were identified:

The first is to Eliminate Opportunity Gaps. This aligns with Equity and Inclusion. Focused on primary activities to support campuses in a comprehensive climate assessment and how that impacts student learning and student outcomes. How we offer and support developmental education, students and types of curriculum changes we are designing to implement and strengthen that curriculum. Professional development particularly as it relates to cultural competence and changing demographics and the impacts of those changes and other changes in our environment. Review of all of our policies with a view with an equity lens looking at differential impacts these policies may have on our students.

An example would be policy and procedure around payment deadlines and registration for students. We have a policy that requires us to drop students for non-payment at a certain point in time if they have not applied for financial aid or made arrangements for payment. From a business standpoint this makes sense but with some students there are timing issues with their ability to make that down payment, they may not have all the information they need to apply for financial aid by that deadline so the consequences are that courses are dropped and in some cases it can be difficult to get back into those courses. Balancing the tensions of the business need with some of those tensions that arise with some of our students and how do we structure things in a way that best supports students while still maintaining the compliance with the law and good practice.

Our second area is Improving Student Outcomes. This aligns with Student Success. We will continue to work with campuses to implement transfer pathways throughout the year, scaling high impact practices with is a key focus for us in terms of helping the

campuses both implement new practices and working to scale practices that are already in place so more and more students have access and participate.

The third area we are focused on is a predictive analytics pilot program that my research staff are working with 18 or 19 of our campuses. We know that as technology continues to increase we need some systematic structural way to examine that information and use that to inform our decisions.

Vice Chair Sundin stated in regard to scaling high impact practices, there is an event going on as we speak up north – do you want to talk a little bit about that. Also everything in K-12 is focused on the professionals learning about social emotional learning, have we included that in our professional training?

Yes, the event is the Annual AA Leadership Conference being held now. During that conference we have a series of presentations. Institutions are profiling their initiatives, their high impact practices, sharing with each other as well as participating in professional development. Interim Chancellor Malhotra spoke at the opening session on the System direction and the ASA and Chief Diversity Officers and Inclusion Offices impact this work together in that area. There are two places with the social emotional learning falls, one is a campus level professional activities and within the System we also support some faculty development initiatives networking with those campus based practices.

ACTION ITEM
Vice Chair Sundin: Let our committee members know about that event every year. Some members would be interested in attending as observers.

Senior Vice Chancellor Anderson continued stating the third priority is focused around collaboration to achieve and sustain high quality education, continuing to strengthen it and expand the activities and practices that enhance our sustainability of our campuses and our programs. Focusing on collaboration – the baccalaureate strategy, comprehensive workplace solutions model is being unfolded this fall, an online education strategy for the system – we will be sharing a draft of that soon with the campuses to get feedback from faculty and staff as well as students, a lot of work with credit of prior learning moving towards competency certification, partnering with campuses to look at how we can better integrate academic planning facility planning and technology planning both within institutions and across institutions.

Vice Chair Sundin stated that the Twin Cities Baccalaureate programs does not conform to the national organization for two year baccalaureates. She things we should review our process.

Senior Vice Chancellor Anderson replied that the work happens at the two year campus but the degree is awarded by the four year institution as per state law. Our degrees are two year degrees so we blended our program by bringing those programs onto campus for the convenience of students and making more opportunities available to them but they remain university programs taught by university faculty and ultimately credentialed by the university.

That brings us to the conversation around agenda topics and the ASA committee's work for the next year. At the retreat it was discussed how to make these meetings more valuable to you as trustees and thinking about more broad thematic areas as opposed to more specific topics. What is it that you as members of the ASA committee and as trustees feel you need in order to fulfill your role as trustees and a governing board and what can we do to improve what we are bringing forward.

HANDOUT – identifies some of the areas that were discussed at the retreat so we would like to open it up for some discussion around this:

1. Collaboration and partnership - challenges, opportunities, and key areas of focus
   • Twin Cities Baccalaureate update
   • Transfer pathways update
   • Graduate education strategy
   • Online strategy
2. Entrepreneurship
3. Innovation/Skunk Works
   • Developmental education and its role in preparing students for college
   • Comprehensive Workplace Solutions (CWS)
4. Change leadership: what does it mean at each level of our system?
5. Career Technical Education - our vision for the future
6. Our role in Law Enforcement Education: what it means for us; what's at risk; what's our responsibility
7. Our role in democracy and civic engagement
8. Our role in equity and inclusion
9. Thought leadership: the role of the Board, Chancellor, and Presidents

Trustee Hoffman asked for an update on Transfer Pathways.

Response: We are moving forward with implementation. As campuses have begun to implement the pathways that were created by the teams we are uncovering even more of the differences so we are working through the common issues and resolving those as they arise. The work is going to be completed over about a two year period. One thing we recognized was that we were aggressive in our initial timeline so we are recommending that campuses proceed with a preliminary set this year and move into a

second set the second year. Not everything will be implemented at the same time on all campuses.

Trustee Hoffman asked - Who has the leadership, campuses or System office?

Response: It is being led through the Transfer Pathways Coordinating Team which is a combination of faculty leaders, campus staff, and staff from System Office that is co-chaired by faculty from one of our colleges and one of our universities. The implementation itself is occurring on the campuses so our role from the System standpoint is to surface the issues and work with the coordinating team on proposing solutions, making decisions and helping campuses to move forward.

Vice Chair Sundin asked - Which group is continuing the development of the Graduate Education strategy?

Response: Jon Dalager who will be joining us shortly to talk about teacher education is working with our graduate deans.

Trustee Erlandson asked about Transfer Pathways and the issue of payment, what system-wide technology solutions do we have that can help with these sorts of things that are separate from the ISRS?

Response: ISRS is a key part of that, we have programs within ISRS that provide information on students who are at risk to being dropped and that triggers communications routinely. Many of our campuses have CRM systems. In reference to Transfer Pathways in particular we have a degree audit review system (DARS) which is what is used in tracking progress towards degrees.

Trusee Erlandson stated we are doing work on getting veterans to come to our schools. She would like a briefing on that and what is being done in that area.

Trusee Hoffman asked if we have an Online strategy.

Response: We do not have a System online strategy. Each campus has its own strategy. The conversation statewide is how can we leverage being part of a system.

We are finalizing our developmental education redesign plan that codifies work we have been doing over the past couple of years as well as pushes forward three or four years out. We will be bringing that to the committee in January. We have a required legislative report due in February to talk about how we are approaching developmental ed. and the redesign.

Trustee Hoffman commented that some of our campuses are really doing some good work in entrepreneurship. That is a huge area right now. Skunk Works – building the team, we need to build the team together, developing relationship, building the trust of our organization. I compliment the Chancellor because he has made great strides already.

Vice Chair Sundin stated that we need to figure out as a board and as a committee how we can incent and reward and provide support for ideas and innovation, maybe we can figure out how to be more helpful. Let us know how you would like us to engage you as a group, what do you need?

Trustee Rodriguez would like to see ongoing briefs on each of the topics to dive a little deeper. There are a lot of new members on the board so having a common understanding of the topics and key issues would be great. Number 8 – our role in equity and inclusion: I think the best practice is to make sure that equity and inclusion is embedded into each of the issues instead of a stand-alone issue and I'm hoping there can be a good partnership with our new Diversity leader as well. It would be great to have an understanding of how we are making progress or not making progress so is there a scorecard we could develop and review regularly with leading and lagging measures about student success? Are there metrics we should be looking at regularly? It would be great to get guidance and leadership on that. There are a lot of things here, are these prioritized and aligned with the Chancellor's priorities and somehow mapped to them so we are focused on the critical three things the Chancellor thinks is important.

Vice Chair Sundin responded that the committee needs to decide if we want to have additional meetings so we can have time for all this discussion. That does not mean extra meetings to sit and get, it would be actually engaging these issues to map and consolidate and prioritize because this is just a list in no particular order of the ideas that people brought to the table in Duluth. We will be talking with Chair Cirillo about scheduling an additional meeting either before the next board meeting next board meeting schedule when we can talk about how to have some of these discussions.

Trustee Cowles commented that the topic of trustee engagement on accreditation of colleges and universities has come up and I think it would be valuable to add to this year's briefings and understanding what the policy and procedures are around this board's accountability for accreditation and looking ahead, what are the stresses and issues that we are experiencing as we develop systemic relationships which are sometimes challenging to the accreditation bodies to understand.

Senior Vice Chancellor Anderson responded that is absolutely on our list of things for the year and I think it should be a broader Board study session beyond ASA it is an issue that impacts the entire Board. I would be happy to facilitate that.

Interim Chancellor Malhotra stated regarding possible broad discussion topics – there are really two or three themes that come out of that and they tie in very well to the foundation capacity building work we are trying to do this year. One of these which emerges is how effectively we can work across institutions. The other one is how do we create innovative landscapes for learning which go beyond the classroom and validate all learning no matter where it occurs. The third one is about change leadership and what it would take to work through that. Finally item number 9 is very important because it goes to clarity of expectations – that is in all of these discussions as we think through there are two operational pieces which emerge and one is do we have the capacity at the System level to support this work and the second is how do we take expectations to consultative and communicative structures so that we bring back feedback to you so that we are all on the same page.

3. **Teacher Education Overview**
   Presenters:
   Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs
   Jon Dalager, System Director, Academic Initiatives and Program Support

Senior Vice Chancellor Anderson introduced Dr. Jon Dalager, System Director, Academic Initiatives and Program Support who works closely with the Deans of our Colleges of Education at all of our Universities.

We will present an overview of our programs currently being provided by our universities as well as our colleges in the pre-teacher ed. area and then we want to share with you some basic data around our students, our graduates, etc., and then we will talk through our structures that are currently in place and what changes we see coming down the pike and also the issue of teacher shortages. Our intent is to bring you next month a follow-on presentation that is actually talks about our strategies that our universities are using to address these challenges and we will profile a few of our specific programs to give you a sense of how that plays out. (Slides were included in the Board packet).
There will be significant changes in licensure requirements beginning in July 2018.
The existing structure will be replaced by a new 4-tiered structure:

Tier 1 License:
Duration: 1 year
Renewal: up to 3 times
Preparation: Bachelor's degree or Associates degree/professional certificate with 5 years' work experience.

Tier 2 License:
Duration: 2 years
Renewal: up to 3 times
Preparation: Enrolled in teacher preparation program or holding a Master's Degree OR Meet 2 criteria from among 5, directly related to teacher preparation

Tier 3 License
Duration: 3 years
Renewal: unlimited
Preparation: Pass examinations (in both teaching and content are) AND Meet 1 criteria from among 4

Tier 4 License
Duration: 5 years
Reenwal: unlimited
Preparation:
- Complete a teacher preparation program
- Pass examinations (reading, writing and mathematics)
- 3 years teaching experience
- Pass evaluation'

Teacher shortages continue to be greatest in:
- Special education
- Select disciplines within the middle and high school grades (most notably in STEM areas and world languages)
- Career technical education fields

More teachers of color and American Indian teachers are needed to reflect the student demographics.

There are a number of challenges that we face when we look at both the changing landscape from a demographic stand point and from a teacher shortage standpoint and the changes with the licensure structures. We know we need more American Indian and teachers of color to reflect our student demographics. We need to focus on our curriculum to adapt to our changing student demographics. We need to work on increasing our retention and completion of degrees and aggressively go after those teacher shortage areas. Part of what we want to share with you next time is the way our institutions have been thinking about these challenges, the steps they are taking to address these and what kinds of things we have found particularly useful and where we see it going in the future. Also looking at the challenges of the new tier system.

For our meeting next month we will be working with our College of Education Deans and specific program faculty to highlight a few of the programs to give you a sense of how our institutions are responding. We want to share with you the broad approaches we are taking to address those challenges and also to discuss some specific strategy and get your input on how we can continue to grow our pipeline how we can expand diversity.

Trustee Tefer: 2 Questions - I'm interested to know about program completion rates in your populations that are students of color and American Indian students and how they stand up against the larger Caucasian population?
Response: We do not have that information with us. You are asking for disaggregated data around program completion.
Trustee Tefer: Yes, moving forward it would be helpful in understanding why. Second, in the field of K-12 education, is there any information on the issue of gender especially recruiting men into those K-12 systems.
Trustee Hoffman: Have we addressed or do we understand the causes of the issue? Why do we have this prevailing issue today? Why is there a shortage?
Response: Decline in programming offered in the high schools, hiring challenges get greater. The changing landscape of the demographics has been challenging. It is something that Jon and our Deans are looking at but I cannot speak to that.
Trustee Rodgrigues: For the future it would be interesting to know how our system and some of our schools compare within the total US.
Trustee Cowles: Back to the question about causes, when you come back include some comments on any ways you are working with your business and industry partners at the campus levels to enlist them in the issue of these teacher shortages along with the labor shortage as part of the conversation about how to develop adequate personnel in the future for their industries. I think there might be some partnership opportunities.
Trustee Janezich: Is there a way we can compare pay regionally and to other fields. Four year degrees compared to teachers and technology. We need to deal with the problem of pay.

Vice Chair Sundin stated that Education Minnesota has a one page diagram of the new licensing so maybe we can get a few of those so we can have them in front of us

The meeting adjourned at 9:38 AM.
Kathy Pilugin

MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet

Name: Academic and Student Affairs Committee   **Date:** November 14, 2017

Title: Proposed Amendment to Policy 3.32 College Faculty Credentialing (Second Reading)

Purpose (check one):

√ Proposed New Policy or Amendment to Existing Policy	☐ Approvals Required by Policy	☐ Other Approvals
☐ Monitoring / Compliance	☐ Information	

Brief Description:

ASA staff reviewed Policy 3.32 as part of the normal review cycle. The proposed amendment broadens the scope of the policy to include university faculty and changes the name from College Faculty Credentials to Faculty Qualifications. The proposed amendment allows Minnesota State to meet the expectation of the Higher Learning Commission that faculty qualifications be expressed in policy and procedure. The proposed amendment also contains technical edits consisting of updated formatting and writing styles and the replacement of obsolete language with more current terminology.

The proposed amendment was reviewed by the Office of General Counsel, cabinet, then sent out for formal consultation and received support from the presidents, employee representative groups, student associations, and campus leadership groups. All comments received from the consultation were taken into consideration.

Scheduled Presenter(s):
Ron Anderson, Vice Chancellor
Kim Lynch, Interim Associate Vice Chancellor

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION

BOARD POLICY 3.32 COLLEGE FACULTY CREDENTIALING (SECOND READING)

---

1   **BACKGROUND**
2   Board Policy 3.32 College Faculty Credentialing was adopted by the Board of Trustees on
3   December 7, 2005 and implemented on July 1, 2006.
4
5   The policy is being amended to incorporate the Higher Learning Commission expectations that
6   faculty qualifications be located in policy and procedure. The name change to Faculty
7   Qualifications reflects the broader scope of the policy which now includes university faculty.
8   Policy language regarding assigned fields and licensed fields is being proposed for deletion
9   because it is no longer relevant.
10
11
12   **RECOMMENDED COMMITTEE MOTION**
13   The committee recommends the Board of Trustees adopt the proposed amendments to Board
14   Policy 3.32.
15
16
17   **RECOMMENDED BOARD MOTION**
18   The Board of Trustees adopt the proposed amendments to Board Policy 3.32.
19
20
21   *Date Presented to the Board of Trustees:*   *10/18/17*
22   *Date of Implementation:*   *xx/xx/xx*

<table>
<tr><td colspan="5">BOARD POLICY</td></tr>
<tr><td>Chapter #.</td><td>3</td><td>Chapter Name</td><td colspan="2">Educational Policies</td></tr>
<tr><td>Section #.</td><td>3.32</td><td>Policy Name</td><td>College Faculty Credentialing</td><td>(Second Reading)</td></tr>
</table>

1	**3.32 ~~College Faculty~~ ~~Credentialing~~ <u>Qualifications</u>**
2	
3	**Part 1. Purpose~~.~~**
4	~~The purpose of this policy is to~~ <u>To</u> ~~assure~~ <u>ensure</u> that qualified individuals perform faculty work
5	in the <u>colleges and universities of</u> Minnesota <u>State.</u> ~~colleges through system-established~~
6	~~minimum qualifications. Credential fields will replace assigned fields and license fields upon~~
7	~~completion of the conversion process specified in Procedure 3.32.1. Recognizing that full~~
8	~~conversion of assigned fields and license fields to credential fields must occur field by field, each~~
9	~~assigned field or license field shall remain in effect only until replaced by a corresponding~~
10	~~credential field.~~
11	
12	**Part 2. Definitions~~.~~**
13	
14	~~**Subpart A.** College faculty or college faculty member. College faculty or college faculty~~
15	~~member means individuals teaching credit-based courses and counselors and librarians at~~
16	~~system community, technical, and combined community and technical colleges.~~
17	
18	~~**Subpart B.** College faculty credentialing. College faculty credentialing means the process~~
19	~~for evaluating an individual's education and experience in accordance with system-~~
20	~~established minimum qualifications for individuals teaching credit-based courses and for~~
21	~~counselors and librarians.~~
22	
23	~~**Subpart C. Fields.** Fields refers to assigned fields, license fields, and credential fields.~~
24	
25	~~1. **Assigned field.** Assigned field means a defined area of knowledge and skill that is~~
26	~~specifically related to a program, service, or academic discipline and for which system-~~
27	~~established minimum qualifications exist. The assigned field is associated with faculty~~
28	~~positions formerly governed by the Minnesota Community College Faculty Association~~
29	~~bargaining agreement.~~
30	~~2. **License field.** License field means a defined area of knowledge and skill that is~~
31	~~specifically~~
32	~~related to a program, service, or academic discipline and for which system-established~~
33	~~minimum qualifications exist. The license field is associated with faculty positions~~
34	~~formerly~~
35	~~governed by the United Technical College Educators bargaining agreement.~~

36   3. **Credential field.** ~~Credential field means a defined area of knowledge and skill that is~~
37   ~~specifically related to a program, service, or academic discipline, and for which system-~~
38   ~~established minimum qualifications are created under this policy and related system~~
39   ~~procedures.~~
40
41   **Credential evaluation**
42   The process for evaluating an individual's education and experiences in accordance with
43   established minimum qualifications.
44
45   **Faculty member and faculty work**
46   Individuals who teach credit-based courses, engage in research, and/or provide a variety of
47   academic services for the direct learning benefit of students.
48
49   **Higher Learning Commission (HLC)**
50   One of six regional institutional accreditors in the United States. HLC accredits degree-
51   granting post-secondary educational institutions in the North Central region, which includes
52   Minnesota. The colleges and universities of Minnesota State are members of HLC.
53
54   **Minimum qualifications**
55   The minimum requirements used in credential evaluations.
56
57   ~~**Subpart D. Minimum qualifications.** Minimum qualifications mean system-established~~
58   ~~minimum requirements used to evaluate the credentials of an individual considered for~~
59   ~~college faculty work. The minimum qualifications shall include educational requirements and~~
60   ~~teaching and learning competency requirements; they may also include related occupational~~
61   ~~experience, state and/or national industry licensure/certification, and other requirements as~~
62   ~~appropriate for each assigned field, license field, or credential field.~~
63
64 **Part 3. ~~Applicability.~~ Policy Statement**
65 ~~This policy applies to faculty at community, technical, and combined community and technical~~
66 ~~colleges and to other individuals assigned to perform faculty work.~~ An individual offered
67 employment as a ~~college~~ faculty member or any individual assigned to perform faculty work
68 shall meet ~~system~~-established ~~faculty~~ minimum qualifications. ~~for the appropriate field except as~~
69 ~~provided for in Procedure 3.32.1. An individual credentialed under this policy and related~~
70 ~~procedures shall be deemed to satisfy the licensure requirement pursuant to Minnesota Statutes~~
71 ~~section 136F.49, as applicable.~~ Minimum qualifications established for faculty work will meet
72 the guidelines and assumed practices set forth by HLC.
73
74 ~~**Part 4. Transition to Credential Fields.** Each assigned field and license field shall be reviewed~~
75 ~~and converted to a credential field. An existing assigned field and license field with its~~
76 ~~corresponding minimum qualifications shall be maintained until a credential field is established~~
77 ~~in its place. New assigned fields and license fields shall not be established.~~
78
79 ~~**Part 5. Authority to Credential College Faculty.** The chancellor shall develop and implement~~
80 ~~system procedures to credential college faculty and to assure compliance with this policy.~~

MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet

Name: Academic and Student Affairs Committee   **Date:** November 14, 2017

Title: Proposed New Policy 3.41 Education Abroad Programs

Purpose (check one):

√ Proposed New Policy or Amendment to Existing Policy	☐ Approvals Required by Policy	☐ Other Approvals
☐ Monitoring / Compliance	☐ Information	

Brief Description:

The new Policy 3.41 Education Abroad Programs was created in response to an internal audit that recommended the need for a board policy and system procedure in the area of education abroad programs. The following policy reflects the best practices within our system and across the United States.

The proposed new policy was reviewed by the Office of General Counsel, cabinet, then sent out for formal consultation and received support from the presidents, employee representative groups, student associations, and campus leadership groups. All comments received from the consultation were considered.

Scheduled Presenter:

Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs

BOARD OF TRUSTEES
MINNESOTA STATE

INFORMATION ITEM
EDUCATION ABROAD PROGRAMS

BACKGROUND

The new Policy 3.41 Education Abroad Programs was created in response to an internal audit that recommended the need for a board policy and system procedure in the area of education abroad programs. The following policy reflects the best practices within our system and across the United States.

The proposed new policy was reviewed by the Office of General Counsel, cabinet, then sent out for formal consultation and received support from the presidents, employee representative groups, student associations, and campus leadership groups. All comments received from the consultation were considered.

MINNESOTA STATE
BOARD OF TRUSTEES

BOARD POLICY – FIRST READING		
Chapter 3	Chapter Name	Educational Policies
Section 41	Policy Name	Education Abroad Programs

1 **3.41 EDUCATION ABROAD PROGRAMS**
2
3 **Part 1. Policy Statement**
4 The colleges and universities of Minnesota State strive to provide students with academic and
5 experiential opportunities outside the United States to acquire cultural experiences and
6 develop global competencies.
7
8 **Part 2. Process Components**
9 Colleges and universities will have a process for approval, evaluation, quality improvement, and
10 the delivery of appropriate institutional support for education abroad programs.
11
12 **Part 3. Health and Safety of Participants**
13 Education abroad programs approved for credit by a college or university must be established
14 with sound health, safety, and security measures that minimize risks to the participant and
15 college or university.
16
17 Colleges and universities that offer education abroad programs shall request disclosures of
18 hospitalizations and deaths related to participation in the education abroad program. Upon
19 completion of the program, the college or university shall submit necessary reports to the
20 Office of Higher Education pursuant to Minn. Stat. § 5.41.
21
22 **Part 4. Risk Assessment**
23 Colleges and universities offering education abroad programs shall conduct a thorough risk
24 assessment for the program prior to and during the travel period of the program and comply
25 with the U.S. Department of State Travel Warnings.
26
27 **Part 5. Third-Party Providers**
28 The requirements of this policy apply to education abroad programs offered by a third-party
29 provider pursuant to a contract with a college or university.
30

31 <u>Colleges and universities shall inform students that any information students receive about</u>
32 <u>non-contracted third-party providers does not constitute an endorsement, approval, or</u>
33 <u>evidence that the college or university has vetted the third-party provider.</u>

Policy History:

Date of Adoption: *xx/xx/xx*
Date of Implementation: *xx/xx/xx*
Date of Last Review: *xx/xx/xx*

Date & Subject of Revisions: n/a

No additional HISTORY

MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
Agenda Item Summary Sheet

Name: Academic and Student Affairs Committee   **Date:** November 14, 2017

Title: Student Demographics

Purpose (check one):

☐ Proposed New Policy or Amendment to Existing Policy	☐ Approvals Required by Policy
☐ Monitoring / Compliance	☒ Information

☐ Other Approvals

Brief Description:

> The Academic and Student Affairs Committee will discuss trends in college and university enrollment and student characteristics. The session will include a presentation and opportunities for discussion and questions. This item will provide background and serve as context for board deliberations throughout the year.

Scheduled Presenter(s):

Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs
President Connie Gores, Southwest Minnesota State University
Craig Schoenecker, Senior System Director for Research

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

INFORMATION ITEM
STUDENT DEMOGRAPHICS

BACKGROUND

The Academic and Student Affairs Committee will have a discussion about trends in college and university enrollment and student characteristics. The session will include a presentation and opportunities for discussion and questions.

The presentation will address the following topics:

- Enrollment trends

- Predictors of enrollment

- Student demographic characteristics

- Student enrollment and academic characteristics

- Student financial aid patterns

This session presents an opportunity for trustees to discuss student characteristics and enrollment trends. This item will provide background and serve as context for board deliberations throughout the year.

November 14, 2017
Academic and Student Affairs

Student Demographic Update

Board of Trustees
Academic and Student Affairs Committee

EXECUTIVE SUMMARY

The diversity of Minnesota State students continues to increase.

- In 2017 our colleges and universities served 372,416 students in credit and non-credit courses.
- Students of color and American Indian students accounted for 26% of credit students in 2017, up from 17% in 2008.
- Pell-eligible students accounted for 31% of credit students in 2017, up from 24% in 2008.
- One-third of credit students are aged 25 and over.
- First-time undergraduate students only account for 34% of credit students.
- Part-time students accounted for 52% of credit students in Fall 2016, up from 44% in 2008.

MINNESOTA STATE

EXECUTIVE SUMMARY

The diversity of Minnesota State employees continues to increase, but does not mirror student diversity.

- Systemwide, there are approximately 16,100 employees of Minnesota State in spring 2017.

- Employees of color and American Indian employees account for 12% of all employees, up from just over 8% in 2007.

- While the total number of employees has dropped by 9% since 2007, the percentage of employees of color and American Indian employees has grown by nearly 30% in that decade.

- Employee diversity (12%) continues to lag behind student diversity (26%), as student diversity is increasing more rapidly than employee diversity

MINNESOTA STATE

EXECUTIVE SUMMARY

Minnesota State students continue to rely heavily on financial aid to fund their education.

- 57% of our students received financial aid in 2017, up from 54% in 2008.

- 33% of students took out loans in 2017, down from 42% in 2014.

- Financial aid awards totaled $1.1 billion in 2017.

- The average award was $7,612 in 2017, up from $6,087 in 2008.

- 27% of bachelor's graduates, 39% of associate graduates and 52% of certificate graduates **complete their credential with no student loan debt.**

MINNESOTA STATE

EXECUTIVE SUMMARY

Fewer students are enrolling in developmental education than in prior years, due to curricular innovation and increased preparedness

- The number of entering undergraduate degree or certificate seeking students taking developmental courses decreased 37% between 2009 and 2015.

- The system wide percent of entering undergraduate students taking developmental courses in their first two years decreased from 42% in Fall 2009 to 33% in Fall 2015.

MINNESOTA STATE

EXECUTIVE SUMMARY

College readiness and financial need continue to be significant factors in student retention, transfer, and program completion.

- The gaps between students with the highest financial need and the lowest academic preparation on the one hand, and students with the lowest financial need and the highest academic preparation are significant:
  - The completion gap between these two groups at our colleges is 24%
  - The completion gap between these two groups at our universities is 21%

MINNESOTA STATE

OUR STUDENTS ARE INCREASINGLY LIKELY TO BE:

- A student of color or an American Indian student
- Non-traditional age (not a recent high school graduate)
- Low income (as determined by eligibility for a federal Pell grant)
- Enrolled part-time
- A first generation college students whose parents did not earn a bachelor's degree

MINNESOTA STATE

Questions on Background Materials?

MINNESOTA STATE

CAMPUS PROFILE

- Southwest Minnesota State University

MINNESOTA STATE

Strategic questions for consideration and discussion

- In light of these changing demographics what do you see as the most critical policy issues for the committee to consider in the year ahead?
- Are there organizations we should be partnering with to better serve our changing student demographic?

Background Materials

MINNESOTA STATE

Our students are more diverse than ever, and diverse in many ways.

- We serve more students of color and American Indian students than any other higher education institution or sector in Minnesota.

- 34% of our students are older than the traditional college age population of 18 to 24.

- Pell-Eligibility is a proxy for "low income," and our colleges and universities serve more federal Pell grant eligibl students than all other Minnesota higher education institutions combined.

- 18% of our students are first generation based on the state definition: Neither parent attended college.

- 52% of our students are first generation based on the federal definition: Neither parent earned a bachelor's degree.

- We served 122,400 underrepresented students (49% of our credit headcount in 2017).

    - "Under-represented in higher education": a student of color or American Indian student, a first generation student, or a low income student)

- Our colleges and universities proudly served over 10,000 veterans in 2016, up by 45 percent from 2008.

Figure 1: Our colleges and universities serve all regions of Minnesota
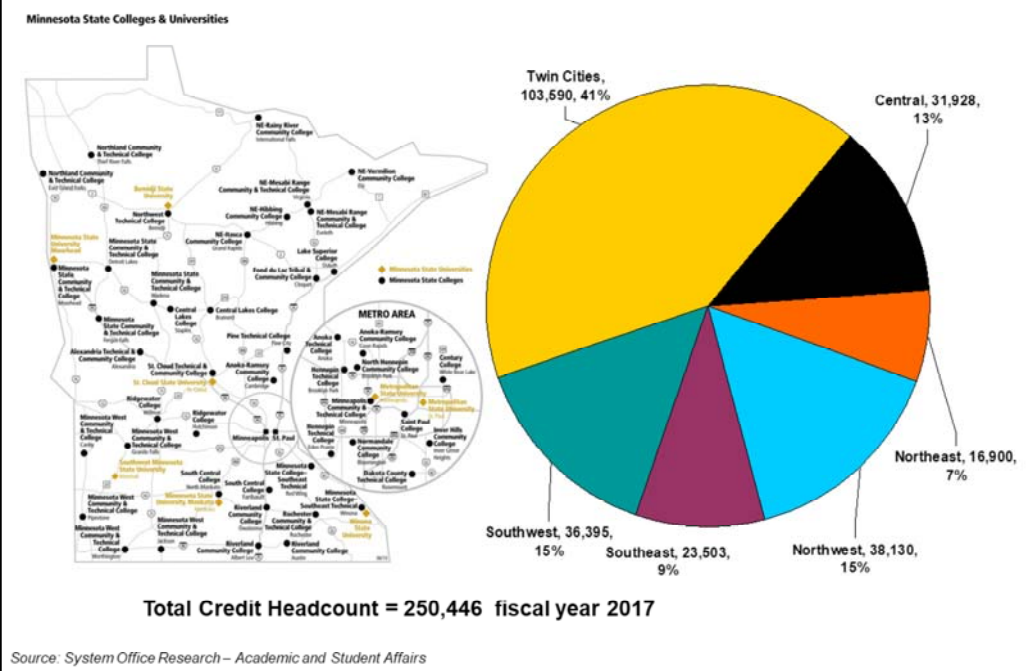
Our colleges and universities serve large numbers of students in all six regions of the state. This slide reveals the depth and breadth and diversity--the power of our system.

Figure 2: Total headcount peaked during the recession and has decreased since fiscal year 2013 as the economy recovered
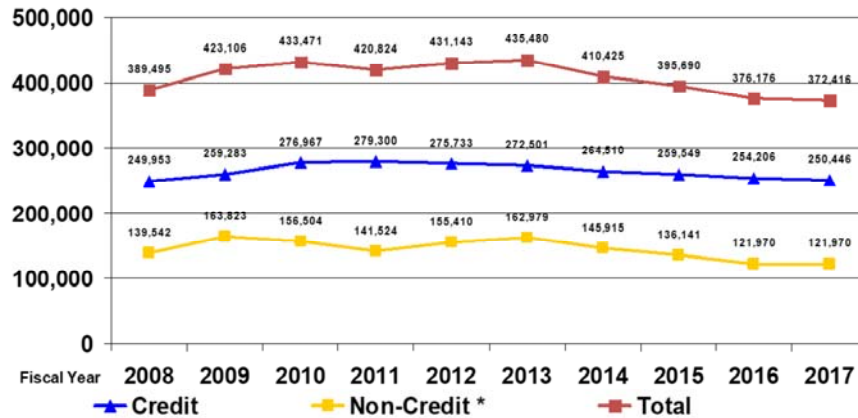
Total credit and non-credit headcount continued to grow through fiscal year 2013. Total headcount has gradually decreased since peaking during the Great Recession in 2011.

Four predictors of student headcount

- The number of high school graduates
- Adult population aged 25 to 34
- Minnesota's unemployment rate
- Minnesota per capita income
- Three of these predictors have declined to relatively low stable levels:
  - *Minnesota's unemployment rate has remained low and was at 3.8 percent in August 2016, fifteenth lowest among the states.*
  - *The Twin Cities unemployment rate at 3.4 percent was the third lowest in the U.S. for the 51 largest metro areas.*
  - *The number of public high school graduates reached a low in 2016 and was expected to increase by 2.1% by 2018.*
  - *The population aged 25 to 34 was projected to increase by 0.3 percent between 2016 and 2018.*

Trends in enrollment are not solely linked to the rise and fall of the economy. There are four primary predictors of change in student headcount. These four predictors explain most of the variance in our system's headcount during the last 20 years (high school graduates, adults aged 25 to 34, the state unemployment rate and state per capita income). We attribute recent changes in our enrollment to changes in three of the predictors:

- Minnesota's unemployment rate has remained among the lowest in the nation at 3.8% and the rate in the Twin Cities (3.4%) is the third lowest in the US for metropolitan areas with a population of 1 million or more.
- After declining for several years, the number of public high school graduates in Minnesota reached a low in 2016 and is now projected to rise by 2.1% between 2016 and 2018.
- The adult population aged 25 to 34, a group from which we draw many students, is now projected to rise by 0.3% between 2016 and 2018.

Figure 3: More Minnesota Students of Color and American Indian Students that all other Minnesota institutions combined
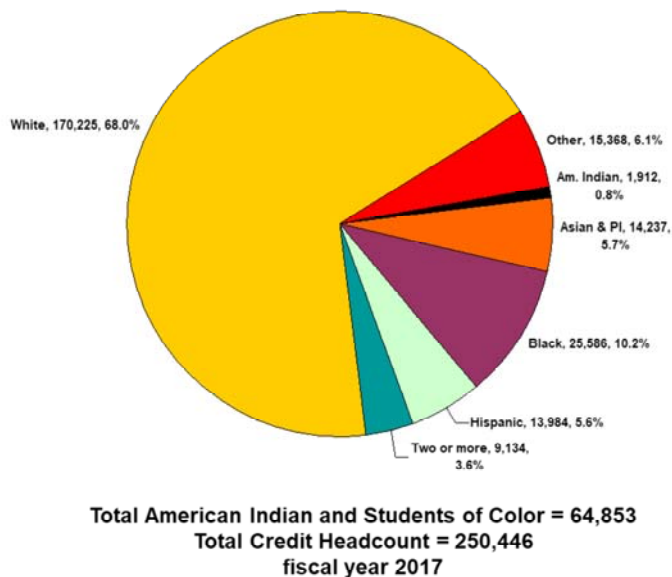
White, 170,225, 68.0%
Other, 15,368, 6.1%
Am. Indian, 1,912, 0.8%
Asian & PI, 14,237, 5.7%
Black, 25,586, 10.2%
Hispanic, 13,984, 5.6%
Two or more, 9,134, 3.6%

Total American Indian and Students of Color = 64,853
Total Credit Headcount = 250,446
fiscal year 2017

Our colleges and universities serve more Minnesota Students of Color and American Indian students than all other Minnesota postsecondary institutions combined.

- The racial ethnic diversity of our students brings significant assets to campus life and creates a dynamic community for learning together from one another.
- The racial-ethnic categories reported here are those used for reporting to the U.S. Department of Education and the Minnesota Office of Higher Education.
- Students who report more than one racial group are included in the two or more category and students who report that they are Hispanic are included in that category regardless of their race or races.

If we dig deeper into these categories, we find even more racial-ethnic diversity. American Indian students are the best example since almost three-quarters of them also reported another race or ethnicity:

- Over 1,900 students indicated that they were American Indian and reported no other race or ethnicity are represented by the black slice of the pie.
- Almost 3,800 additional students reported that they were American Indian and one or more other races and are included in the green "two or more" slice.
- Over 2,100 American Indian students also reported that they were Hispanic and are included in the light green Hispanic slice of the pie.

- So in total, there were more than 8,000 American Indian students enrolled in 2017.
- Over 2,300 Asian students and 4,200 Black students also reported another race or ethnicity and are included in the "two or more" slice.

Figure 4: Students of color and American Indian students comprise an increasing percentage of our students

Students of Color & American Indian: 2008 = 43,201 2017 = 64,853 Increase = 50.1%
Other Students: 2008 = 199,307 2017 = 185,593 Decrease = -6.9%

Source: System Office Research – Academic and Student Affairs
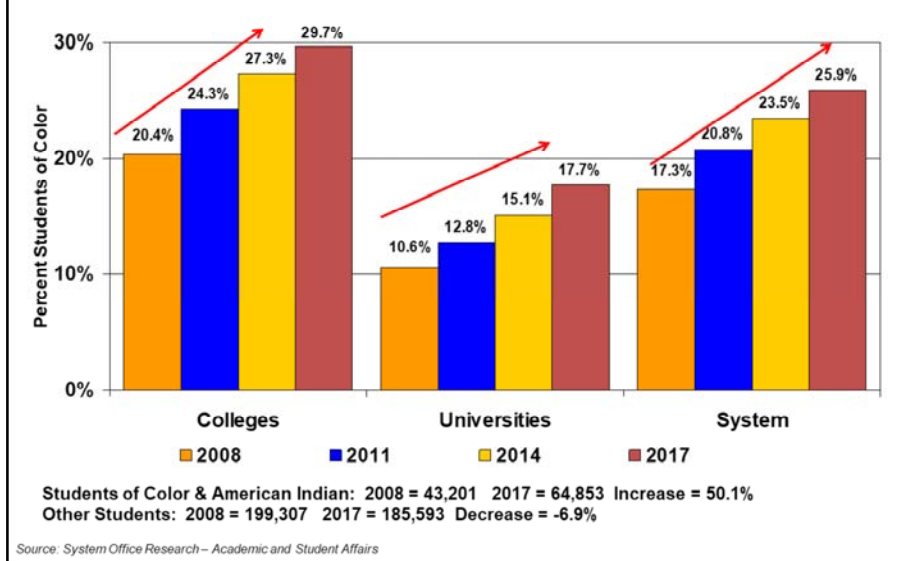
This slide illustrates the substantial growth in the number and percent of students of color and American Indian students during the last nine fiscal years, an increase of 50%.
- The colleges and universities have increased from 17% to 26% students of color and American Indian students.
- It is estimated that people of color and American Indian people comprise 17.6% of the state's population.
- All of our credit enrollment growth between 2008 and 2017 could be attributed to the increase in students of color and American Indian students.

Figure 5: Student of color and American Indian student enrollment has grown in all regions of the state
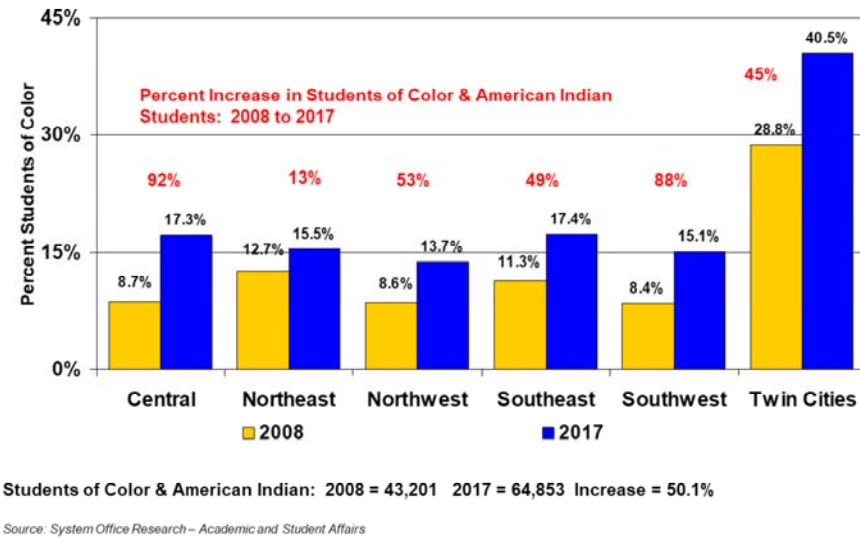
- The growth in students of color and American Indian students at our colleges and universities has occurred in all regions of Minnesota.
- Student of color and American Indian student credit headcount enrollment has increased by 45% or more in five of the six regions.

Figure 6: The percent of low income (eligible for Pell grants) students peaked during the recession
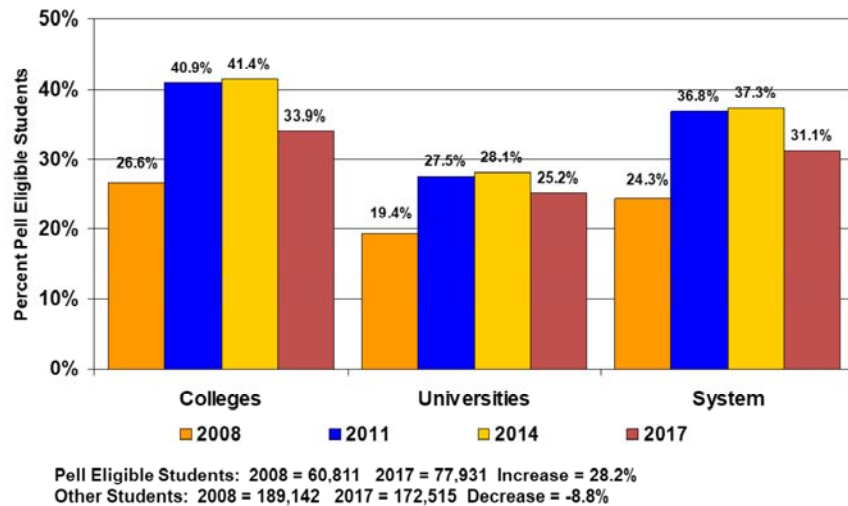
Pell Eligible Students: 2008 = 60,811 2017 = 77,931 Increase = 28.2%
Other Students: 2008 = 189,142 2017 = 172,515 Decrease = -8.8%
Source: System Office Research – Academic and Student Affairs

Growth in the number of Pell grant eligible students during the last ten years has been substantial, a 28% increase.

- The colleges and universities have increased from 24.3% to 37.3% Pell eligible students in 2014 and now are at 31.1%.
- The recent decrease in the percent of Pell eligible students is likely due to the improving economy.
- All credit enrollment growth between 2008 and 2017 could be attributed to the increase in Pell eligible students.

Figure 7: More Minnesota students aged 25 and above than all other Minnesota institutions combined

35 and over, 13.6%
25 - 34, 20.1%
Unknown, 0.5%
19 - 24, 40.9%
18 or less, 25.0%

Total Credit Headcount = 250,446
fiscal year 2017
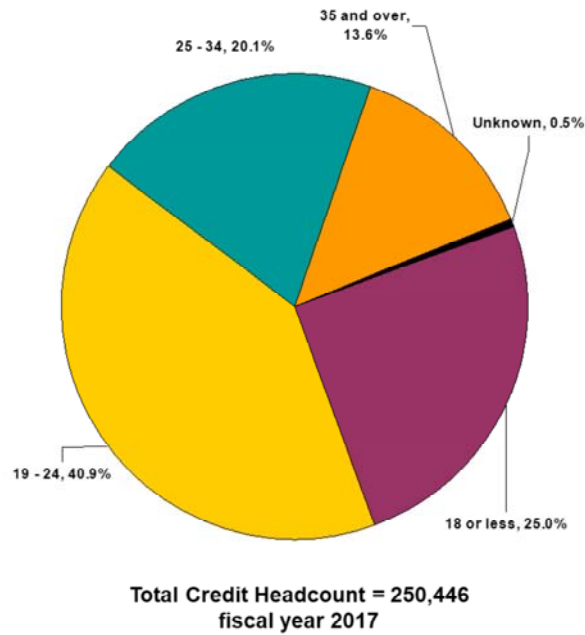
Source: System Office Research – Academic and Student Affairs

Our colleges and universities serve more Minnesota students aged 25 and above than all other Minnesota postsecondary institutions combined.
• Age diversity is significant and our colleges and universities serve a wide range of ages, from 14 year old high school students to students in their 80's.

Figure 8: Colleges and universities serve students with a wide range of reported disabilities
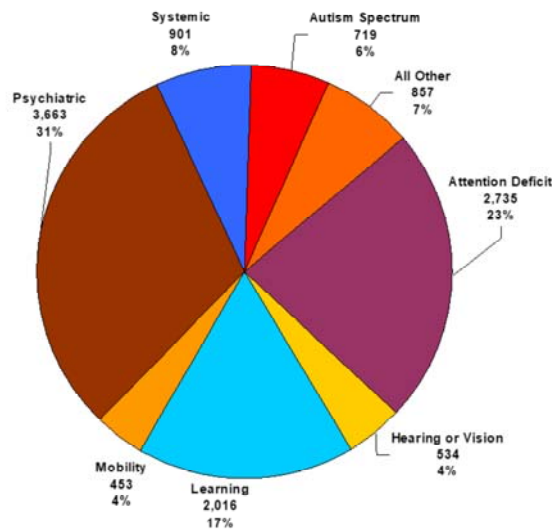
Student with Disabilities: 9,345 or 3.7%of Total Credit Headcount = 250,446 fiscal year 2017

Source: System Office Research – Academic and Student Affairs

This slide illustrates another aspect of our students' diversity, their disabilities.
- The colleges and universities enrolled 9,345 students in 2017 with a variety of disabilities.
- These figures represent the number of students who have reported their disabilities to campus staff who arrange for support services and accommodations.
- They do not include students with disabilities who do not seek assistance or accommodations from campus staff.

Figure 9: International students come from around the world

Europe & Central Asia
276
6%

Middle East & North Africa
347
8%

Sub-Saharan Africa
920
21%

Unknown
21
0%

Americas
268
6%

Asia & Pacific
2,593
59%
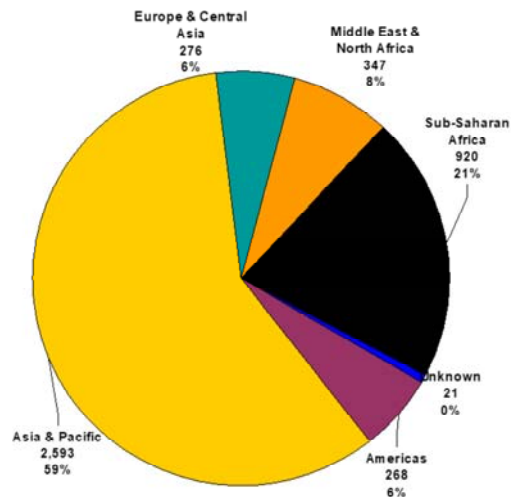
International Students = 4,425 or 1.8% of
Total Credit Headcount = 250,446 fiscal year 2017

Source: System Office Research – Academic and Student Affairs

The colleges and universities serve international students from around the world. They bring a diversity of language, culture and perspective to our campuses.

- The 4,425 international students enrolled in 2017 came from 149 different countries ranging from Afghanistan to Zimbabwe.
- Enrollment of international students increased by 23.4% between 2012 and 2017.
- The largest increases were in students from Asia, Sub-Saharan Africa and the Middle East and North Africa.
- Enrollment of international students decreased by 1.7% between Fall 2016 and Fall 2017.
- There was no pattern of increased withdrawals of international students during the Fall 2016 or Spring 2017 semesters.

- Systemwide, there are approximately 16,100 employees on our payroll

- About 56% of our employees work at the colleges, and 42% work at the universities and 2% work in the system office

- The largest group, 55%, are faculty at the colleges and universities

- 56% are women and 11.9% are employees of color or American Indian employees

Figure 10: Employees of color and American Indian employees comprise an increasing percentage of our staff
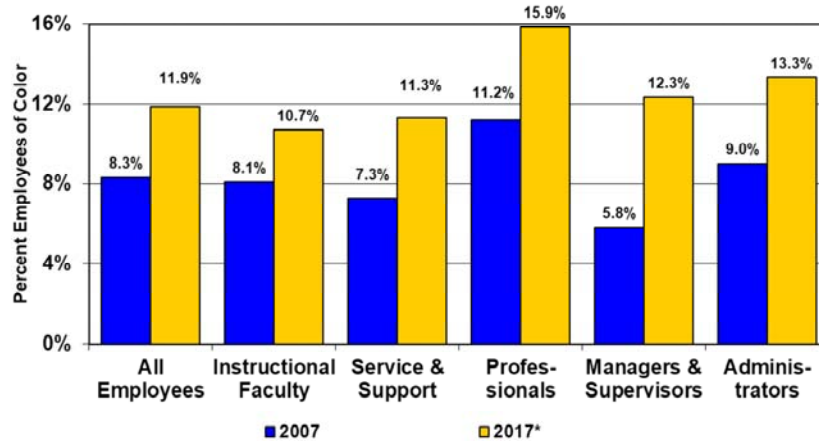
Employees of color and American Indian employees comprise an increasingly large share of employees in every role.

- Since 2007, while the total number of employees dropped by 9% the percentage of employees of color and American Indian employees grew by almost 30%.

Figure 11: Employee diversity does not mirror student diversity
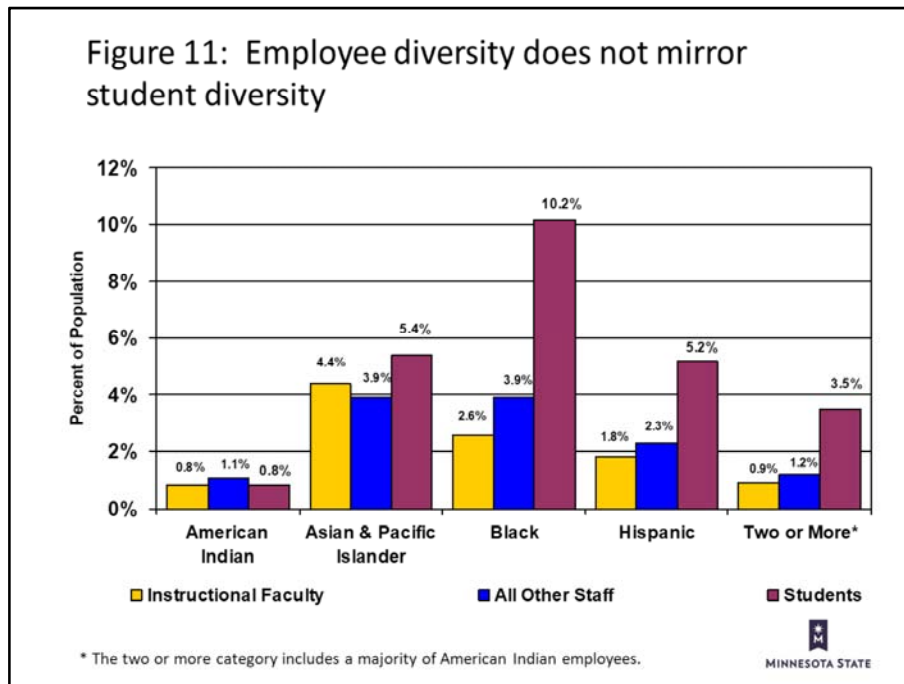
Our students are more diverse than our faculty and staff.

- Only Asian and Pacific Islander employees come close to mirroring the student population.
- All other race-ethnicity categories are a greater percentage of the student population than the employee population.
- The "Two or More" category includes a majority of people who identify as American Indian.

This is an important comparison for us to keep monitoring and trying to impact so our workforce better mirrors our student body and our communities. Research demonstrates that ALL students learn from academically strong mentors who look like them and also grow personally and intellectually when they interact with those whom they perceive as different and by those who share different experiences and ideas.

Simply put, diverse faculty and staff play a critical role in student success.

Figure 12: College students are much more diverse than college faculty

College students are much more diverse that college faculty while university student diversity is comparable to that of university faculty.

- The percent of instructional faculty of color in tenure track status (in blue) at the universities is four points higher than the percent in tenured status.
- This is a sign of progress if we are able to retain and promote these faculty.

Figure 13: Employees of color and American Indian employees comprise a larger percentage of new hires
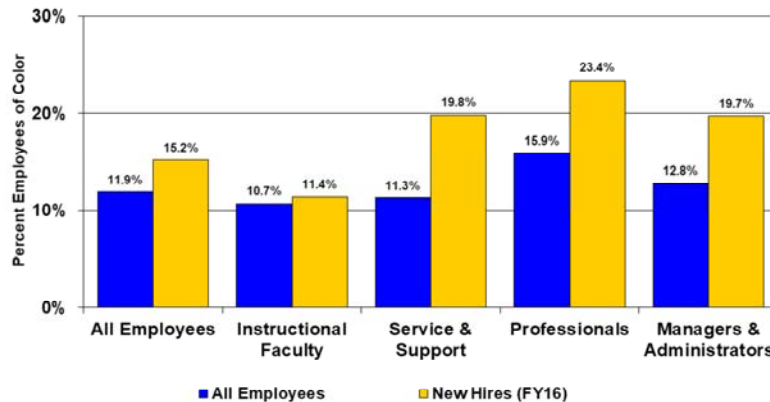
The fact that employees of color and American Indian employees comprise a larger share of new hires than of all employees illustrates the impact of efforts to diversify our workforce.

- This pipeline of more diverse employees is encouraging and it shows that our efforts to attract more employees of color are truly paying off.
- For example, 1/5th of the managers, supervisors and administrators hired last year and almost 1/4th of professionals are employees of color or American Indian.
- You'll note that one segment of employees has had only modest progress in this regard, instructional faculty.
- More analysis is needed but this is largely attributable to their relatively low turnover rate compared to their colleagues in other employment categories.

Figure 14: Executive searches have yielded more women and underrepresented leaders

- 23 executive searches
- 15 new presidents
  - 10 women
  - 5 underrepresented
- Interim/acting presidents
  - 3 women
  - 2 underrepresented
- 6 cabinet appointments
  - 2 women
  - 2 underrepresented

Executive Hires % Diverse
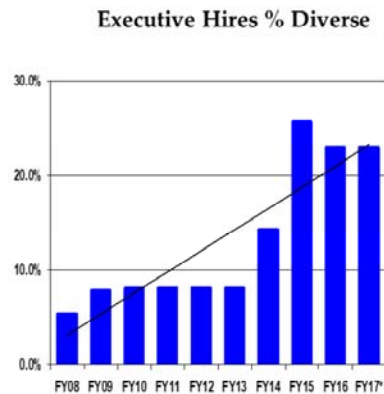
Our executive searches over the past few years have been very successful in hiring women and individuals from underrepresented groups.

- The result of our increased focus on hiring diverse leadership is reflected in the increased percentage of executive employees of color and American Indian employees.
- During Chancellor Rosenstone's tenure, we have moved the dial from 8% of executive-level hires of people of color or American Indian to between 23% and 25% in each of the past three years. This now serves as a best practice model for our colleges and universities.

Our students are academically diverse

- High school students, high school graduates, graduate students, adult learners, workers and professionals
- 59% of college and 37% of university students enroll part-time
- 48% take one or more online courses and 16% are entirely online
- 9% enroll at more than one college or university in a year
- 40% of college and 18% of university entering undergraduate students take developmental courses

Our students pursue their education at the colleges and universities in a variety of ways, ranging from high school students to graduate students and adult learners.

- Many enroll on a part-time basis in order to balance employment and/or family responsibilities.

- Many of the students who come to our "open door" community and technical colleges are not prepared for college courses and need to complete developmental courses first.

Figure 15: Only one-third of our students are traditional first time undergraduates
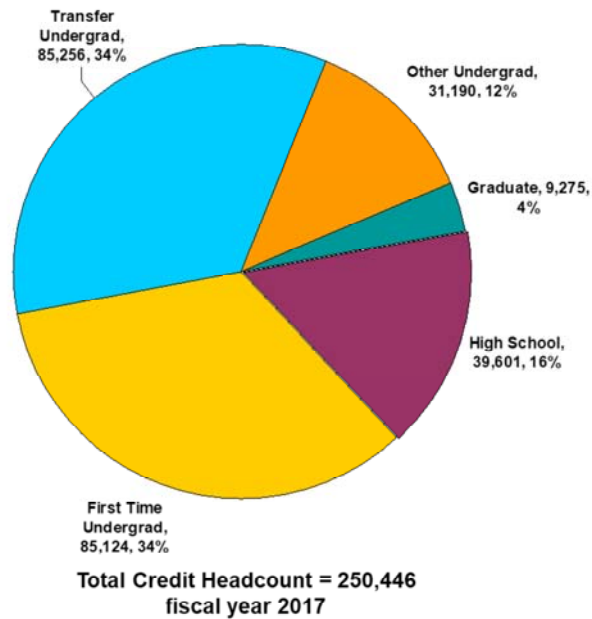
Students enrolling as a first-time undergraduate student, represent a minority of our students (34%). This is the predominant student population at most other colleges and universities in Minnesota.

- Another 34% enrolled in our colleges and universities as transfer students.
- Sixteen percent of our students are still in high school and are taking advantage of the PSEO program to earn college credits.
- Four percent of our students are enrolled at our universities at the graduate level.
- Finally 12% of our students come to us to take credit courses but aren't seeking a certificate or degree.

Figure 16: An increasing percentage of our students are enrolled on a part-time basis
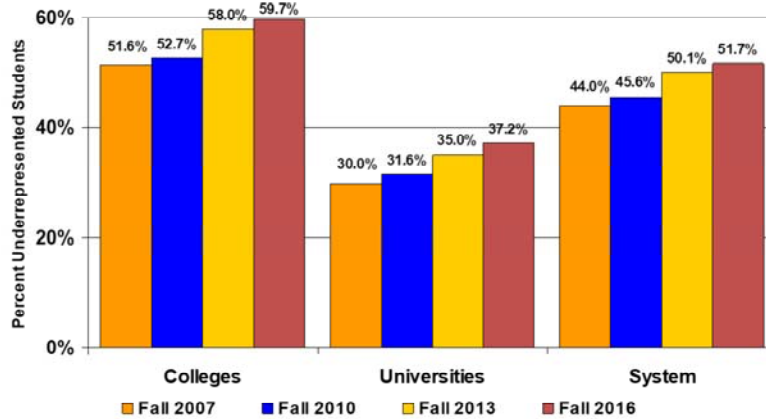
As our students juggle jobs, finances, children, and other responsibilities, an increasing percentage are enrolled on a part-time basis.

- Since Fall 2007 the number of part-time students increased by 18% across the system, which accounts for all enrollment growth during the last ten years.
- The colleges and universities enroll more part-time students than all other Minnesota postsecondary institutions combined.

Figure 17: A decreasing percent of fall entering students take developmental education courses in first two years
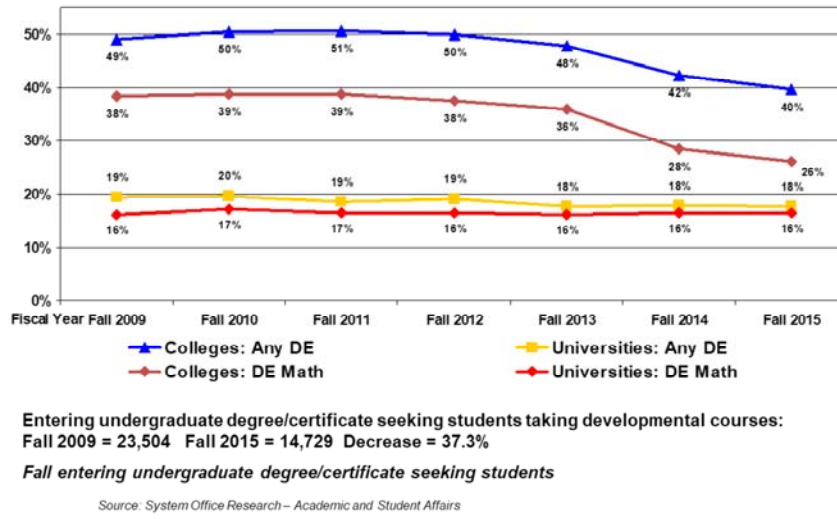
A decreasing percentage of entering undergraduate degree and certificate seeking students are taking developmental courses.

- The percent of college entering students that took developmental courses decreased from 49.1% in Fall 2009 to 39.5% in Fall 2015.
- The percent of university entering students that took developmental courses decreased from 19.4% in Fall 2009 to 17.7% in Fall 2015.

Figure 19: Completion rates vary by academic preparation and financial need

Minnesota State Colleges
Students Entering in Fall 2008 through Fall 2014

Completion Rates at Third Spring After Entry	Less Prepared	Moderately Prepared	Highly Prepared
Low Financial Need	49%	57%	**57%**
Moderate Financial Need	42%	52%	52%
High Financial Need	**33%**	40%	42%

Minnesota State Universities
Students Entering in Fall 2005 through Fall 2011

Completion Rates at Sixth Spring After Entry	Less Prepared	Moderately Prepared	Highly Prepared
Low Financial Need	49%	53%	**59%**
Moderate Financial Need	45%	50%	57%
High Financial Need	**38%**	44%	51%

34   *Source: System Office Research – Academic and Student Affairs*

Financial need and academic preparation are important predictors of student success.

- This chart illustrates how academic preparation and the availability of financial resources affects our students' completion rates.
- College completion rates are measured three years after entry and include both graduation and transfer.
- University completion rates are measured six years after entry and include graduation.
- The overall completion rate for first-time college students is 47% and for first-time university students is 49%.

As academic preparedness declines and financial need increases, completion rates decrease. Most of our students are not in the upper right-hand corner of these tables.

- Academic preparation and financial need are predictors of student success.

- This chart illustrates how our students' completion rates vary based on preparation and financial resources.
- Completion rates are measured three years after entry at the colleges and include both graduation and transfer.

- Completion rates are measured six years after entry at the universities and include graduation.

The majority of our students use financial aid to help finance their education

- 57% of all students received some form of financial aid in 2017, down from 62% in 2013
- 40% received grants
- 11% received scholarships
- 33% took out loans, down from 43% in 2013
- 3% received work-study awards or student employment
- 52% of our students who apply for financial aid are considered to be independent of their parents

How students finance their education has changed – an increasing percent of our student receive some form of financial aid.

- 57% of all students received some form of financial aid in 2017.

- 33% took out loans, down from 43% in 2013.

- 52% of those who apply for financial aid are independent of their parents.

Figure 19: Loans and grants comprise over 90 percent of student financial aid

Financial Aid by Type

Loans $614.1 56%

Employment/Work Study $19.1 2%

Scholarships $55.9 5%

Grants $398.3 37%

Financial Aid by Source

State $151.2 13.9%

Institution $45.1 4.1%

Private $82.1 7.6%

Federal $809.0 74.4%

Total student financial aid = $1.1 billion fiscal year 2017

Source: System Office Research – Academic and Student Affairs
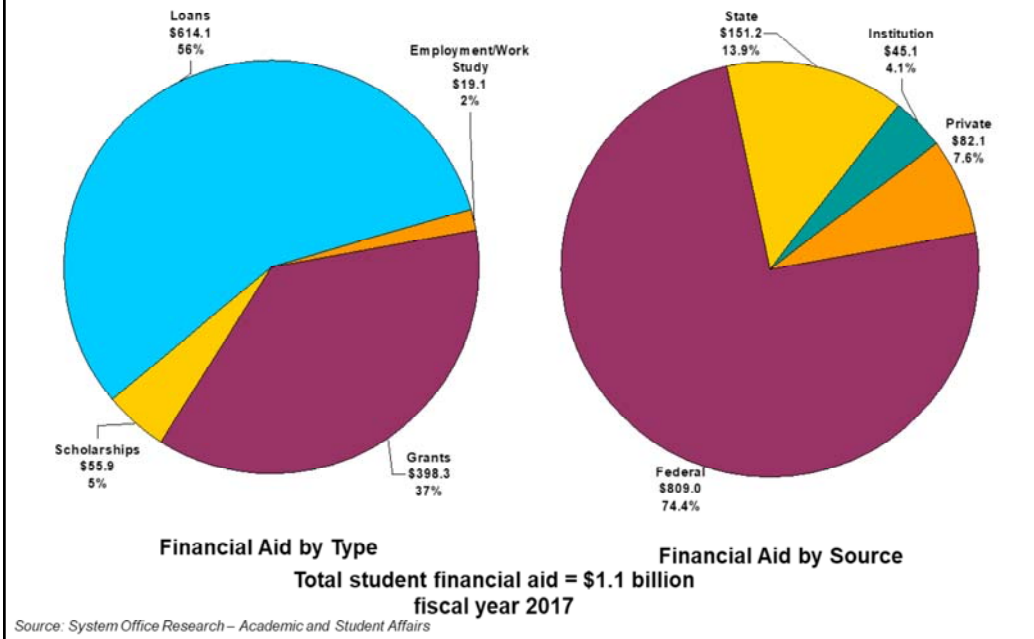
Our students received $1.1 billion dollars in financial aid in fiscal year 2017.
- Student loans accounted for 56% of the aid, and grants for another 37%.
- 74% of all student aid is federally funded and another 14% is state funded.

Figure 20: The percent of students receiving financial aid peaked during the recession
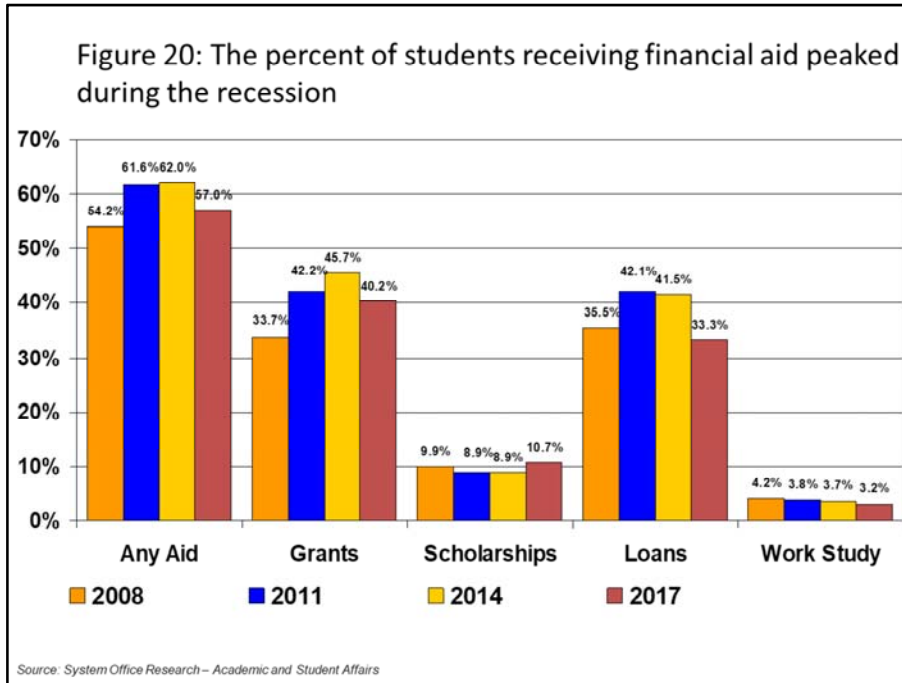
This percent of students receiving financial aid increased from 54.2% in 2008 to 62.0% in 2014 and decreased to 57.0 percent by 2017.

The decline is likely the result of the improving economy, reduced student loan borrowing and fewer students receiving grants.
- The percent of students that borrowed decreased substantially, going from 42.1 percent in 2011 to 33.3 percent in 2017.
- The percent of students that received grants decreased from 45.7 percent in 2014 to 40.2 percent in 2017.
- The percent of students that received scholarships increase from 8.9 percent in 2014 to 10.7 percent in 2017.

Figure 21: The average amount of financial aid students receive peaked during the recession

Source: System Office Research – Academic and Student Affairs
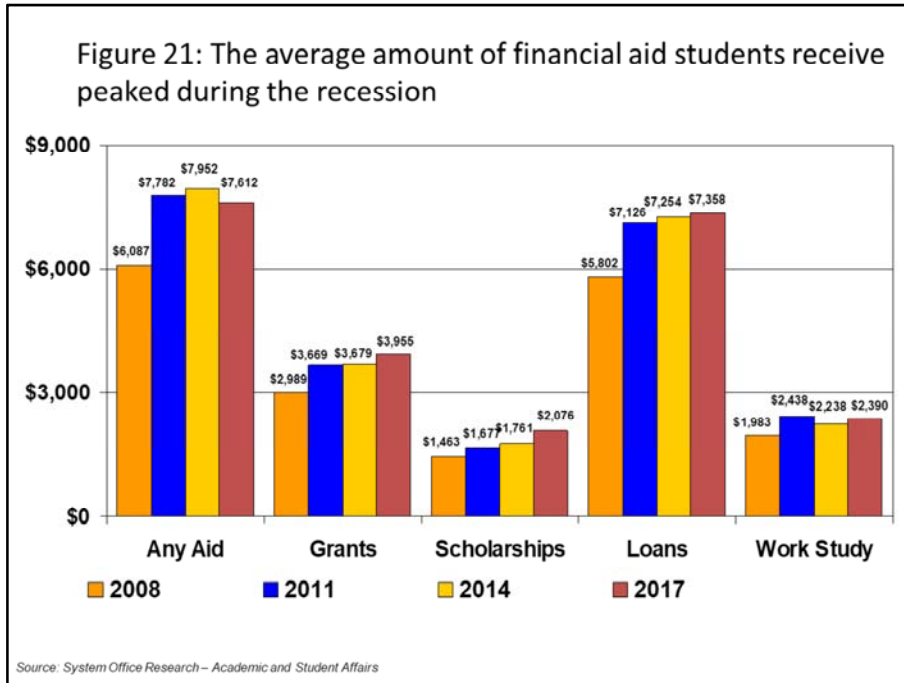
Similarly, there was an increase in the average dollar amounts students receive in financial aid between 2008 and 2014 and a decrease between 2014 and 2017.

- The average total financial aid award increased by 31% from $6,087 in 2008 to $7,952 in 2014 and decreased by 4% to $7,612 in 2017.
- The average increase in college and university tuition and fees between 2008 and 2018 was 27%.

Figure 22: Larger percentages of students at private institutions receive grants, scholarships and loans
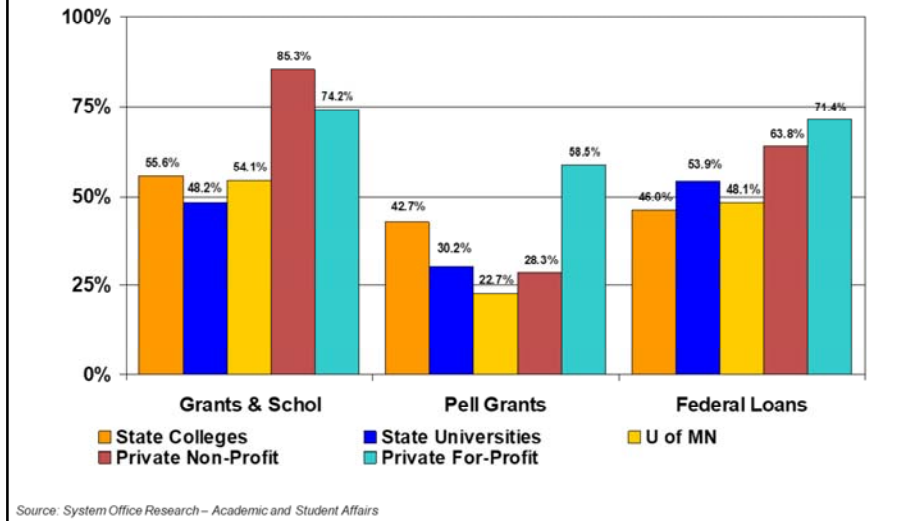
This chart shows how financial aid for our students compares to that offered by the University of Minnesota and private colleges/universities.

- Much larger percentages of students at the private non-profit (brown) and for-profit colleges and universities (light blue) receive grants and scholarships and take out federal student loans.
- Students at the private for-profit institutions also have the highest percentage of receipt of Pell grants.
- The most notable differences in average awards are in grants and scholarships for students at the University of Minnesota and the private non-profit colleges and universities.
- Our students had average grants and scholarships of $4,000 while students at the privates had an average of $18,000 and students at the U of MN averaged almost $7,000.

Figure 23: A large percentage of Minnesota State graduates have no student loan debt

	MN State % With No Debt	Median Debt for All Graduates	Median Debt for Graduates Who Borrowed
Certificates/ Diplomas	51.7%	$0	$10,750
Associate Degrees	38.6%	$6,750	$15,750
Baccalaureate Degrees	27.2%	$18,500	$25,778

Median cumulative student loan debt for 2016 graduates.

Source: System Office Research – Academic and Student Affairs

It's important to recognize the unique advantage of our system:
- Significantly lower debt loads for graduates at the colleges.
- A large percentage of Minnesota State students graduate with no debt at all: 27% to 52%, depending on the academic award received.

Figure 24: Two-thirds of student respondents reported owning three or more internet devices
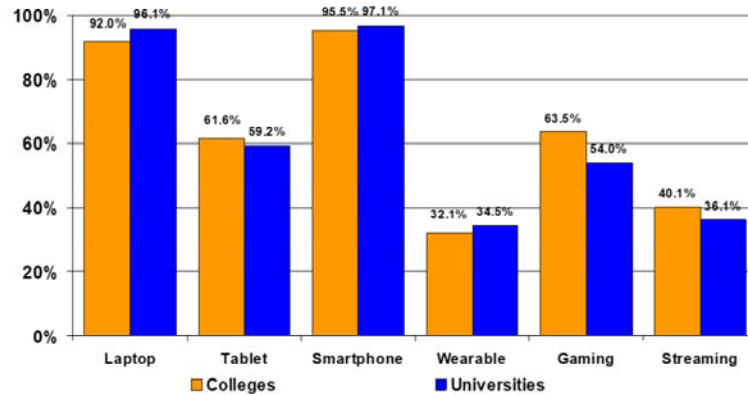
Source: System Office Research – Academic and Student Affairs

The colleges and universities conducted a student survey on the use of technology during spring semester 2016. Educause, a higher education technology association, developed and administered the survey. Students were asked about their use of technology in their education, their assessment of campus technology infrastructure and their desired technology uses.

- Over 11,000 students completed the survey and the response rate was 13 percent.
- Campus and system staff are reviewing the survey results in more detail to assess student responses and identify next steps.
- The vast majority of respondents reported owning a laptop and a smartphone.
- Almost two-thirds reported owning a tablet and over half reported owning a gaming device.

Figure 25: Four of five student respondents reported that their overall technology experience was good or excellent
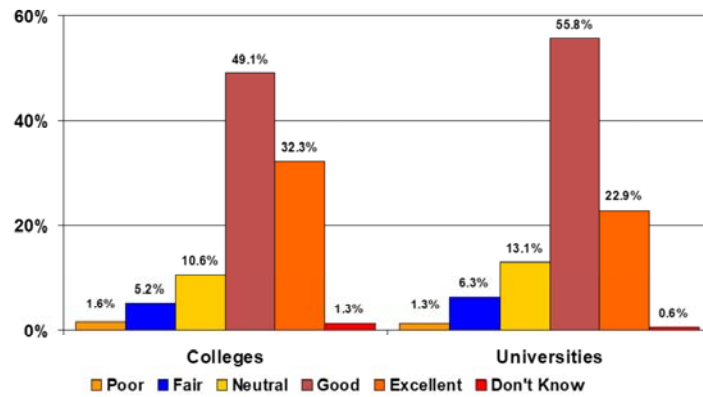
Source: System Office Research – Academic and Student Affairs

Almost 80% of college and university respondents rated the their overall technology experience as good or excellent.

Joint Academic and Student Affairs and Finance and Facilities Committees
November 15, 2017
4:00 P.M.
Southwest Minnesota State University
Marshall, MN

Note: Committee/board meeting times are tentative. Committee/board meetings may begin up to 45 minutes earlier than the times listed below if the previous committee meeting concludes its business before the end of its allotted time slot.

Joint Academic and Student Affairs and Finance and Facilities Committees, Alex Cirillo and Jay Cowles, Chairs

- Collaborative Campus and Regional Planning (pp. 1-11)

Academic and Student Affairs Committee Members
Alex Cirillo, Chair
Louise Sundin, Vice Chair
Dawn Erlandson
Amanda Fredlund
Jerry Janezich
Rudy Rodriguez
Cheryl Tefer

Finance Committee Members:
Jay Cowles, Chair
Roger Moe, Vice Chair
AdbulRahmane Abdul-Aziz
Basil Ajuo
Ann Anaya
Robert Hoffman
Jerry Janezich

Bolded items indicate action is required.

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MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
Agenda Item Summary Sheet

</div>

Name: Joint Meeting: Academic and
        Student Affairs and Finance and Facilities
        Committees   **Date: November 14, 2017**

Title: Regional Planning Guidance Project

Purpose (check one):

☐ Proposed New Policy or Amendment to Existing Policy	☐ Approvals Required by Policy	☐ Other Approvals
☐ Monitoring / Compliance	☒ Information	

Brief Description:

> The purpose of this agenda Item is to provide an overview of the Regional Planning Guidance Project about to get underway and to obtain board input on the policy objectives that will guide this work.

Scheduled Presenters:

Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs
Laura King, CFO and Vice Chancellor for Finance and Facilities

November 14, 2017

Collaborative Campus and Regional Planning Guidance

Joint Academic and Student Affairs and Finance and Facilities Committees

2

Enterprise leadership and Redesign

- Large change agenda underway
  - Transfer pathways
  - Developmental education redesign
  - Comprehensive workplace solutions
  - Collaboration program launch
  - Twin Cities baccalaureate expansion informed 2018 capital program

- All designed to leverage our diversity for long term objectives

Minnesota State

Regional Planning Review

Charting the Future–Academic Planning and Collaboration

Ensure that strategic planning, with academic planning as a major component, drives budget, facilities, technology, diversity, and other planning priorities.

Report on Long-Term Financial Sustainability

Re-calibrate physical plant and space capacity to address regionally disproportionate surpluses, as well as to accommodate new academic and administrative organizational structures

Financial Sustainability Strategy Roadmap

Take additional steps to increase facilities utilization including improved instructional scheduling, comprehensive regional facilities planning and the use of tuition, fee and staff assignment incentives. When facilities are obsolete and cannot be used to meet a campus's academic needs or a community need those facilities should be taken off line to reduce maintenance, deferred maintenance, and utilities costs.

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Project planning assumptions

Our campuses are vital economic and quality of life partners in their communities across the state

Economic and demographic trends are significant drivers directly impacting enrollment opportunities, trends, and academic programming

Enterprise leadership in academic affairs is yielding opportunities for companion facilities strategies

Academic and support programming needs to drive facility usage and planning

Competition for State funding to meet both capital and operational or programmatic needs will continue to be high, resulting in many needs being unmet

Technology will play an ever increasing role in the delivery of higher education and will continue to impact programming and facility usage

Project design principles

- Preserve and enhance access to Minnesota State higher education opportunities across the state

- Provide for high quality/extraordinary education and program offerings, supported and enhanced by appropriate facilities

- Efficiently and effectively utilize financial, human and capital resources

- Reduce costs to students and Minnesota taxpayers

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Project outcomes and deliverables

- Guidelines and/or principles for regionally oriented academic and facilities planning efforts

- Capital planning and investment policies and strategies for campuses, institutions, and regions based on associated academic plans

- Principles for space sharing/repurposing and strategies for advancement

- Academic space use strategies to enhance utilization of needed space

Project team structure

Project Sponsor(s)	Vice Chancellor Academic and Student Affairs - Ron Anderson Vice Chancellor Chief Financial Officer - Laura King

Project Advisory Group	*Leadership Council Executive Committee:*
	  Interim Chancellor Devinder Malhotra
	  President Barb McDonald, North Hennepin Community College
	  President Connie Gores, Southwest Minnesota State University
	  President Faith Hensrud, Bemidji State University
	  President Joyce Ester, Normandale Community College

Project Manager(s)	Academic planning and analysis – Todd Harmening Capital planning and investment – Brian Yolitz
Project Staff Team	*College and university:* Chief Academic Officers, Deans, Chief Finance Officers, Facilities Directors, Planning and Institutional Research leads *System office:* ASA Staff, facilities staff (Capital Development)
Subject Matter Experts	College and university faculty and staff in the areas of institutional research, academic affairs, student affairs, administration, finance, and facilities

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PROJECT TIMELINE

Event / Item	Jul Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
			2017			**2018**					
Kick off with Sponsors and Advisory Group – Overview presentation				X							
Select Case Study region/institution(s)			X								
Review academic plans and planning				X	X						
Review facilities plans and space use practices		X	X								
Develop academic planning recommendations					X	X	X				
Develop facilities planning, capital investment and space use recommendations					X	X	X				
Present to Chancellor								X			
Present to Leadership Council									X		
Incorporate in FY2020 capital investment program guidelines for Board consideration									X		
Bargaining Unit/Student Organization communication		X	X	X	X	X	X	X	X		
Implementation and upscaling strategies										X	X

9

Project design principles

- Preserve and enhance access to Minnesota State higher education opportunities across the state

- Provide for high quality/extraordinary education and program offerings, supported and enhanced by appropriate and facilities

- Efficiently and effectively utilize financial, human and capital resources

- Reduce costs to students and Minnesota taxpayers

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Board discussion questions

Are these the right project design principles?

Are there other design principles that should be considered?

Minnesota State

Finance and Facilities

November 15, 2017
8:00 A.M.
Southwest Minnesota State University
Conference Center
1501 State Street
Marshall, MN

Note: Committee/board meeting times are tentative. Committee/board meetings may begin up to 45 minutes earlier than the times listed below if the previous committee meeting concludes its business before the end of its allotted time slot.

1. Minutes of October 18, 2017 (pp. 1-9)
2. **Approval of Contracts Exceeding $1M (pp. 10-16)**
   A. **Lease Extension for System IT Services Space**
   B. **ISRS Next Gen Business Process Re-engineering Vendor Contract**
3. **Potential Supplemental Budget Request Discussion (pp. 17-20)**
4. FY2020-2024 Capital Budget Guidelines Framing Discussion (pp. 21-31)
5. Enterprise Wide Administrative Services and Related Financing Project Report (pp. 32-43)
6. Proposed New Policy 6.11 Facility Management and Operations   (Second Reading) (pp. 44-50)

Committee Members:
Jay Cowles, Chair
Roger Moe, Vice Chair
AbdulRahmane Abdul-Aziz
Basil Ajuo
Ann Anaya
Robert Hoffman
Jerry Janezich

Bolded items indicate action is required.

MINNESOTA STATE
BOARD OF TRUSTEES
FINANCE AND FACILITIES COMMITTEE
OCTOBER 18, 2017
MCCORMICK ROOM
30 7TH STREET EAST
ST. PAUL, MN

***Finance and Facilities Committee Members Presen**t: Chair Jay Cowles, Trustees Basil Ajuo, Robert Hoffman, Jerry Janezich, Roger Moe*

***Committee Members Absen**t: Ann Anaya*

***Other Board Members Present**: Trustees Cheryl Tefer, Alexander Cirillo, Dawn Erlandson, George Soule, and Michael Vekich*

***Cabinet Members Present:** Chancellor Devinder Malhotra and Vice Chancellor Laura King*

The Minnesota State Finance and Facilities Committee held its meeting on October 18, 2017 in the 4th Floor McCormick Room, 30 East 7th Street in St. Paul, MN.

Chair Cowles called the meeting to order at 11:15 a.m. and invited Vice Chancellor King to provide updates after the approval of the June minutes.

1. **Minutes of June 21, 2017**
Chair Cowles called for a motion to approve the minutes from June 21, 2017. Trustee Janezich made the motion, Trustee Hoffman seconded. There were no changes to the minutes as presented. The motion carried.

Vice Chancellor King's updates:

- The Enterprise-wide Administrative Services (EAS) project is nearing completion. The report will be presented to the board in November.
- FY2017 financial statement work is coming to a close. Review sessions are being scheduled with the audit committee. The FY2017 financial statements results   will be presented at the November Audit Committee meeting.
- Our colleges and universities continue to manage the consequences of the sanction in the federal financial aid program due to the tardiness of filing by the State of Minnesota with the federal government. Last fall there were $151M in loans between the local and state treasury. This is in addition to another $225M in state sweeps that were temporarily delayed in order to match cash management requirements with the federal government. This is being carefully monitored. It is anticipated that this will be the last year of being in this situation. There aren't any consequences for the students but it has caused a cash

1

management challenge at the campuses.

- The new eProcurement module continues to roll out to all campuses. The expectation is that all colleges and universities will be using the module for purchasing by the start of FY2019.
- The Perkins Loan Program expired September 30, 2017 without congressional action. No new Perkins loans are permitted to be disbursed. This past year, approximately 1,860 Minnesota State students received Perkins loans totaling $4M. Risk assessment continues at the colleges, universities and system office. If the program stays expired, there will be lots of administrative work to be done.
- Bonding tours have concluded for the near term. The Senate might resume if a timely resolution of the budget issues can be reached. The Senate has not traveled this fall. The House Capital Investment Committee had an extensive travel agenda. The House visited over a dozen campuses and concluded with a visit to Saint Paul College. The commissioner of MMB and staff have also been visiting campuses on behalf of the Governor. The governor is expected to announce the FY2018 capital bonding list on January 15, 2018.
- Input and recommendations have been solicited on the FY2020 Capital Guidelines. There will be time scheduled at the November meeting to get input from board leadership and the recommendations for adoption will be presented to the board in January and March 2018.
- The State of Minnesota undertook a study to evaluate the disparity in the state purchasing programs. Minnesota State is one of the nine public entities participating in the study. The Disparity Study is very extensive and the report products are entering into the draft development and coordination phase. The report will include a state-wide picture of the marketplace purchasing and contracting. Elements of these reports will be presented to board leadership as the draft is finalized in late December or early January. The goal is to give the Board a "heads up" before the report is released to the public.

Chair Cowles added that some topics will be addressed later in the year. Committee members were informed weeks ago concerning the establishment of governance and administrative processes around the enterprise service. There will be campus coordinated regional academic and facilities planning opportunities for the system. There will be an effort made to provide a review of the full-year workplan. The review will be presented at the November meeting. The review is intended to address the strategic issues; the ERM and chancellor's issues. These may be presented in joint committee projects. Trustees Cowles and Vekich were provided a briefing on the status of the Wells Mansion. The project is on track in all the major elements that were discussed at the board meeting last summer; however, some of the work discussed may be delayed until 2019.

2. **Long-Term Financial Sustainability Report Review**

Vice Chancellor King introduced Deb Bednarz, System Director of Financial Planning and Analysis and revisited the report from the Long-term Financial Sustainability Workgroup. The system has followed through with a commitment to use the report and its findings in the various system workplans. Vice Chancellor King and Associate Vice Chancellor Phil Davis served as chairs of the committee, President Malhotra (formerly Metropolitan State University) and Chair Cowles were also on the committee. The report was released in June 2016. After the release of the report:

- Chancellor Rosenstone launched a consultation process and reached out throughout the community for feedback and comments.
- The report was discussed at the Board Retreat in September 2016 and in a small group study session.
- The responses to the constituent feedback were reviewed and discussed. A strategy roadmap from the consultation results was presented in November 2016.
- There was discussion at the joint board and Leadership Council meeting in January 2017 to discuss and endorse the strategy roadmap. Legislative presentations and workplan items were developed.
- The workplan is underway.

The FY2018 workplan, as it relates to long term strategies for sustainability, has interrelated elements in all 'houses' of the system. The Finance Division is leading an enterprise administrative services project as well as campus master planning and a deep review of tuition and fee policy.

In examining the word sustainability, it is important to review what it means to the system. There are advantages to being part of a system that increase the sustainability of the colleges and universities. Each of the colleges and universities sets their own goals based upon their unique missions and other factors. Their sustainability and success are measured against these goals. The system office coordinates and facilitates efforts for accountability in reporting to the chancellor, the board, and the state.

There is tension between what is needed to ensure student success and what might be needed to ensure sustainability. Skilled leaders are working hard to balance that tension in order to make it work to our students' benefit.

Chair Cowles discussed his role on the long-term financial sustainability group. During the conversations surrounding sustainability, there was a question raised about sustainable public funding sources. The research indicated that use of local property taxes leads to off-sets at the state level. It became quickly apparent to the long-term financial sustainability workgroup that any such effort, particularly in the area of property tax, would end up being a net zero gain.

Studies show that when states attempt to supplement general appropriation with dedicated streams of funding, there is no 'supplement'—just a change in funding source.

Trustee Hoffman asked for clarification on whether the FY17 revenue and state tuition is 89% of total revenue. Vice Chancellor King responded that it represents 89% of the general fund revenue and 70% of overall revenue. Chair Cowles asked whether the general fund includes philanthropic contributions to foundations affiliated with the colleges and universities. Vice Chancellor King responded revenue paid to a college or university from its foundation for tuition would be captured. It wouldn't capture revenue raised and held by a foundation.

Trustee Moe pointed out from the chart d showing long term reduction in state revenue and suggested that tuition revenue should not be discussed absent financial aid. He asked how that factors in the chart provided. Vice Chancellor King responded that there are financial aid dollars paying the tuition expense. The percentage of tuition revenue represented by financial aid dollars has gone up. Information on the composition of tuition will be provided in November as part of the financial statements.

Chair Cowles asked for clarification on whether the graph provided shows the cash available on campuses to spend against their annual operating budget and whether the net effect of adding the scholarships and financial aid net is not a change to the cash available to the campuses but a change in the cost to the students. Vice Chancellor King responded yes and it represents the portion of their cash that comes from students.

Trustee Soule asked whether there is a breakdown in the sources of financial aid. Vice Chancellor King responded that there is a breakdown and information on it will be provided in November.

Referencing slide #7, Vice Chancellor King noted that the report made several recommendations that support the system's strategic framework. The report also made the following recommendations:

- Improve efficiency around curriculum and academic program management
- Continue efforts to reduce administrative, compensation, and facilities costs

These are all part of the FY2018 workplan. Sustainability metrics have been established and fit within the context of the strategic plan. All of these areas interact to promote financial sustainability.

The workgroup research found that public higher education funding in Minnesota, including financial aid, has decreased per FYE at a higher rate than national peers. Several things were learned during the course of developing the report:

- Improvement in student success is essential to the financial health of the colleges and universities.
- The structural mismatch between revenue and expenses is systemic, abiding, and accelerated.
- Our colleges and universities can and must continue efforts to improve core administrative and academic support functions on campuses.

Trustee Erlandson asked if Minnesota's tax revenue per capita versus other states information is shared with lawmakers. Vice Chancellor King replied that it was. Trustee Erlandson asked whether the ROI could be calculated and referenced the Chetty study on the role of colleges in income mobility. Vice Chancellor King will provide a copy of the Chetty study to members.

Chair Cowles emphasized the importance of continuing to make the case that what we do fundamentally matters in terms of education. We need to celebrate successes, improvements, and effectiveness in a cogent way.

Vice Chancellor King mentioned language issues pertaining to the system's foundational advantages and leadership contribution to college and university sustainability. System wide advantages include:

- Standardized and uniform data reporting
- Serving as communication coordinators and conveners
- Ability to bring changes at the foundational level
    - Collaboration efforts
    - Changes made to the recent allocation framework reforms to recognize student success efforts
    - Regional and shared services efforts underway to lower administrative costs and improve the quality of services
    - Competitive advantages in our shared IT platform

All our efforts are intended to strengthen the operating environment.

Trustee Hoffman commented that the system office is in a report position rather than a directing position. Chair Cowles commented that in the finance and facilities areas, there is a great deal of compliance required to follow statutes, laws, and policies, and there is a certain amount of direction that is required to work alongside each campus to ensure they are supported and respected. Vice Chancellor King stated there are 24 performance accountability measures tied to

student success, affordability, staff and student diversity trends, completion rates, financial effectiveness and efficiency.

Chancellor Malhotra commented that Vice Chancellor King summarized roles quite well. Going back to an earlier exchange, the system office staff's role falls into 3 areas: coordination, facilitation, and accountability. Each area will be approached differently from a tactical standpoint and developing an appropriate plan. Financial accountability measures will be reviewed. Many of the measures will move slowly over time. Presidents should bring their strategies to the table during evaluations.

Vice Chancellor King noted that there are measures, goals, and oversight/monitoring processes to monitor short and long term performance expectations. This informs the chancellor early on of negative trends.

The annual presidential performance plan is tied to key indicators on student success, diversity, and financial trends. The chancellor and president continue to review expectations and metrics. Reports will be presented as they are received.

We have a significant change agenda underway in:

- Academic planning: transfer, metro baccalaureate, online, comprehensive workplace solutions regional strategies
- Student success: diversity and equity, closing the gap, developmental education reform
- Finance and facilities: enterprise administrative services governance and reform, regional planning, enrollment management best practices
- Next Gen: perhaps the largest change effort in our history

Most of the efforts are tied to improving our revenue outlook with increased enrollment and increased persistence. Opportunities for new revenues are present, but we also need continued cost management strategies. There is a need for the state to invest in our students as well.

Trustee Moe commented on Minnesota State's 3.2% share of the state budget. One way to frame this with policy makers is to pose the question: Where in the state budget do you get a bigger return for 3.2% of your investment? Policy makers would be hard pressed to find another answer.

Trustee Erlandson commented that perhaps the legislature should conduct a review government spending to identify the best investment of state resources.

Chair Cowles commented that this is a critical mission for the state of Minnesota which impacts many Minnesotans and diverse communities.

Chancellor Malhotra confirmed that Minnesota State was involved in providing information to the governor's office for developing the framework on what higher education in the state can provide from a workforce stand point to Amazon.

There were no further comments or questions.

3. **Contracts Exceeding $1M**
Vice Chancellor king presented two contracts to the board for recommendation.

- **D2L Contract Extension**
The recommendation presented to the board would extend the current contract with the "Desire to Learn" vendor. The current contract expires in 2022 and repositions with cloud service. The recommendation is to extend the contract to August 2023.

- **Internal Audit External Services**
This action recommends an amendment with the current Baker Tilly contract. The recommendation to the board is for the support of increasing the contract to $1 million for continued auditing services.

Chair Cowles called for a motion to approve both actions. Trustee Hoffman made the motion, Trustee Ajuo seconded. The motion carried.

4. **Proposed New Policy 6.11 Facilities Operation and Maintenance (First Reading)**
Associate Vice Chancellor Yolitz stated that the policy is the result of work started over a year ago and comes from the FY2017 workplan and a study session regarding facilities management. Recently revised policies 6.9 *Capital Planning* and 6.10 *Design and Construction* outline expectations on how facilities are planned for and built. Proposed policy 6.11 outlines expectations, duties and responsibilities associated with the management and operations of Minnesota State facilities. Upon adoption of policy 6.11, the board is also asked to rescind Policy 6.4 *Facilities Planning*, 6.5 *Capital Program Planning*, and 6.6 *Facilities Maintenance and Repair including Revenue Fund Facilities*.

Responsibilities for general facilities operations and maintenance procedures lie with the chancellor. The board will receive reports on the status of facilities as part of their ongoing committee work. There is no action required at this time this is a First Reading for this policy.

Chair Cowles asked for a description on who helped develop and review the new policy. Mr. Yolitz responded the Facilities Advisory Group consisting of facilities directors, technical,

community and university colleges. It was recognized that there is a need for framing around operations and maintenance. Initial principles were drafted and sent to chief financial officers, facilities staff, and system office. It also went to bargaining units and student associations for review. It has been reviewed and approved by the chancellor and now before the board for review and approval.

5. **Tuition and Fee Policy Guidance**

Vice Chancellor King introduced Deb Bednarz, System Director for Financial Planning and Analysis.

The purpose of this agenda item is to provide an overview of the tuition and fees policy review process currently underway and to obtain board input on the policy objectives that will guide this work. This project was part of our presentation at the Board's September retreat as an element of the financial sustainability work with impact on Student Success and Diversity and Inclusion.   Chair Cowles noted that this is a joint Finance and Academic and Student Affairs initiative.

Vice Chancellor King stated that board approval of specific policy changes was not being requested at this meeting—rather board input was being sought on the policy objectives that will inform this work over the next several months. Board approval of policy changes is scheduled for March and April upon completion of the review process.

The review process is designed to articulate policy objectives and examine how well the current policy meets those objectives. An extensive consultation process is planned before proposed changes are presented to the board. Students, college and university leadership, and system office staff will be included in the process.

The Tuition and Fee policy hasn't been reviewed since 2011. The core policy was put in place in 2000. The strategic objectives in developing the framework focuses on affordable access to higher education, sustainability, equity, transparency, flexibility for innovation and emerging markets. Questions for committee discussion include: 1) whether these are the right policy objectives, 2) are there other policy objectives that should be considered?

Trustee Moe commented that tuition and fees discussion always gets to the subject of student debt and asked whether there is a responsibility to educate students concerning financial literacy. Vice Chancellor Ron Anderson responded to Trustee Moe's questions that state law requires financial literacy to be addressed.

Chair Cowles would like for the report to explain the key assumptions that the recommendations rely upon. This should include: assumptions on financial aid and assumptions about legislative

view regarding free community college, funding scholarships, and understanding the impact of legislative mandates.

Vice Chancellor King commented that there will not be dollars attached to the policy but rather will address the mechanics of how the policy will work at any tuition rate.

Chair Cowles asked what policy issues are intended to be solved or addressed. Vice Chancellor King responded that among other issues the policy could address changes in student mobility. As students in enrollment in multiple institutions, consistent tuition and fee policy becomes more important.

Trustee Tefer asked how the next new ideas will be balanced in real time regarding financial constraints. Vice Chancellor Anderson replied that there are several primary angles to approach the question. One is at the campus level. The academic program reviews occur and people identify new programs that they want to develop, identifying how to make the funds available to develop the programs. Many of the institutions have investment funds. There is a continuous rub between existing programs and the need to innovate and develop a new programs. With the incentives that the board set aside in the allocation formula, the collaboration allows new opportunities to create new programs.

Trustee Tefer commented that there are consequences in making bad decisions on something that isn't going to work, but it is comforting to know that there are revenue streams for innovation and change. It is hoped that the system has tolerance for risk taking.

Trustee Janezich commented that the advisory and draft groups are not the same people. In thinking about the organization, the more people involved at the drafting stage, the more communication will be improved. This should be reviewed before the process goes further down the line. Trustee Janezich asked whether the presidents want to review the policy. Vice Chancellor King responded that the concern will be discussed further with the Chancellor. Vice Chancellor King invited members to reach out with any more ideas or discussion.

Chair Cowles thanked everyone. There were no further questions or comments.

The meeting adjourned at 1:02 p.m.

Respectfully submitted
Maureen Braswell, Recorder

MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
Agenda Item Summary Sheet

Name: Finance and Facilities Committee   **Date:** November 15, 2017

Title: Approval of Contracts exceeding $1M-
Lease Extension for System IT services Space
ISRS Next Gen Business Process Re-engineering Vendor Contract

Purpose (check one):

	Proposed New Policy or Amendment to Existing Policy		**X** Approvals Required by Policy		Other Approvals
	Monitoring / Compliance		Information		

Brief Description:

> Board Policy 5.14, Procurement and Contracts, requires that contracts, including amendments, with values greater than $1,000,000, must be approved in advance by the Board of Trustees.
>
> **Lease extension for System IT Services Space**
> The system office is seeking approval to approve the proposed extension of this lease for an initial term of two (2) years with options to extend for 3 x 1 year extensions.
>
> **ISRS Next Gen Business Process Re- engineering Vendor Contract**
> The system office is seeking approval to enter into a contract between Minnesota State and a selected vendor for ERP Consulting Services.

Scheduled Presenter(s):
Laura M. King – Vice Chancellor – Chief Financial Officer
Ramon Padilla – Vice Chancellor – Chief Information Officer

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD ACTION

APPROVAL OF CONTRACTS EXCEEDING $1 MILLION:
     A. LEASE EXTENSION FOR SYSTEM IT SERVICES SPACE
     B. ISRS NEXT GEN BUSINESS PROCESS RE-ENGINEERING VENDOR CONTRACT

1   **BACKGROUND**
2   Board Policy 5.14, Procurement and Contracts, requires that contracts, including amendments,
3   with values greater than $1,000,000, must be approved in advance by the Board of Trustees.
4
5
6   **LEASE EXTENSION FOR SYSTEM IT SERVICES SPACE**
7   In 2007, the system office undertook a search for a leased location to house a contingent of
8   system office staff near St. Cloud, Minnesota. The system ultimately selected a location at
9   what's known as the Quarry Center, 314 10th Avenue South in Waite Park, Minnesota. In 2010,
10   the system expanded the footprint from 8,476 sq. ft. to the current 13,324 sq. ft. to house
11   approximately 60 employees.
12
13   When the lease was originally signed in 2008 and amended in 2010, the prior contract
14   threshold requiring Board action had not yet been reached. The total rent that will be paid until
15   term end in February 2018 is approximately $1.6 million.
16
17   As the current lease term is scheduled to expire in February 2018, the Board is being asked to
18   approve the proposed extension of this lease for an initial term of two (2) years with options to
19   extend for 3 x 1 year extensions. The new lease term would start March 1, 2018 and if all
20   options were exercised, expire February 28, 2023. The total estimated base rent cost if the full
21   five years are exercised would be approximately $826,000 plus operating costs (utilities,
22   cleaning and taxes). The system opted to structure this new lease with an initial 2 year lease
23   term to study the possible relocation from a leased location to a campus.
24
25
26   **ISRS NEXT GEN BUSINESS PROCESS RE-ENGINEERING VENDOR CONTRACT**
27   The system office is seeking approval to enter into a contract between Minnesota State and a
28   selected vendor for ERP Consulting Services.   The project is divided into four primary stages:
29
30   1. Business Process Review for Finance/Human Resources,
31   2. Business Process Review for Academic and Student Affairs,

3. RFP creation and evaluation services for an ERP solution, and
4. Product selection and strategic implementation leader services for managing implementation of the chosen ERP system

A RFP was released with a request that respondents offer service for one, several or all of the listed stages. Eight responses were received. Vendor responses were scored based on costs, qualifications, and interviews with finalists by a committee made up of system directors and the four vice chancellors. Reference checks were conducted on two finalists by email and phone call follow up. The selected vendor's bid is within the budget provision for this stage of the work and is funded through resources in the system office ITS Next Gen FY2018 budget. The contract budget includes provision of a 10% contingency that will be managed by the steering committee. The contract will also include clear performance assurance checkpoints and verification methods.

The committee has decided to award projects 1, 2 and 3 at this time.

The chancellor has established a Next Gen Steering Committee to provide overall governance to this effort over the next 6-7 years. It is expected that the selected vendor will also offer advice as we establish the project governance and management structure for this very large effort.

The ERP NextGen Steering committee includes:
- Sr. Vice Chancellor of Academic and Student Affairs
- Vice Chancellor of Finance and Administration
- Vice Chancellor of Human Resources
- Vice Chancellor of Information Technology
- President Scott Olson, Winona State University
- President Angelia Millender, Century College
- Executive Director of Internal Audit, ex-officio

The scope and deliverables will be managed by the ERP NextGen Steering Committee.

Communication and engagement by campuses and constituent groups will be handled with assistance from the vendor. The project team will include an organizational change management specialist, as well as an internal communication specialist that will be hired for this project, and the project management team. Additionally, system wide communication specialists will be tapped as part of the engagement process. As outlined in previous Board discussions, an ERP NextGen project update will be a standing item on the Board agenda in January and June for the duration of the project.

The scope statement and tentative timeline for projects 1-3 deliverables are shown on **Appendix A**. The project plan is designed to complete the 3rd stage project in the spring of 2019. This will enable a RFP for the 4th stage to be released only when the finance plan is fully funded. The overall project timeline is shown on **Appendix B**.

RECOMMENDED COMMITTEE ACTION:

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

The Board of Trustees authorizes the chancellor or his designee to execute a lease with the landlord of the Quarry Center, 314 10th Avenue, Waite Park, Minnesota for a total lease term - including options - of up to five (5) years starting March 1, 2018 and for a total rent amount not to exceed $826,000. The Board delegates to the chancellor or his designee authority to execute all necessary documents.

The Board of Trustees authorizes the chancellor or his designee to execute a contract with the selected ISRS/Next Gen vendor for a term not to exceed three (3) years and a total amount not to exceed $5,000,000. The Board directs the chancellor or his designee to execute all necessary documents.

RECOMMENDED BOARD MOTION

The Board of Trustees authorizes the chancellor or his designee to execute a lease with the landlord of the Quarry Center, 314 10th Avenue, Waite Park, Minnesota for a total lease term - including options - of up to five (5) years starting March 1, 2018 and for a total rent amount not to exceed $826,000. The Board delegates to the chancellor or his designee authority to execute all necessary documents.

The Board of Trustees authorizes the chancellor or his designee to execute a contract with the selected ISRS/Next Gen vendor for a term not to exceed three (3) years and a total amount not to exceed $5,000,000. The Board directs the chancellor or his designee to execute all necessary documents.

Date of Adoption: 11/15/2017
Date of Implementation: 11/15/2017

Project Scope and Timelines

The tentative scope and timeline for deliverables of stages 1-3 are as follows:

Scope Summary

As part of the projects outlined below, Minnesota State requires the professional services vendor(s) to conduct extensive current business process reviews (BPR) in multiple areas with campus and System Office subject matter experts, and assist the team with defining functional and technical system requirements necessary to implement the ERP solution.

Stage 1: Finance / HR Business Process Review / Business Process Management

Scope: Finance / Accrual / Budgeting---Purchasing / Accounts Payable---HR / Hiring / Position Management / Benefits,---Leave--- Performance Management/Compensation---and Reporting---Facilities (college and university class and event scheduling--- housing--- construction project accounting and lease accounting)---Accounts Receivable / Financial Aid / Third Party Payable---Resolve Duplicate Persons (Employees and Students)---Student Accounts

Milestones	DATE
Begin BPR Planning	November 2017
Kickoff Business Process Reviews	January 2018
Draft ERP Requirements	June 2018
Complete Business Process Reviews/Finalize ERP Requirements	December 2018

Stage 2; Academic and Student Services (ASA) Business Process Review / Business Process Management

Scope: Admissions---Registration / Grading / Transcripts / Records---Degree Program / Transfer---Advising---Program / Curriculum development---Financial Aid---Continuing Education / Workforce Development---Customer relationship management (CRM)

Milestones	
Begin BPR Planning	November 2017
Kickoff Business Process Reviews	January 2018
Draft ERP Requirements	June 2018
Finalize ERP Requirements	December 2018
Complete Business Process Reviews	July 2019

Stage 3: ERP RFP Creation and Evaluation

Scope: With consultation from a select committee, using requirements from BPR in Projects 1 and 2, draft an RFP to obtain a successful ERP solution for Finance, HR and Academic and Student Affairs modules--- assist Minnesota State in evaluation of RFP responses, selection and some contract negotiation---Provide project management oversight for the RFP and selection of a vendor---participate in contract negotiations with awarded ERP vendor

Milestones

Begin RFP Planning	July 2018
Begin drafting ERP RFP	July 2018
Finalize / Post RFP	January 2019
Complete Evaluations and Vendor Presentations	June 2019
Award RFP – tentative based on financing	July 2019
Contract Negotiations	August-October 2019

DRAFT

Minnesoate State NextGen ERP Implementation Timeline (PROPOSED)

MINNESOTA STATE

	FY14				FY15				FY16				FY17				FY18				FY19				FY20				FY21				FY22				FY23				FY24				FY25		

LEGEND

- Program Planning
- Implementation Phase
- Governance
- Communications
- Increasing Risk

RISK INCREASES!
Activities beyond FY19 Q4 are dependent on approved request for funding.

Last Updated: 7/18/2017

Gartner Study

CTF Gallery Walks

CampusWorks Listening Sessions

Business Case Development

Prepare Funding Strategy

Possible Funding Available

RFP Process for Strategic Implementation Leader

Prepare Funding Strategy

Possible Funding Available

RFP Process, Evaluation Vendor Selection

Finalize Implementation Strategy

Fin/HR Business Process Reviews

Finance / HR / Payroll Business Process Optimization

Finance Implementation

HR / Payroll Implementation

Student Business Process Reviews

Student Solutions Business Process Optimization

Student Solutions Implementation - Cohort B

Student Solutions Implementation - Cohort A

Legacy Technology Preperation

Legacy Technology Decommision

Establish Data Governance

Reporting Legacy Technology Refreash

Reporting Business Intelligence / Analytics Platform Phased Implementation

Establish Project Governance

Engage Student, Faculty and Staff Advisory Forums

Implementation Governance

Establish Communications Plan

Board of Trustees, and Executive Leadership Communications and Updates

Students, Faculty Communications and Updates

Staff and Institution Communications and Updates

16

MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet

Name: Finance and Facilities Committee   **Date:** November 15, 2017

Title: Potential Supplemental Budget Request Discussion

Purpose (check one):

☐ Proposed New Policy or Amendment to Existing Policy	☒ X Approvals Required by Policy	☐ Other Approvals
☐ Monitoring / Compliance	☐ Information	

Brief Description:

> The Board of Trustees is being asked to consider approval of a supplemental budget request to Governor Dayton and the Minnesota Legislature for two change items that were not fully funded in the FY2018-FY2019 biennial budget last session. The request seeks $8.5 million in support for the mission-critical ISRS Next Generation technology infrastructure project and $10.0 million in operating support for campuses in FY2019.

Scheduled Presenter(s):
Laura M. King – Vice Chancellor – Chief Financial Officer

BOARD ACTION
POTENTIAL SUPPLEMENTAL BUDGET REQUEST DISCUSSION

BACKGROUND
At its November 2016 board meeting the Board of Trustees approved the system's FY2018-FY2019 biennial budget request. The 2017 legislative session concluded in May 2017 with a signed higher education appropriation bill. The board is asked to consider approving a FY2019 supplemental budget request to the governor and legislature for the 2018 legislative session. The request would seek support for two budget change items from our original request that were not fully funded last session: ISRS Next Generation and Campus Support.

SUPPLEMENTAL BUDGET REQUEST

ISRS Next Generation (Next Gen) Request. The Next Gen project is a strategic investment in our information technology that replaces the system's outdated 20 year old Integrated Statewide Record System (ISRS). The replacement of ISRS impacts all aspects of the system's operations, including registration, course scheduling, transcripts, financial aid, housing, student records, budgeting, accounting, human resources, and payroll. The successful implementation of Next Gen cannot be overstated: Our ability to deliver on our mission depends upon it.

As part of its FY2018-FY2019 biennial budget request, the system requested funding for the $150 million Next Gen project based on a multiyear partnership financing model, with half the funds coming from the State of Minnesota and the other half coming from Minnesota State. Specifically, Minnesota State requested $12.5 million in annual state funding to be matched with $12.5 million in annual contributions from the system office and campuses. The legislature appropriated $4.0 million in annual, ongoing funding.

The project commenced in July 2017 with a request for proposals (RFP) for business process redesign. Current funds are sufficient to support the project through May 2019. The project plan calls for an integration vendor to be on board by July 2019 and for all project elements to be completed by January 2024.

In order for the project to stay on schedule, the full project finance plan needs to be in place by June 2019. It is recommended that $8.5 million in base funding be requested to fully fund the shared financing proposal from last session. This request maintains the shared financing plan and will require significant campus support in times of budget stress.

Campus Support Request. The most recent biennial budget request sought $143 million in support over two years for the operating costs of our colleges and universities. The path of our request is shown below:

	Minnesota State Request[1]	Governor's Recommendation[2]	Enacted Budget[3]
FY2018	$47.6 M	$50.0 M	$71.6 M
FY2019	$95.4 M	$75.0 M	$61.6 M
Biennial Total	$143.0 M	$125.0 M	$133.3 M

(1) Our request pledged to hold tuition rates constant in exchange for state support.
(2) The governor's recommendation was silent on the matter of tuition rates.
(3) The enacted budget includes revenue from FY2018 tuition rate increases; college and university undergraduate tuition rates are frozen in FY2019.

The enacted budget provided $10 million less than the funds required to cover a three percent per year increase in costs due to inflation. The appropriation was further compromised by the structure of the state funds which are provided 55 percent in FY2018 and 45 percent in FY2019. The combination of these two actions result in a biennial gap of $9.7 million and a FY2019 structural gap of $33.8 million. It is recommended that $10 million in base funding be requested in FY2019 to address the shortfall and reduce the structural budget gap.

CONCLUSION
Governor Dayton will offer supplemental budget recommendations during the 2018 legislative session which begins on February 20, 2018. Minnesota State has an opportunity to discuss the technology and budget needs of our colleges and universities with the governor and legislature and request additional state support. The Finance and Facilities Committee is invited to consider support of a supplemental budget request for two priorities:

1. ISRS Next Generation ($8.5 million)
2. FY2019 Campus Support ($10 million)

RECOMMENDED COMMITTEE ACTION:
The Finance and Facilities Committee recommends that the Board of Trustees adopt the following motion:

The FY2019 supplemental budget request strengthens the state's commitment to access and affordability, invests in critical technology infrastructure, and supports student success. The ISRS Next Generation project is a mission-critical strategic investment in our information technology infrastructure that replaces Minnesota State's outdated 20 year old Integrated Statewide Record System (ISRS). The campus support request provides critical operating funds to every college and university and helps advance our mission of access and opportunity for all Minnesotans. The

board strongly urges Governor Dayton and the Minnesota Legislature to support Minnesota State's supplemental budget request.

RECOMMENDED BOARD OF TRUSTEES ACTION:
The FY2019 supplemental budget request strengthens the state's commitment to access and affordability, invests in critical technology infrastructure, and supports student success. The ISRS Next Generation project is a mission-critical strategic investment in our information technology infrastructure that replaces Minnesota State's outdated 20 year old Integrated Statewide Record System (ISRS). The campus support request provides critical operating funds to every college and university and helps advance our mission of access and opportunity for all Minnesotans. The board strongly urges Governor Dayton and the Minnesota Legislature to support Minnesota State's supplemental budget request.

Date of Adoption: November 15, 2017

MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
Agenda Item Summary Sheet

Name: Finance and Facilities Committee   **Date:** November 15, 2017

Title: FY2020-FY2024 Capital Budget Guidelines Framing Discussion

Purpose (check one):

☐ Proposed New Policy or Amendment to Existing Policy	☒ Approvals Required by Policy	☐ Other Approvals
☐ Monitoring / Compliance	☐ Information	

Brief Description:

> Board Policy 6.9 *Capital Planning* calls for the chancellor to develop and recommend for board approval capital funding guidelines for system facilities and real property. The purpose of this time is to gain board insights and expectations for future capital programs, specifically the 2020 capital budget request for college and university academic facilities and potential revenue fund bond sales. Feedback from this time will be used to frame the chancellor's capital program guideline recommendations to the board in January 2018 and approval in February.

Scheduled Presenter(s):

Brian Yolitz, Associate Vice Chancellor for Facilities

BOARD INFORMATION ITEM
FY2020-2024 CAPITAL BUDGET GUIDELINES FRAMING DISCUSSION

BACKGROUND

Board Policy 6.9 *Capital Planning* calls for the chancellor to develop and recommend for board approval capital funding guidelines for system facilities and real property. The purpose of this time is to gain board insights and expectations for future capital programs, specifically the 2020 capital budget request for college and university academic facilities and potential revenue fund bond sales. Feedback from this time will be used to frame the chancellor's capital program guideline recommendations to the board in January 2018 and approval in February.

In March of 2016, the board approved capital program guidelines that shaped the $224.5 million capital budget request for the 2018 legislative session. These guidelines reflected the board's expectations that the capital program and individual projects would focus on taking care of facility space system colleges and universities already have and need. These guidelines included:

1. Maintain, improve, and modernize existing campus spaces to support current and emerging academic needs of a region and the state of Minnesota.
2. Improve opportunities for student success by updating support services, academic advising, and tutoring spaces.
3. Prioritize space that improves transferability between institutions (college and universities) and access to baccalaureate programming.
4. Preserve and maintain the space we have by reinvesting in campus infrastructure and prioritizing renovation over adding new square footage; additional square footage should be considered only in unique situations were options for reutilization or replacement of existing space have been exhausted.
5. Build for the future with flexible and adaptable space that prioritize energy efficiency.
6. The total capital bonding program request should be on the order of $250 million with approximately $125 million prioritized to address asset preservation needs and $125 million for major projects to meet programmatic updates.

2020 GUIDELINES CONSIDERATIONS

Since the 2018 capital program guidelines where approved, the *Report of the Workgroup on Long-term Financial Sustainability* recommended the system recalibrate its physical plant and space capacity in order to address regionally disproportionate surpluses, as well as to accommodate new academic and administrative organizational structures. The recommendation stated the system is overbuilt in some parts of the state and there is a high cost to the system due to this imbalance. Through better capital planning, space allocation and utilization can significantly reduce operating costs and increase revenues.

In addition, the Chancellor's *Strategic Roadmap for Long Term Financial Sustainably for Minnesota State* called for tempering the appetite for new buildings and focusing on deferred maintenance and increasing facilities utilization as strategies for reducing facilities costs.

These recommendations along with direct input from Minnesota State stakeholders should play a role in building upon the guidelines from 2018 and shaping future the direction and intent capital programs of the future.

RECOMMENDED COMMITTEE DISCUSSION

1. Do the themes and concepts with the working draft 2020 guidelines align with Board direction and intent?
2. Are there areas requiring more (or less) focus or attention?

Date of Report: 11/15/2017

November 15, 2017
Finance Division

2020 Capital Program Guidelines

Framing Discussion

Finance and Facilities Committee

Brian Yolitz
Associate Vice Chancellor – Facilities

Purpose

Gain Board input in shaping guidelines for 2020 capital program.

MINNESOTA STATE

Background

Board Policy 6.9, *Capital Planning*, calls for the chancellor to develop and recommend for board approval **capital funding guidelines for system facilities and real property.**

Guidelines indicate **Board's focus and intent** of capital bonding requests and revenue fund bond sales.

The 2020 capital program guidelines are scheduled to be presented to the Board for **final approval in March 2020.**

MINNESOTA STATE

Investing in facilities

Funding avenue	Cost or investment	Type of Facility	Notes and considerations
General Operating Fund	Operations, maintenance, small repairs and renovations	Academic	• Tuition, fees, and state appropriations
General Obligation Bonds	**Capital investments, new construction, replacement, major renovation and asset preservation**	**Academic**	• **State bond sales** • **Responsible for 1/3 debt** • **Tuition and state appropriations**
Revenue Fund operating / reserves	• Operations, maintenance, small repairs and renovations, contributions to capital projects	• Auxiliary	• Fees and service charges
Revenue Fund Bonds	**Capital investments, new construction, replacement, major renovation and asset preservation**	**Auxiliary**	• **System bond sales** • **Full debt responsibility** • **Fees and service charges**
Other Sources	**Capital investments, new construction, replacement, renovation**	**Varies**	• **Donations** • **Grants** • **Local taxes**

Academic buildings are aging
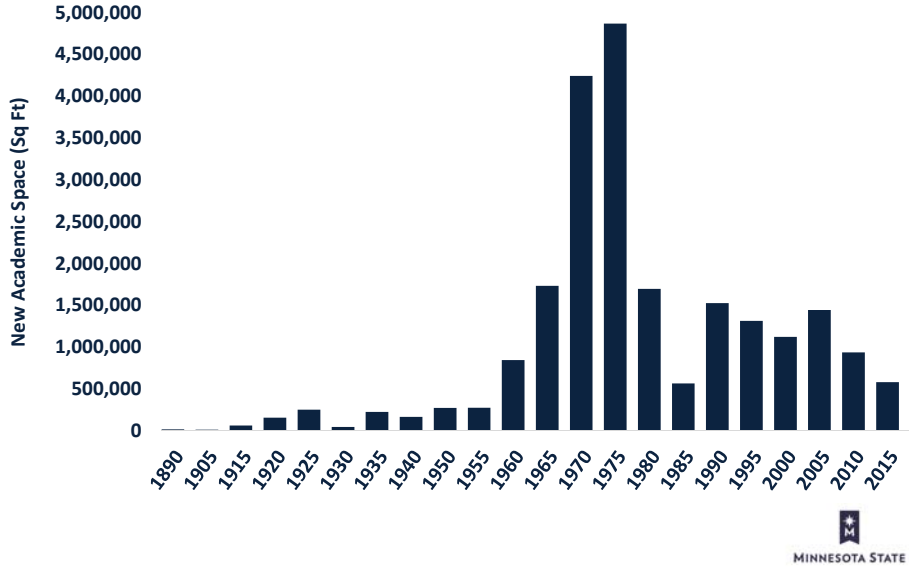
As are Revenue Fund buildings
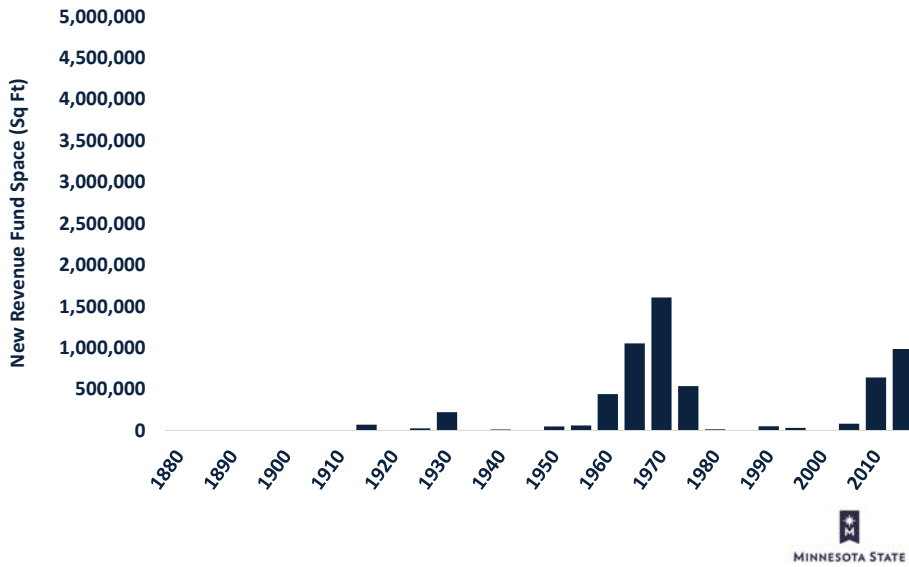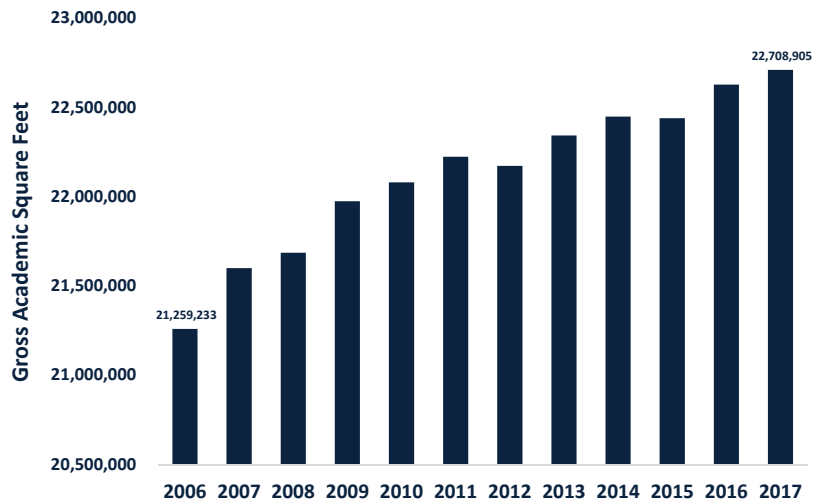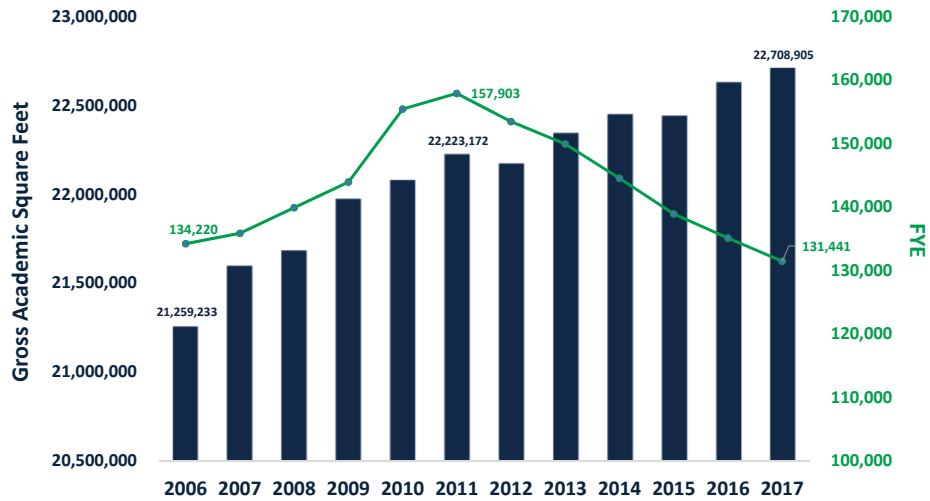
Revenue Fund space mirrors academic
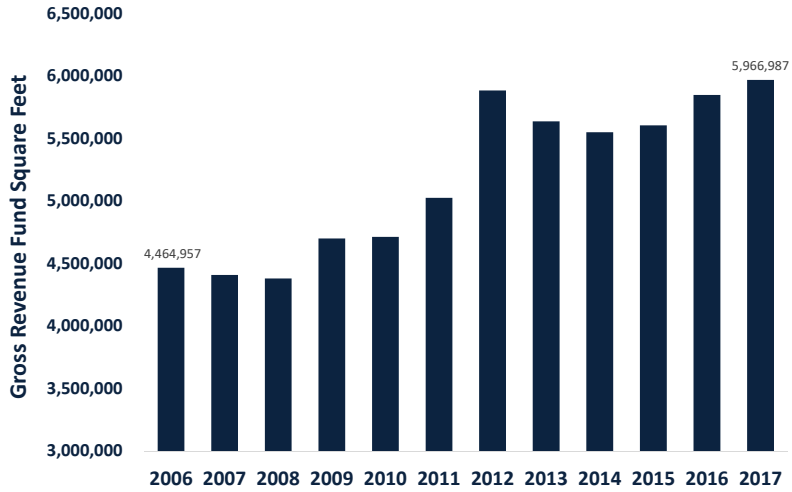
Revenue Fund space mirrors academic
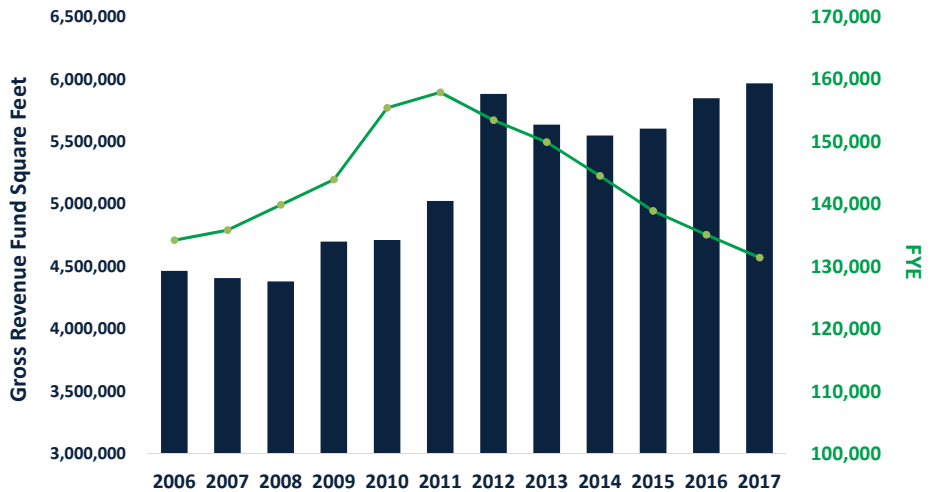
Higher education share of state GO bonding
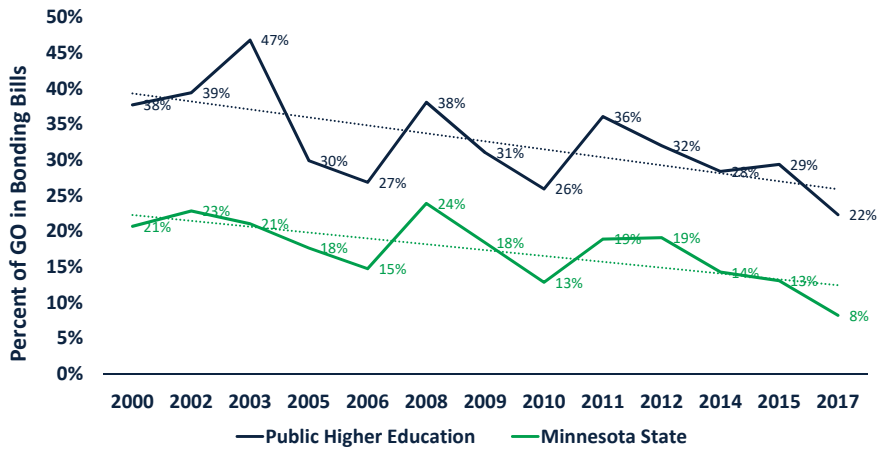
Higher education's share of state funded GO funding in bonding bills has been trending down over time.

Declining HEAPR funding, growing backlog
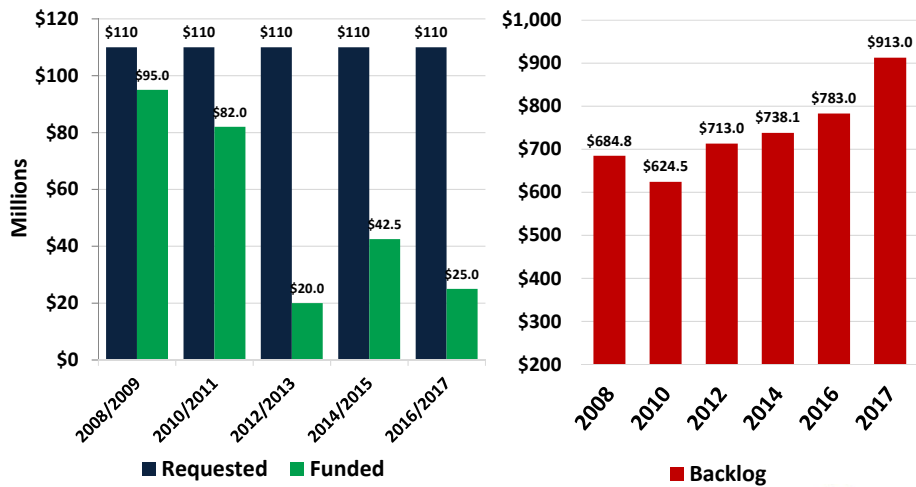
2020 Guidelines – Working Draft

1. **Maintain, improve, and modernize existing campus spaces** to support **current and emerging academic and workforce needs** of a region and the state of Minnesota.
2. Improve opportunities **and partnerships** for **student success** by updating support **services**, academic advising, and tutoring spaces**, making campuses more inclusive and inviting.**
3. Prioritize space that **improves transferability between institutions** (colleges and universities) and **access to baccalaureate programming**.
4. Preserve and **maintain the space we have** by reinvesting in campus infrastructure and **prioritizing renovation** over adding new square footage; **additional square footage should be considered only in unique situations** where options for reutilization or replacement of existing space have been exhausted.
5. Build for the future with **flexible and adaptable space** that prioritizes **energy conservation and efficiency and advances renewable sources**.

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Notional scoring framework

| Category	Scoring
Preliminary Considerations: • **Removes obsolete space/reduces overall space** • **Prior year funding** • **Energy reduction forecasts greater than 20%**	**10%**
Ensuring access to an extraordinary education: • **Integrated academic planning / comprehensive facilities planning** • **Regional student and workforce needs/priorities** • **Supports student success (services, tutoring, specialized learning, transfer, inviting, inclusion)**	**35%**
Partner of choice: • **Regional student and workforce priorities** • **Leverage contributions and partnerships** • **Multiple Minnesota State institutional needs** • **Renewable energy**	**25%**
Deliver highest value/affordable option: • **Backlog reduction** • **Improved utilization** • **Wide variety of considered options** • **Flexible space** • **Reduces operating expenses**	**30%**

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Board discussion questions

1. Do the themes and concepts with the working draft 2020 guidelines align with Board direction and intent?

2. Are there areas requiring more (or less) focus or attention?

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MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
Agenda Item Summary Sheet

Name: Finance and Facilities Committee   **Date:** November 15, 2017

Title: Enterprise Wide Administrative Services
      and Related Financing Project Report

Purpose (check one):

☐ Proposed New Policy or Amendment to Existing Policy

☐ Approvals Required by Policy

☐ Other Approvals

☐ Monitoring / Compliance

☒ Information

Brief Description:

> The Enterprise-wide Administrative Services and Related Financing (EAS) project was launched to identify and examine current practices related to systemwide shared services and create a structure under which Minnesota State could analyze those current practices, maximize the system's potential and move toward a consistent, effective, and balanced foundation of administrative services required to achieve the goals of the Strategic Framework.

Scheduled Presenter(s):
Laura M. King – Vice Chancellor – Chief Financial Officer

INFORMATION ITEM
ENTERPRISE WIDE ADMINISTRATIVE SERVICES AND RELATED FINANCING PROJECT REPORT

BACKGROUND

In July 2012 the Leadership Council endorsed a project to "change funding of system office and system wide activities to increase accountability for services provided to the colleges and universities." This recommendation was directed to the redesign of the internal financial model led by the Allocation Framework Technical Advisory committee. This group recommended that modifications to financing methods for enterprise-wide activities be based on recommendations from the Long Term Financial Sustainability workgroup and that "a funding model that supports these activities should be based upon campus service levels and campus needs, support regional collaboration, increase accountability, and be transparent, consistent and predictable."

The Enterprise-wide Administrative Services and Related Financing (EAS) project was launched to identify and examine current practices related to systemwide shared services and create a structure under which Minnesota State could analyze those current practices, maximize the system's potential and move toward a consistent, effective, and balanced foundation of administrative services required to achieve the goals of the Strategic Framework. The ultimate goal of the project is to create an environment within Minnesota State that makes it easier for all to learn and to work.

The EAS project team has completed its work with a set of recommendations:
1) Principles for identifying which services are or should be shared administrative services;
2) Design principles for choosing how to finance selected services;
3) Establishment of a standing committee to advise the Vice Chancellor for Finance on shared services and related financing systems; and
4) An implementation plan that includes review and analysis of current and emerging shared services as well as broad communication and consultation with constituencies.

See **Appendix A** for complete recommendations. See **Appendix B** for a summary of the project team and process. See **Appendix C** for a summary of research and best practices.

It is recognized that the work of the EAS project focused only the establishment of a structure for identification, financing and continuous improvement and evaluation of shared administrative services for the benefit of all Minnesota State colleges and universities. Adoption and implementation of the recommendations in this report will provide a pathway

for the organization in other areas of the enterprise level work.

The chancellor has taken these recommendations under advisement, and will issue his decision in the coming weeks. We invite the board's comments on the team's work and final recommendations.

Date of Report: November 15, 2017

RECOMMENDATIONS

Recommendation #1: Adopt the following five principles for identifying shared administrative services that support system wide interests.
1. Shared administrative services achieve positive and measureable outcomes, including demonstrated customer satisfaction.
2. Shared administrative services enhance efficiency, value, and/or mitigate risk.
3. Shared administrative services enable the colleges and universities to focus on their core mission.
4. Shared administrative services optimize the collaborative efforts of the enterprise, encourage innovation and promote future cooperative efforts.
5. Shared administrative services contribute to agility in responding to evolving business needs.

Recommendation #2: Adopt the following design guidelines for financing:
1. The financing structure should incent behavior that enables enterprise achievement, is focused on value to students, encourages the use of industry best practices, and drives future positive change.
2. Financing methods should also consider the cost drivers of the service being offered balanced with the revenue limiters of the institutions.
3. Finally, this work should demonstrate value to the enterprise and be timely in responding to change.

Additionally, the design guidelines for financing shared administrative services call for financing methods that are:
- measureable, consistent and predictable
- fair and equitable
- simple, transparent and understandable
- cost effective
- scalable – the financing method works at any cost or participation level

Recommendation #3: Establish the Minnesota State Shared Services Advisory Group (SSAG)
Governance structure and design considerations are rooted in the project team's commitment to creating mechanisms for continuous improvement, customer satisfaction, and the flexibility needed to support innovation and creativity. The desire is to create partnerships for the purpose of improving the student experience, and making it easier to learn and work at our colleges and universities.

Recommendation #4: Adopt an implementation plan.
Upon approval of the recommendations, the Vice Chancellor for Finance will work with the vice chancellors to identify members of the standing committee. These members will serve

with the support of their respective campus president for a term of 2-3 years (staggered). The Vice Chancellor for Finance with work with this group to create an annual workplan. All recommendations that emerge from this body will be subject to communication and consultation protocols.

APPENDIX B

THE PROJECT TEAM, GOALS, AND PROCESS
The Enterprise-wide Administrative Services and Related Financing (EAS) project was launched in April 2017 with the formation of a campus based, multi-disciplinary team that included chief academic, finance, human resource, information technology and student affairs officers.

The goal of the project was to identify and examine current practices related to enterprise-wide services and create a structure under which Minnesota State could analyze those current practices, maximize the system's potential and move toward a consistent, effective, and balanced foundation of administrative services required to achieve the goals of promoting student success, diversity and inclusion, and financial sustainability.

The project team called upon subject matter experts from within Minnesota State for advice and information, and they increased their knowledge of enterprise-wide administrative service delivery models by immersing themselves in research and reports from higher education, non-profits and private industry.

The team met monthly and collected input from the Leadership Council and chief communities throughout the project. After developing guiding principles and a governance structure, the project team released their recommendations to the broader Minnesota State community (bargaining units, statewide student associations, staff and faculty on campus) for consultation. Finally, recommendations were amended to reflect some of the feedback received.

APPENDIX C

RESEARCH AND SUMMARY OF BEST PRACTICES

The Vice Chancellor for Finance sponsored an action learning project through the system's Luoma Leadership Academy's 2015-2016 cohort that asked a team of campus-based system leaders to research and provide analysis about shared and centralized services. Their report, *Organizational Design Options for Shared and Centralized Services*, delineates emerging themes, promising practices, and pitfalls to avoid, as well as pointing the EAS project team to significant research and reports for use as project resources.

The key readings are listed below.
- Organizational Design Options for Shared and Centralized Services, 2015-2016 Luoma Leadership Action Learning Team #9 (2016)
- Shared Services in the Higher Education Sector – Together as One, Deloitte & Touche (2011)
- Shared Services: The price is right – or is it?, Deloitte & Touche (2007)
- Cost Allocation of System Administered Services, The Advisory Board (2013)
- Central Administrative Functions of University System Offices, The Advisory Board (2014)
- Considerations for University System Organization, The Advisory Board (2013)
- Achieving Success with Shared Services, Gartner (2008)
- Shared Services Discussion with UC IT Leaders, Gartner (2014)
- Salvation through Shared Services – But Only If You Get the Governance Right, G. Martin Wagner, IBM Center for The Business of Government (2008)
- Consolidation and Shared Services in Higher Education, Hanover Research (2013)
- How to design a shared service center that works, PriceWaterhouseCoopers (2008)

The following list provides what the EAS project team identified as best practice advice most useful to their work.
- Develop principles to inform decisions and provide greater consistency over time.
- Use multi-campus, cross-divisional teams to create and shepherd the work.
- Communicate regularly, concisely and clearly in a way that is broadly shared and engage in change management efforts-- both are critical to success.
- Consider the value proposition from multiple angles—while it might be readily apparent that consolidation increases efficiency and effectiveness to some members of the community, it may not be as apparent to others. Be sure to consider this as decisions are made and communication is crafted.
- Identify and recruit strong executive leadership and a named senior level champion.
- Create easily understood mechanisms, with apparent value indicators, to evaluate the return on investment and customer satisfaction so that students, staff and faculty embrace enterprise-wide services.
- Commit to evaluation and continuous improvement in the processes used for decision-making.

November 15, 2017

Enterprise-wide Administrative Services and Related Financing (EAS)

Background

- Need to re-engineer funding process for enterprise-wide services identified in the Strategy Roadmap for the LTFS work endorsed by the Board in January 2017
- Project work began in April 2017 with the formation of a campus-based project team
- Membership included chief academic, finance, human resource, information technology, and student affairs officers
- Subject matter experts from the system office as resources
- Tasked with
  - reviewing and analyzing current methods used
  - recommending alterations to better reflect the system's goals

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Project Team

SPONSOR	Laura King, Vice Chancellor for Finance and CFO
College CFO	Dan Holtz, Vice President of Finance and Operations, Ridgewater College
University CFO	Scott Ellinghuysen, Vice President for Finance and Administration, Winona State University
College CHRO	Victoria DeFord, Chief Human Resources Director, North Hennepin Community College
College CSAO	Wendy Robinson, Vice President of Student Affairs, Inver Hills Community College
University Provost	Dwight Watson, Provost/Vice President of Academic and Student Affairs, Southwest Minnesota State University
College CAO	Carrie Brimhall, Vice President of Academic Affairs/CAO, Minnesota State Community and Technical College
University CIO	Mark Johnson, Vice President and Chief Information Officer, MN State University, Mankato
System Office ASA	Kim Lynch, Interim Associate Vice Chancellor for Academic Affairs
System Office FINANCE	Mike Nordby, Director of Campus Assistance
System Office HR	Sue Appelquist, Associate Vice Chancellor for Human Resources
System Office IT	Jamie Nordstrom, System Director for Technology & Budget
PROJECT MANAGER	Kathy Hanon, System Office Budget Director
PROJECT SUPPORT	Rosa Melin, Finance Administrative Assistant

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Scope

The project will examine key functions performed on campuses and/or by system office sponsorship and recommend:

1. principles for identification of, organization of, and financing for enterprise work;

2. changes to current financing practices that are consistent with the principles endorsed by the Board of Trustees, Leadership Council, and the Allocation Framework Technical Advisory Committee (TAC);

3. decision-making governance and management structures that will govern enterprise-wide administrative services and related financing decisions going forward;

4. benchmarks and metrics to create an ROI methodology and parameters, including evaluation of risk mitigation features, for ongoing evaluation and continuous improvement; and

5. an implementation plan that includes enterprise communication, change management, and consultation.

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Recommendations

- Principles for identifying shared administrative services that support systemwide interests
- Design guidelines for financing
- Establish standing advisory group
- Implementation plan

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Project Research – Best Practices

- Develop principles to inform decisions and provide greater consistency over time.

- Use multi-campus, cross-divisional teams to create and shepherd the work.

- Communicate regularly, concisely and clearly in a way that is broadly shared and engage in change management efforts-- both are critical to success.

- Consider the value proposition from multiple angles—while it might be readily apparent that consolidation increases efficiency and effectiveness to some members of the community, it may not be as apparent to others. Be sure to consider this as decisions are made and communication is crafted.

- Identify and recruit strong executive leadership and a named senior level champion.

- Create easily understood mechanisms, with apparent value indicators, to evaluate the return on investment and customer satisfaction so that students, staff and faculty embrace enterprise-wide services.

- Commit to evaluation and continuous improvement in the processes used for decision making.

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Principles for Shared Services

1. Shared administrative services achieve positive and measureable outcomes, including demonstrated customer satisfaction.
2. Shared administrative services enhance efficiency and value, and/or they mitigate risk.
3. Shared administrative services enable the colleges and universities to focus on their core mission.
4. Shared administrative services optimize the collaborative efforts of the enterprise, encourage innovation, and promote future cooperative efforts.
5. Shared administrative services contribute to agility in responding to evolving business needs.

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Financing Guidelines

1. The financing structure should incent behavior that enables enterprise achievement, is focused on value to students, encourages the use of industry best practices, and drives future positive change.
2. Financing methods should also consider the cost drivers of the service being offered balanced with the revenue limiters of the institutions.
3. Finally, this work should demonstrate value to the enterprise and be timely in responding to change.

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Advisory Group

- Identify and review current and proposed administrative services that support systemwide interests, using the approved principles.

- Make recommendations to the vice chancellor for finance for changes to the inventory of enterprise-sponsored services. The vice chancellor for finance consults with Leadership Council, faculty and staff bargaining units and other interested constituents and makes recommendations to the chancellor.

- Establish continuous improvement practices both in the areas of enterprise services and in the process identification and review.

- Effective FY2019, review cycle is continuous, allowing for annual implementation of emerging priorities and continuous evaluation of current activities.

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Conclusion

- Recommendations reviewed with all constituent groups on several occasions
- Heard strong support for establishment of a thoughtful process with wide participation
- Interest in a path for proposing new ideas for enterprise activities
- Continued concern about financial implications for all budgets

MINNESOTA STATE

Name: Finance and Facilities Committee   **Date:** November 15, 2017

Title: Proposed New Policy 6.11 Facility Management and Operations (Second Reading)

Purpose (check one):

X	Proposed New Policy or Amendment to Existing Policy	☐	Approvals Required by Policy	☐	Other Approvals
☐	Monitoring / Compliance	☐	Information		

Brief Description:

An overhaul of Chapter 6 was initiated as part of the FY2017 Finance Division workplan and continues into FY2018. The proposed policy will outline the expectations, duties, and responsibilities associated with the management and operations of the facilities at Minnesota State colleges and universities as outlined in the October 2016 Study Session on Facilities Management. Proposed new Board Policy 6.11 *Facility Management and Operations* will ensure that facilities are managed and operated in an effective manner, reflecting sound stewardship and create an appropriate environment for learning, teaching and community service.

Scheduled Presenter(s):

Brian Yolitz, Associate Vice Chancellor for Facilities

BOARD ACTION
PROPOSED NEW POLICY 6.11 FACILITY MANAGEMENT AND OPERATIONS (SECOND READING)

BACKGROUND

6.11 *Facility Management and Operations* is a proposed new policy.

Through day-to-day work and as part of periodic reviews of Board Policies and system procedures called for in Board Policy 1A.1, Part 6, opportunities to clarify and streamline guidance and direction while reducing overlaps and redundancies were identified within Chapter 6, *Facilities Management*.

An overhaul of Chapter 6 was initiated as part of the FY2017 Finance Division workplan and continues into FY2018. This proposed policy outlines the expectations, duties, and responsibilities associated with the management and operations of Minnesota State facilities as outlined in the October Study Session on Facilities Management (Attachment A). New Board Policy 6.11 *Facility Management and Operations* (Attachment B) has been reviewed by the Office of General Counsel, and cabinet, and staffed through formal consultation and received support from presidents, employee groups, student associations, and campus leadership groups. All comments received from the consultation process were taken into consideration.

With board approval of policy 6.11 *Facility Management and Operations* and previously approved policies 6.9 *Capital Planning* and 6.10 *Design and Construction*, the following policies may be rescinded: 6.4 *Facilities Planning*, 6.5 *Capital Program Planning*, and 6.6 *Facilities Maintenance and Repair including Revenue Fund Facilities*.

RECOMMENDED COMMITTEE MOTION

The Board of Trustees approves Board Policy 6.11 *Facility Management and Operations* and rescinds Board Polices 6.4 *Facilities Planning*, 6.5 *Capital Program Planning*, and 6.6 *Facilities Maintenance and Repair including Revenue Fund Facilities*.

RECOMMENDED BOARD MOTION

The Board of Trustees approves Board Policy 6.11 *Facility Management and Operations* and rescinds Board Polices 6.4 *Facilities Planning*, 6.5 *Capital Program Planning*, and 6.6 *Facilities Maintenance and Repair including Revenue Fund Facilities*.

Date of Adoption: *11/15/2017*
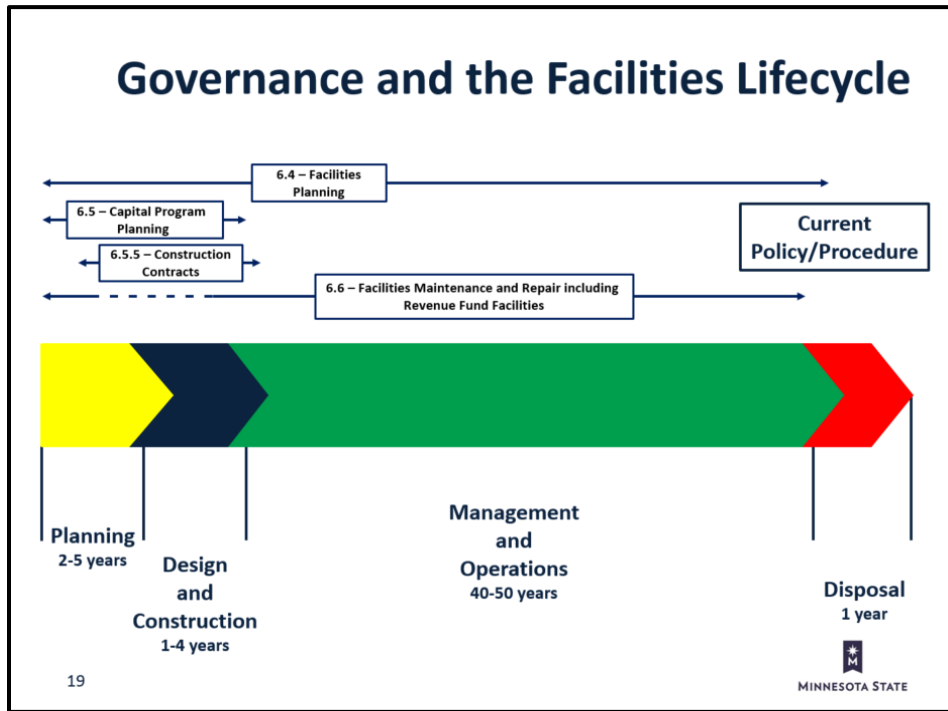*Date of Implementation:*   *11/15/2017*
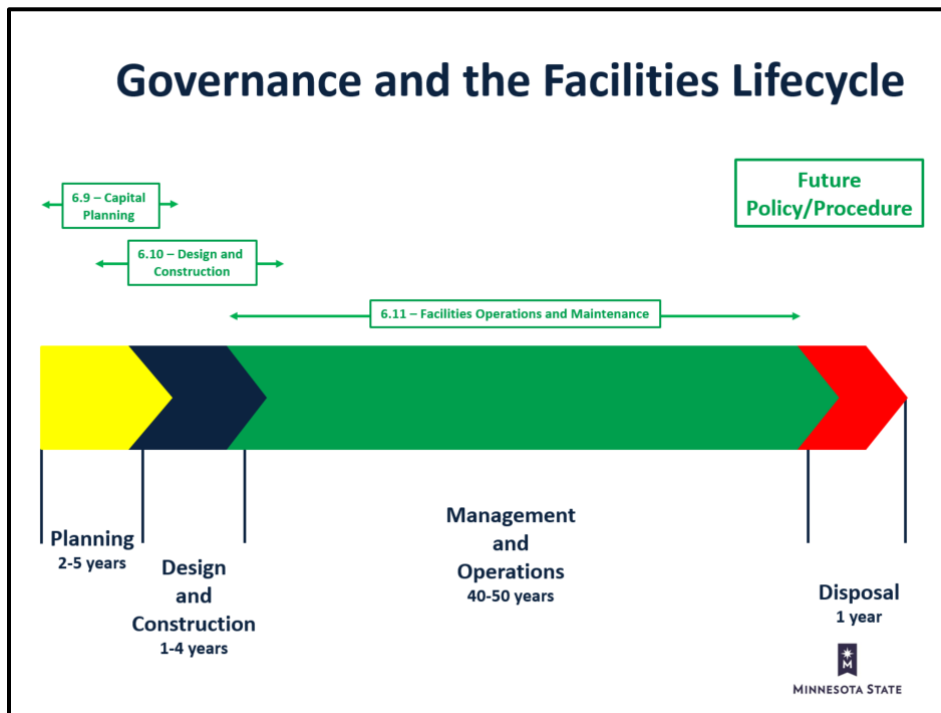
Figure 1 – Original Board Policy Alignment

Figure 2 – Future Board Policy Alignment

PROPOSED NEW POLICY 6.11 FACILITY MANAGEMENT AND OPERATIONS

CONTENT FORMAT:
Single underlining represents proposed new language.
Strikeouts represent existing language proposed to be eliminated.

1   **6.11 Facility Management and Operations**
2
3   **Part 1. Purpose**
4   This policy outlines the expectations, duties, and responsibilities associated with the management
5   and operations of the facilities at Minnesota State colleges and universities. College and university
6   facilities are to be used for fulfilling their mission of teaching, research, and public service.
7   Facilities must be managed and operated in an effective manner, reflecting sound stewardship and
8   creating accessible, safe, reliable, sustainable and compliant environments for learning, teaching
9   and community service.
10
11   **Part 2. Responsibilities**
12   **Subpart A. Chancellor**. The chancellor is responsible for the effective management and
13   operations of Minnesota State facilities. The chancellor shall establish procedures for the
14   effective management and operation of college and university facilities including, but not
15   limited to establishing, assessing, and reporting facility conditions, management and
16   operations standards, and sustainability practices to include energy conservation.
17
18   **Subpart B. College and university presidents**. Presidents are responsible for the efficient
19   and effective management and operation of their campus facilities to fulfill their mission of
20   teaching, research, and public service. They shall exercise sound stewardship and establish
21   processes for maintenance of campus facilities to achieve their fullest potential, and assessing
22   customer or user satisfaction with facilities conditions and services. Presidents are encouraged
23   to pursue operational and cost efficiencies locally and through regional partnerships with other
24   Minnesota State institutions.
25
26   **Part 3. Accountability and Reporting**
27   Periodic reports will be presented to the board on the status of facilities, which may include
28   facilities management and operations data such as facility condition, energy cost and consumption
29   trends, staffing, preventative maintenance plans or other metrics useful to the board in determining
30   the effectiveness of facilities management and operations.
31
32
33   _____
34   **Related Documents:**
35   • **Policy 6.09** Capital Planning

36   • **Policy 6.10** Design and Construction
37

38 ───
39 **Procedure History:**
40
41 *Date of Adoption:*   *xx/xx/xx*
42 *Date of Implementation:* *xx/xx/xx*
43 *Date of last review:*   *xx/xx/xx*
44
45 *Date & Subject of Revisions: n/a*
46
47 No additional HISTORY

Human Resources Committee
November 15, 2017
10:30 AM
Southwest Minnesota State University
Conference Center

Note: Committee/board meeting times are tentative. Committee/board meetings may begin up to 45 minutes earlier than the times listed below if the previous committee meeting concludes its business before the end of its allotted time slot.

1. Executive Searches Update

Committee Members:
Dawn Erlandson, Chair
Rudy Rodriguez, Vice Chair
Basil Ajuo
Alexander Cirillo
Robert Hoffman
Roger Moe
Cheryl Tefer

Bolded items indicate action is required.

MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
Agenda Item Summary Sheet

Name: Human Resources Committee **Date:** November 15, 2017

Title: Executive Searches Update

Purpose (check one):

☐ Proposed New Policy or Amendment to Existing Policy

☐ Approvals Required by Policy

☐ Other Approvals

☐ Monitoring / Compliance

☒ Information

Brief Description:

This session will provide the Board an update on executive searches.

Scheduled Presenter(s):

Mark Carlson, Vice Chancellor for Human Resources

Board of Trustees Meeting
Wednesday, November 15, 2017
1:00 PM
Southwest Minnesota State University
Conference Center, Upper Ballroom
1501 State Street
Marshall, MN

Note: Committee and board meeting times are tentative. Meetings may begin up to 45 minutes earlier than the times listed if a committee meeting concludes its business before the end of its allotted time slot. In addition to the board or committee members attending in person, some members may participate by telephone.

Call to Order

Chair's Report, Michael Vekich

Chancellor's Report, Devinder Malhotra

Consent Agenda
1. **Minutes, Board of Trustees Meeting, October 18, 2017**
2. **FY2017 and FY2016 Audited Financial Statements**
3. **Potential Supplement Budget Request Discussion**
4. **Contracts Exceeding $1 Million**
   a. **Lease Extension for System IT Services Space**
   b. **ISRS Next Gen Business Process Re-engineering Vendor Contract**

Board Policy Decisions (Second Readings)
1. **Proposed Amendment to Policy 3.32 College Faculty Credentialing**
2. **Proposed New Policy 6.11 Facility Management and Operations**

Student Associations
1. LeadMN
2. Students United

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Minnesota State Colleges and Universities' Bargaining Units
1. American Federation of State, County, and Municipal Employees
2. Inter Faculty Organization
3. Middle Management Association
4. Minnesota Association of Professional Employees
5. Minnesota State College Faculty
6. Minnesota State University Association of Administrative and Service Faculty

Board Standing Committee Reports
1. Human Resources Committee, Dawn Erlandson, Vice Chair
   • Executive Searches Update

2. Academic and Student Affairs Committee, Louise Sundin, Vice Chair
   a. Teacher Education Follow-up
   b. Proposed New Policy 3.41 – Education Abroad Programs
      (First Reading)
   c. Student Demographics

3. Audit Committee, Michael Vekich, Chair

4. Joint Meeting: Academic and Student Affairs and Finance and Facilities Committees,
   Alex Cirillo and Jay Cowles, Co-chairs
   • Collaborative Campus and Regional Planning

5. Finance and Facilities Committee, Jay Cowles, Chair
   a. FY2020-2024 Capital Budget Guidelines Framing Discussion
   b. Enterprise Wide Administrative Services and Related Financing Project Report

Trustee Reports

Other Business

Adjournment

Bolded items indicate action is required

Board of Trustees Meeting

Wednesday, November 15, 2017
1:00 PM
Southwest Minnesota State University
Conference Center, Upper Ballroom
1501 State Street
Marshall, MN

Note: Committee and board meeting times are tentative. Meetings may begin up to 45 minutes earlier than the times listed if a committee meeting concludes its business before the end of its allotted time slot. In addition to the board or committee members attending in person, some members may participate by telephone.

Consent Agenda
1. **Minutes, Board of Trustees Meeting, October 18, 2017 (pp. 1-8)**
2. **FY2017 and FY2016 Audited Financial Statements (p. 11 of the Audit Committee meeting materials)**
3. **Potential Supplement Budget Request Discussion (p. 20 of the Finance and Facilities Committee meeting materials)**
4. **Contracts Exceeding $1 Million (p. 13 of the Finance and Facilities Committee meeting materials)**
   a. **Lease Extension for System IT Services Space**
   b. **ISRS Next Gen Business Process Re-engineering Vendor Contract**

Bolded items indicate action is required

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

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

Absent: Trustee Alex Cirillo and Rudy Rodriguez

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

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

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

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

Interim Chancellor Malhotra's Report
"Chair Vekich, Vice Chair Erlandson, and members of the board: my report today builds on the discussions we had at the board retreat and my discussions with Leadership Council at their retreat. The most important outcome of these discussions is the affirmation regarding the three organizing principles that have guided our work and will continue to guide us this year:
- the success of our students;
- our commitment to diversity, equity, and inclusion; and

- the financial sustainability of our colleges and universities.

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

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

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

The operational counterparts to the three priorities are:
- aligning ourselves to the changing needs of all learners, particularly new learners;
- aligning ourselves to new demographics and the workforce needed for the knowledge-based economy; and
- aligning ourselves to new budget realities.

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

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

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

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

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

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

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

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

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

Let me give you two examples of this:

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

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

The final priority is financial sustainability, whose operational counterpart is our alignment to new budget realities. In an environment where we must constantly reprioritize and reallocate, we need to stop doing things that do not support our priorities and focus on those that do. Two examples:
- First – Our work in Long Term Financial Sustainability: as you heard in the strategy roadmap review presented at the Finance and Facilities Committee earlier today. Our systemwide work has strengthened the foundation of our organization, but as we move to the operational level, the work lies at the colleges and universities. Sustainability is really a college and university imperative.
- Second, and related, is the question of how the system can help augment and provide expertise in order to build capacity on our campuses. An example of this is building campus capacity for business analytics and data predictive analytics, which we know can help us make better decisions.

Recent Leadership Council meetings have provided me with a couple of eureka moments about the critical role that *enterprise leadership* and *innovation* will play in how we adapt to new learners, new demographics, new workforce, and new budget realities.
The irony is that leadership at the enterprise level is critical to managing the tension between the quasi autonomy of our colleges and universities and enterprise work. I do not see any conflict. In fact, I consider them to be inextricably linked, one supporting the other. But, before I jump into that, I'd like to say a few things about enterprise leadership in general.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Student Associations
LeadMN
Isaac Jahraus, president, addressed the Board of Trustees.

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

Minnesota State Colleges and Universities' Bargaining Units
Kevin Lindstrom, president, Minnesota State College Faculty, addressed the Board of Trustees

Jim Grabowska, president, Inter Faculty Organization, addressed the Board of Trustees.
Following discussion, there was an acknowledgement that there will be more opportunities for informal communications between the administration and faculty.

Board Standing Committee Reports
1. Academic and Student Affairs Committee, Louise Sundin, Vice Chair
   a. Proposed Amendment to Policy 3.32 College Faculty Credentialing
      (First Reading)
      Committee Vice Chair Sundin reported that the committee reviewed a proposed amendment to Policy 3.32. The amendment defines university faculty credentials as required by the Higher Learning Commission. The proposed amendment will return for a second reading and action at the November meeting.

   b. ASA FY18 Work Plan and Committee Agenda Discussion
      The work plan for the Academic and Student Affairs division and the Academic and Student Affairs Committee will focus on aligning the work with the organizing principles and continuing to engage in collaborative discussions on the items that were identified at the board's retreat.

   c. Teacher Education Overview
      Minnesota State provides the majority of new teachers in Minnesota. There are significant teacher shortages across the state in areas such as special education, select disciplines in middle and high school grades, and career technical education. New oversight and licensing structures will take effect in 2018.

2. Audit Committee, Michael Vekich, Chair
   Committee Chair Vekich reported that the change in the report process is an improvement making it more useful for management. He summarized that both the institutional data

and purchasing card audits were satisfactory and had only minor findings.
   a. Institutional Data Reporting Audit Results
   b. Purchasing Card Audit Follow-up Results

 3. Finance and Facilities Committee, Jay Cowles, Chair
   a. Long Term Financial Sustainability Report Review
      Committee Chair Cowles reported that this report was primarily for the benefit of the new members.
   b. Proposed New Policy 6.11 Facilities Operation and Maintenance
      (First Reading)
      The proposed new policy restructures the facilities related policies. The new policy is the culmination of several years of work. The proposed new policy will return for a second reading and approval in November.
   c. Tuition and Fee Policy Guidance
      There was a discussion about the tuition and fee policy and its structure. Trustees had an opportunity to provide guidance and the criteria for the framework. This is a joint project with academic and student affairs and finance. A report will be presented in the spring.

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

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

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

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

The meeting adjourned at 3:30 pm.

Board of Trustees Meeting

Wednesday, November 15, 2017

1:00 PM

Southwest Minnesota State University

Conference Center, Upper Ballroom

1501 State Street

Marshall, MN

Note: Committee and board meeting times are tentative. Meetings may begin up to 45 minutes earlier than the times listed if a committee meeting concludes its business before the end of its allotted time slot. In addition to the board or committee members attending in person, some members may participate by telephone.

Board Policy Decisions (Second Readings)

1. **Proposed Amendment to Policy 3.32 College Faculty Credentialing (p. 11 of Academic and Student Affairs Committee meeting materials)**
2. **Proposed New Policy 6.11 Facility Management and Operations (p. 46 of Finance and Facilities Committee meeting materials)**

Bolded items indicate action is required

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

Minnesota State Acronyms

AACC   American Association of Community Colleges

AASCU   American Association of State Colleges and Universities

ACCT   Association of Community College Trustees

ACE   American Council on Education

AFSCME   American Federation of State/County/Municipal Employees

AGB   Association of Governing Boards of Universities and Colleges

API   Application Programming Interface

AQIP   Academic Quality Improvement Program

ASA   Academic and Student Affairs

BPAC   Business Practices Alignment Committee

CAG   Cross-functional Advisory Group

CAS   Course Applicability System

CASE   Council for the Advancement and Support of Education

CCSSE   Community College Survey of Student Engagement

CFI   Composite Financial Index

CIP   Classification of Instructional Programs

COE   Centers of Excellence

- Advance IT Minnesota
- 360° Manufacturing and Applied Engineering Center of Excellence
- HealthForce Minnesota
- Minnesota Center for Engineering and Manufacturing Excellence (MNCEME)
- Center for Agriculture - Southern Minnesota
- Minnesota Agriculture Center for Excellence – North – AgCentric
- Minnesota Energy Center
- Minnesota Transportation Center

CRM	Constituent Relationship Management
CSC	Campus Service Cooperative
CST	Collaborative Sourcing Team
CTF	Charting the Future
CTL	Center for Teaching and Learning
CUPA	College and University Personnel Association
DARS	Degree Audit Reporting System
DEED	Department of Employment and Economic Development
DOA	Department of Administration
DOER	Department of Employee Relations (merged with MN Management and Budget)
EEOC	Equal Employment Opportunity Commission
EIC	Enterprise Investment Committee
ERP	Enterprise Resource Planning
FERPA	Family and Educational Rights and Privacy Act
FIN	Finance
FTE	Full Time Equivalent
FUG	Financial User Group
FY	Fiscal Year (July 1 – June 30)
FYE	Full Year Equivalent
HEAC	Higher Education Advisory Council
HEAPR	Higher Education Asset Preservation
HLC	Higher Learning Commission
HR	Human Resources
HR-TSM	Human Resources Transactional Service Model

IAM	Identity and Access Management
IDM	Identity Management (Old term)
IFO	Inter Faculty Organization
iPASS	Integrated Planning and Advising for Student Success
IPEDS	Integrated Postsecondary Education Data System
ISEEK	CareerWise Education
ISRS	Integrated Statewide Records System
IT	Information Technology
ITS	Information Technology Services
LTFS	Long-term Financial Sustainability
MAPE	Minnesota Association of Professional Employees
MDOE	Minnesota Department of Education
MDVA	Minnesota Department of Veterans Affairs
MHEC	Midwestern Higher Education Compact
MMA	Middle Management Association
MMB	Minnesota Management and Budget
MnCCECT	Minnesota Council for Continuing Education and Customized Training
MMEP	Minnesota Minority Education Partnership
MNA	Minnesota Nurses Association
MOU	Memorandum of Understanding
MSCF	Minnesota State College Faculty
MSCSA	Minnesota State College Student Association
MSUAASF	Minnesota State University Association of Administrative and Service Faculty
MSUSA	Students United (previously known as MSUSA or Minnesota State University Student Association)

NASH	National Association of System Heads
NCAA	National Collegiate Athletic Association
NCHEMS	National Center for Higher Education Management Systems
NSSE	National Survey of Student Engagement
OCR	Office for Civil Rights
OET	Office of Enterprise Technology
OHE	Minnesota Office of Higher Education
OLA	Office of the Legislative Auditor
PEAQ	Program to Evaluate and Advance Quality
PM	Project Manager
PSEO	Post-Secondary Enrollment Options
RFP	Request for Proposal
SAG	Services Advisory Group
SCUPPS	State College and University Personnel/Payroll System
SEMA4	Statewide Employee Management System
SER	Subcommittee on Employee Relations
SHEEO	State Higher Education Executive Officers
SME	Subject Matter Experts
USDOE	United States Department of Education
USDOL	United State Department of Labor