Board of Trustees Meetings
January 23-24, 2018

Board of Trustees Meeting Schedule
Tuesday and Wednesday, January 23-24, 2018
Minnesota State
30 7th Street East, St. Paul, Minnesota

Unless noticed otherwise, all meetings are in the McCormick Room on the fourth floor. 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.

Tuesday, January 23, 2018

10:00 AM   Joint Meeting with Leadership Council, Third Floor, Rooms 3304/3306
Michael Vekich, Chair and Devinder Malhotra, Interim Chancellor
- Student Success: What Works and Why it Matters
George Mehaffy, Vice President for Academic Leadership and Change, American Association of State Colleges and Universities

11:45 AM   Luncheon, Rooms 3304/3306
Recognition of MN Precision Manufacturers Association Foundation

1:00 PM   Committee of the Whole: Fourth Floor, McCormick Room
Michael Vekich, Chair
- Workforce Development Scholarship Pilot
- Next Gen Enterprise Resource Planning (ERP) Semi Annual Update

2:30 PM   Academic and Student Affairs Committee, Alex Cirillo, Chair
1. **Minutes of November 14, 2017**
2. **Proposed New Policy 3.41 Education Abroad Programs (Second Reading)**
3. **Mission Statement: Pine Technical and Community College**
4. **Mission Statement: Lake Superior College**
5. Proposed Amendment to Policy 2.8, Student Life (First Reading)
6. Proposed Amendment to Policy 3.7, Statewide Student Association (First Reading)
7. Proposed Amendment to Policy 3.24, Institution Type and Mission, and System Mission (First Reading)
8. **Developmental Education Strategic Roadmap**

4:00 PM   Audit Committee, Michael Vekich, Chair
1. **Minutes of November 14, 2017**
2. Federal Student Financial Aid Audit Results

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4:30 PM	Closed Session: Joint Audit and Finance and Facilities Committees
	Michael Vekich and Jay Cowles, Co-chairs
	Pursuant to Minnesota Statutes § 13D.05, Meetings Having Data Classified as Not Public, Subd. 3(d) (Minnesota Open Meeting Law) (2017)

- Information Security Report: Payment Card Industry Data Security Standards Risk Assessment

| 5:00PM | Meeting ends |

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

Wednesday, January 24, 2018

| 8:00 AM | Finance and Facilities, Jay Cowles, Chair |

1. **Minutes of November 14, 2017 Joint Academic and Student Affairs and Finance and Facilities Committees**
2. **Minutes of November 15, 2017**
3. **Contracts Exceeding $1 Million**
   a) **Winona State University Digital Life and Learning Program FY2019-FY2024**
   b) **Increase in Contract Value for IT Hardware and Software Master Contracts with CDW-G and Now Micro**
   c) **Tutoring Services Contract**
4. **Surplus and Sale of Real Estate, St. Cloud State University**
5. **Non-resident Tuition Waiver for Students from Puerto Rico and the U.S. Virgin Islands Impacted by Hurricanes Maria and Irma**
6. College and University Financial Performance Update
7. FY2020 Capital Program Guidelines for 2020 Capital Program and 2019 Revenue Bond Sale (First Reading)
8. Proposed Amendment to Policy 8.3 College, University and System-Related Foundations (First Reading)

| 10:00 AM | Diversity, Equity, and Inclusion Committee, Ann Anaya, Chair |

1. **Minutes of Joint Meeting: Diversity, Equity, and Inclusion and Academic and Student Affairs Committees of June 20, 2017**
2. Strategic Equity Update

| 11:00 AM | Human Resources Committee, Dawn Erlandson, Chair |

1. **Minutes of November 15, 2017**
2. **Appointment of Interim President of Minnesota State College Southeast**
3. **Appointment of Interim President of Fond du Lac Tribal and Community College**

| 12:00 PM | Luncheon, Rooms 3304/3306 |

1:00 PM   Board of Trustees Meeting

3:00 PM   Meeting ends

BOLD denotes action items

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

Joint Meeting
Board of Trustees and Leadership Council
January 23, 2018
10:00 AM

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Tuesday, January 23, 2018, Rooms 3304/3306

10:00 AM   Joint Meeting with Leadership Council
Michael Vekich, Chair and Devinder Malhotra, Interim Chancellor
- Student Success: What Works and Why it Matters
Dr. George Mehaffy, Vice President for Academic Leadership and Change, American Association of State Colleges and Universities

George Mehaffy

Vice President of Academic Leadership and Change

Biography

George L. Mehaffy has served for 18 years as the Vice President for Academic Leadership and Change at the American Association of State Colleges and Universities (AASCU) in Washington, D.C., a higher education association representing 400 public colleges and universities and their 3.9 million students. His division is responsible for developing and managing programs for member institutions in areas such as leadership development, undergraduate education, technology, international education and teacher education. He works closely with university presidents and chief academic officers on a variety of national initiatives. Each year, his division organizes a number of conferences and meetings, including two national conferences each year for AASCU chief academic officers and a major civic engagement national conference. He has directed a number of innovative projects, including more than 16 years of international programs with China; for the past 13 years he has directed a technology transformation conference with EDUCAUSE and the University of Central Florida; he designed a transfer articulation project with community colleges; organized two major national studies of student success, and has developed a number of other national initiatives. In 2003, he launched the American Democracy Project, a civic engagement initiative that now involves 260 AASCU colleges and universities. Most recently, he organized a series of national projects around student success, including Re-Imagining the First Year, an effort to transform the first year of college, involving 44 AASCU member institutions. Before coming to AASCU, he had more than twenty years of teaching and administrative experience in higher education in Texas, New Mexico, and California. In addition, he served for 33 years in the United States Coast Guard Reserve, retiring as a Captain in 2000.

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

Name: Joint Meeting, Board of Trustees and   **Date:** January 23, 2018
Leadership Council

Title: Student Success: What Works and Why it Matters

Purpose (check one):

☐ Proposed
New Policy or
Amendment to
Existing Policy

☐ Approvals
Required by
Policy

☐ Other
Approvals

☐ Monitoring /
Compliance

☒ Information

Brief Description:

Dr. George Mehaffy will share lessons learned from the American Association of State
Colleges and Universities student success initiatives. Dr. Mehaffy will lead a discussion about
why it matters not just for students but for our colleges and universities and society and the
role that each of us plays.

Scheduled Presenter(s):
George Mehaffy, Vice President for Academic Leadership and Change, American Association of
State Colleges and Universities

Minnesota State

Committee of the Whole
January 23, 2018
1:00 PM
McCormick Room
30 7th Street East
Saint, Paul, 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.

Committee of the Whole, Michael Vekich, Chair
1. Workforce Development Scholarship Pilot (pp. 1-5)
2. Next Gen Enterprise Resource Planning (ERP) Semi Annual Update (pp. 6-17)

Bolded items indicate action is required.

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

Name: Committee of the Whole   **Date:** January 23, 2018

Title: Workforce Development Scholarships Pilot

Purpose (check one):

☐ Proposed New Policy or Amendment to Existing Policy

☐ Approvals Required by Policy

☐ Other Approvals

☐ Monitoring / Compliance

☒ Information

Brief Description:

The committee will receive an overview of the Workforce Development Scholarship Pilot program. In 2017, the Minnesota Legislature appropriated Minnesota State $1 million (FY2019) to encourage students to enroll in high-demand programs. College approaches will be shared and the Minnesota Precision Manufacturing Association will share their commitment to the program.

Scheduled Presenter(s):
Joe Mulford, President of Pine Technical and Community College
Peggy Kennedy, President of Minnesota State Community and Technical College
Tom Chacon, President of Minnesota Precision Manufacturing Association
Amy Walstien, Executive Director of Minnesota Precision Manufacturing Association

Workforce Development Scholarship Pilot

Board of Trustees
January 23, 2018

Presentation Outline

- Workforce Development Scholarship Pilot
- Pine Technical and Community College
- Minnesota State Community and Technical College
- Minnesota Precision Manufacturing Association partnership

1

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Background

- Initially funded by a 2017 legislative session appropriation in the amount of $1 million, **$2,500 per scholar** with renewal option
- Prepare new students for careers in high demand sectors including **advanced manufacturing, agriculture, health care services, and information technology**
- Valuable opportunity to partner with K-12, businesses, communities, and local chambers
- Each college received of minimum 14 scholarships with a maximum of 20, for a total of **400 scholarships**

2

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Pine Technical & Community College Approach

Pine Technical & Community College

- Partnered with local chambers in 14 high school areas of the East Central Minnesota Educational Cable Cooperative consortium
- Supplement scholarship amount by $1,000; total of **$3,500 per scholar**/one scholarship per district – allowing students to concentrate on their studies, not finances

- Produce future enrollments, donations, and encourages local talent to remain in our communities

3

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Minnesota State Community and Technical College Approach

- Partnering with 16 Minnesota high schools in regional areas
- Number of scholarships increased from **20 to 40**
- Enhances college's value proposition within community by sharing data and media outlets
- Motivates and enables new students who may not have considered attending
- Broadens donor base

4

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Minnesota Precision Manufacturing Association

- Since 1955 - the leading voice of the precision manufacturing industry in Minnesota. 335+ member companies strong
- Intent of WDS partnership - to attract young people to careers in advanced manufacturing and to assure academic success
- Provides **15 colleges** with additional funds to boost the number and value of manufacturing scholarships
- $2,000 per campus; **total of $30,000** for Minnesota State students

5

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Each college is developing a local approach

- Partnering with Chamber in three communities (Austin, Albert Lea, and Owatonna)
- Secured sponsors with Minnesota Freezer Warehouse, Allina Health/Owatonna Hospital, Federated Insurance, and Zumbro
- Double the scholarship amount from $2,500 to $5,000 for fulltime students
- Showcasing that education, industry and government joining together to address workforce shortage will be more attractive

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- Additional funding from Reell Precision Manufacturing and Vadnais Heights Economic Development Corporation
- Increase funding by $500 for a total of $3,000/per scholar
- Multi-facet recruitment by utilizing Admissions Team, Perkin's Grant Team, and Foundation

6

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Spring timeline

- Scholarship awards will be announced March 30, 2018
- Scholarship recipients begin Fall 2018 semester
- Report to legislature due February 2019

7

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

Name: Committee of the Whole   **Date:** January 23, 2018

Title: Next Gen Enterprise Resource Planning (ERP) Semiannual Update

Purpose (check one):

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

Brief Description:

The Next Gen project has commenced with the formation of the project, communication and governance teams. The update will provide a description of phase 1 of the project including the business process review structure and change management program. A status update on the FY2018-FY2019 budget will also be provided.

Scheduled Presenter(s):
ERP Steering committee members including:
Scott Olson, President Winona State University
Angelia Millender, President Century College
Ron Anderson, Sr. Vice Chancellor - CAO
Ramon Padilla, Vice Chancellor – CIO
Laura King, Vice Chancellor - CFO

January 23, 2018

Next Gen ERP
Semiannual Update Jan 2018

Board of Trustees

1

Current State

- Next Gen ERP is the name of our ISRS replacement project.
- We are working to replace ISRS in order to move to current technologies that will "future proof" our investment and provide an overall better student experience.
- Total estimated cost of the project is $150 million over 7 years.
- We received $8 million from the legislature, which is enough to begin our preparatory work - known as "Phase 1" of the project.

2

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ERP Steering Committee

- The ERP Steering Committee is the senior executive body reporting to the Chancellor and responsible for overall project governance.
- The committee approves project timelines and deliverables; establishes priorities; approves scope changes; provides direction and guidance to the project.
- The ERP Steering Committee is co-chaired by the Sr. Vice Chancellor of Academic and Student Affairs, and the Vice Chancellor of Information Technology.
- Members include:
  - Ron Anderson, Sr. Vice Chancellor for Academic and Student Affairs
  - Ramon Padilla Jr., Vice Chancellor for Information Technology
  - Sue Appelquist, Interim Vice Chancellor for Human Resources
  - Laura King, Vice Chancellor for Finance and Administration
  - Angelia Millender, President for Century College
  - Scott Olson, President for Winona State University
  - Eric Wion, Interim Executive Director for Internal Audit, ex-officio member

3

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Phase 1 – Objective and Activities

- Phase 1 of our project consists of readiness activities that *will prepare us as a system* for a successful ERP implementation.
- Phase 1 activities consists of:
  - formation of project, communication and governance teams
  - business process reviews/requirements gathering
  - creation of a request for proposal for a new ERP
  - selection of a new ERP (dependent upon full project funding)
  - readiness activities that will prepare our data and infrastructure for our move to the new system and to keep us running during transition

4

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Phase 1 – Vendor Partner

- July 2017, we issued an RFP for a vendor partner to assist with:
  - Project A: Business Process Reviews for Finance
  - Project B: Business Process Reviews for Human Resources and Academic Student Affairs
  - Project C: RFP creation and evaluation for an ERP solution
- Sept. 2017 – Oct. 2017, we conducted face to face presentations, conducted a thorough review of responses, interviewed references and chose our vendor partner from among 8 respondents.
- The firm of CampusWorks was engaged and has begun preliminary planning.

5

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Phase 1 – Organizational Structure

6

SUBJECT TO CHANGE UPON VENDOR ENGAGEMENT
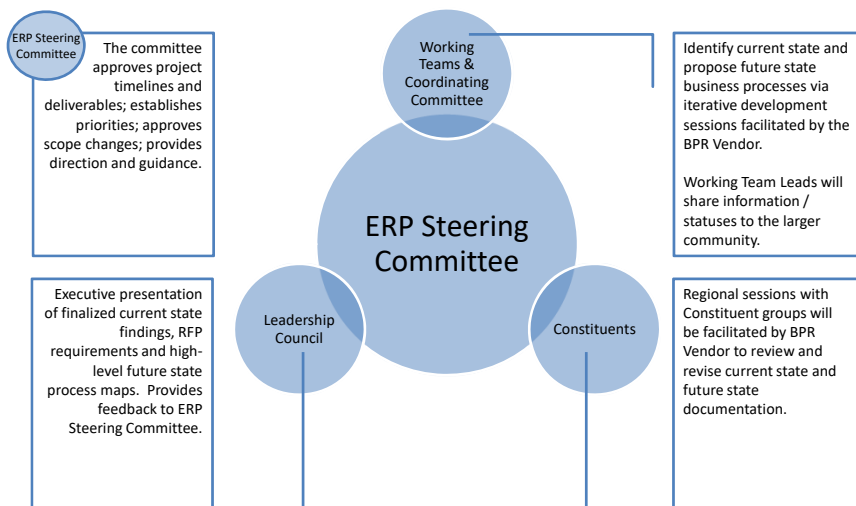
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Business Process Reviews (BPR)

- BPR is an examination of our processes to; (a) gain an understanding of the key challenges of our current state and (b) define future state processes and requirements. This information will be used for selection and implementation of our new ERP.
- BPR team formation will begin in February, with work beginning in March.
- Details regarding the formation of the teams etc. will be forthcoming from the vendor in the upcoming weeks. All relevant information/communications will be posted to the Next Gen ERP SharePoint Site.

7

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Business Process Reviews (BPR)

ERP Steering Committee — The committee approves project timelines and deliverables; establishes priorities; approves scope changes; provides direction and guidance.

Working Teams & Coordinating Committee — Identify current state and propose future state business processes via iterative development sessions facilitated by the BPR Vendor.

Working Team Leads will share information / statuses to the larger community.

ERP Steering Committee

Leadership Council — Executive presentation of finalized current state findings, RFP requirements and high-level future state process maps. Provides feedback to ERP Steering Committee.

Constituents — Regional sessions with Constituent groups will be facilitated by BPR Vendor to review and revise current state and future state documentation.

8

10

4

Project Kick Off

- Leadership Council and ERP Steering Committee held a discussion in December regarding what project kick off looks like.
- Result of discussion: In order to keep all constituents well-informed, we should deploy a variety of activities that introduce the team and enhance understanding of the project's background, success parameters, and scope of work.
- Some of these activities include a communication from the Chancellor to the community, a series of introductory webinars to introduce the project team, and a video that documents our purpose.
- These activities will begin this month.

9

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Preparing for Large-Scale Change

- Build out and refine our communications and change management plans.

Board of Trustees, Leadership Council → Cabinet → Bargaining Units, Student Assoc. → Faculty, Staff and Students

- Engage subject matter experts from the campuses.
- Leadership and commitment.

10

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11

Funding Outlook

PHASE 1	**Jan. 2018 – Aug. 2019** BPR and RFP preparation	**$8M**
PHASE 2	**July 2019 – FY2024** Vendor selection Transition to new software	**$142M**
PROJECT TOTAL COST (estimated)		**$150M**

- Phase 1 funding is in place from 2017 legislative support.
- 2018 legislative request would provide phase 2 funds needed to complete the project over 6 years.
- Board will consider funding again at conclusion of 2018 session.
- Phase 2 will start when full funding in hand- target start July 2019 at the latest.

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11

Internal Audit's Role

- Participate on the Steering Committee as an ex-officio member to **provide guidance on processes and controls**, as well as stay up to date with project milestones and how those might impact Internal Audit plans and projects.
- Conduct periodic Project Risk Reviews to **increase the likelihood of project success** by:
  - Objectively and proactively identifying risks, issues, and deficiencies
  - Providing recommendations for mitigation and remediation
  - Reducing likelihood of issue recurrence and/or downstream effects
  - Enhancing management insight into project performance to mitigate the risk that the project will not achieve goals in terms of schedule, scope and budget
  - Recommending and validating appropriate and adequate internal controls are implemented with the system and business process changes
- Report to the steering committee, leadership, and the board to validate that the people, processes, and technology **risks are managed appropriately.**

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12

13

Conclusion/Questions?

13

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Next Gen ERP - Contract Summary for Business Process Reviews & ERP Request for Proposal - January 2018

On January 8, 2018 Minnesota State contracted with CampusWorks for Phase 1 of the Next Gen ERP project to complete:

- Planning and change management consultation
- Business process reviews for Human Resources, Finance and Academic and Student Services
- RFP creation and evaluation for ERP system

This document provides a summary of the statement of work, milestones and vendor's background.

Scope of Work

Planning & Change Management

CampusWorks will work with Minnesota State colleges and universities and the system office to establish project plans for:

- Change Management
- Business process reviews (current and future state) and future state requirements
- Kickoff webinar to introduce the charter, project plans and communication plans
- Drafting and conducting an Enterprise Resource Planning (ERP) Request for Proposals (RFP) process

Throughout the duration of the project, CampusWorks' Change Management project team members will evaluate and recommend tactics to increase user support and readiness; identify and provide input to communications; and propose an organizational readiness plan in support of future state.

Current State and Future State Business Process Reviews

CampusWorks will utilize the following BPR framework to ensure the larger college and university community is engaged throughout the business process review work, and foster feedback, buy-in and communication across all Minnesota State colleges and universities.

1. Facilitate development sessions (both remote and in person) with each Minnesota State working team. These sessions will be active working sessions to articulate the current state needs, define the associated ERP requirements, and design the future state business processes for each domain area and its sub-processes (as defined within planning).
2. Facilitate meetings with the Coordinating Committee (cross-functional team) to ensure critical cross-functional implications are not missed for current state, and the entire suite of future state process maps.

3. Co-facilitate regional feedback sessions for each business process area to obtain the larger college and university community's feedback on current state and future state documentation. These sessions will be co-facilitated with the CampusWorks team and members of the working teams. Like the working teams, participants will be cross-institutionally focused.

As input to defining the desired future software functionality, CampusWorks will work with Minnesota State and the working teams to conduct a Request for Information (RFI) for a vendor showcase with top ERP vendors.

ERP RFP

CampusWorks will work with Minnesota State to conduct the ERP RFP. Key activities will include, but are not limited to:

- Provide ERP requirements based on future state business process reviews
- Draft the RFP, evaluation criteria, evaluation tools and provide an ERP Gap Analysis
- Complete a feasibility assessment of ERP commercial package solutions

Key Milestones

START / END DATES	KEY MILESTONES
Planning and Change Management	
Jan. 2018 – Feb. 2018	Completion of the onsite kickoff and experience workshops
Feb. 2018 – Mar. 2018	Completion and presentation of BPR/ERP project plan and charter
Mar. 2018 – Apr. 2018	Presentation of change management strategy and initial change management plan
May 2018 – Dec. 2018	Change Mgmt: Enterprise-wide Organizational Readiness Assessment Plan
Jan. 2019 - Jul 2019	Change Mgmt: Revised Change Management Strategy for ERP Implementation

Key Milestones, continued

HR and Finance Business Process Review	
Mar. 2018 – Jun. 2018	Completion of the current state sessions with Minnesota State Project Team, Coordinating Committee review and regional review sessions
Jul. 2018 – Nov. 2018	Completion of the future state BPR and vendor showcase
Sep. 2018 – Dec. 2018	Draft ERP Requirements for HR and Finance
Sep. 2018 – Jan. 2019	Completion of Project A final report and future state processes and presentation to ERP Steering Committee

Academic and Student Services (ASA) Business Process Review	
Mar. 2018 – Aug. 2018	Completion of the current state Minnesota State Project Team sessions, Coordinating Committee review and regional review sessions
Sep. 2018 – Apr. 2019	Completion of the future state BPR and vendor showcase
Sep. 2018 – Dec. 2018	Draft ERP Requirements for Academic and Student
Sep. 2018 – Jan. 2019	Completion of Project B final report and future state processes and presentation to ERP Steering Committee

ERP RFP Creation and Evaluation	
Jul 2018 – Dec. 2018	Conduct requirements review meeting
Jan. 2019	Finalize RFP for posting and complete scoring matrix
Feb. 2019 – Jun. 2019	Completion of the written response evaluation and schedule onsite presentations with finalists
Jun. 2019 – Jul. 2019	Present comparisons and recommendations of finalists to Minnesota State.
Aug. 2019 – Oct. 2019	Complete Contract Negotiations

Vendor Background

Since 1999, CampusWorks has been providing consulting services exclusively to higher education institutions. The firm has a substantial Business Process Review (BPR) and Enterprise Resource Planning (ERP) practice and has provided BPR and ERP selection and implementation services to over 100 higher education clients. In addition, the firm offers a wide range of services, including business process optimization, visioning and strategic planning, project management, functional and technical consulting, implementation services, and staff augmentation services. CampusWorks is a privately and employee owned S corp. It is led by CEO Liz Murphy, who has 30 years of higher education experience. The Management Team all have significant education experience, most within institutions and within companies that support academia.

Business Process Review and ERP Selection Experience

CampusWorks has led over 50 higher education BPR projects in just the past 24 months, including numerous large-scale, multi-institution process enhancement and shared services projects. The integration and consistent use of Business Process Review within and beyond this implementation effort will result in human and financial resource containment and/or savings, as well as increased efficiencies and enhanced services. A culture of continuous improvement will also foster a deeper understanding and appreciation of various roles in the organization, and will improve project completion times throughout the organization. In the past five years, CampusWorks has helped 16 higher education organizations (over 150 colleges/campuses) with the ERP selection process, providing them with significant knowledge of the current marketplace, product offerings, and pricing.

ACADEMIC AND STUDENT AFFAIRS COMMITTEE
JANUARY 23, 2018
2:30 PM

_____

MCCORMICK ROOM
30 7TH STREET EAST
SAINT PAUL, MN

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3. **Mission Statement: Pine Technical and Community College (pp. 9-11)**
4. **Mission Statement: Lake Superior College (pp. 12-15)**
5. Proposed Amendment to Policy 2.8, Student Life (First Reading) (pp. 16-19)
6. Proposed Amendment to Policy 3.7, Statewide Student Association (First Reading) (pp. 20-23)
7. Proposed Amendment to Policy 3.24, Institution Type and Mission, and System Mission (First Reading) (pp. 24-27)
8. **Developmental Education Strategic Roadmap (pp. 28-89)**

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
Academic and Student Affairs Committee
November 14, 2017
Southwest Minnesota State University
Marshall, MN

Academic and Student Affairs Committee members present: *Louise Sundin, Dawn Erlandson, Amanda Fredlund, Jerry Janezich, Cheryl Tefer, AbdulRahmaneAbdul-Aziz*

Academic and Student Affairs Committee members on the phone: *Rudy Rodriguez*

Academic and Student Affairs Committee members absent: *Ann Anaya, Basil Ajuo, Alex Cerillo*

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

Committee Vice Chair Louise Sundin called meeting to order at 10:30
Welcome newest Trustee AbdulRahmane Abdul-Aziz

Teacher Education follow-up (pp 1-124 of Board Packet)
Presenters:
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

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

1

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.

Follow up from last month. What are some of the underlying causes of the teacher shortages in the State of Minnesota?
Jon Dalager presented.

Vice Chair Louise Sundin: In front of you is the enlarged document from Education Minnesota. This is the all in one document we referred to at the last meeting. If you can follow your way through that, you can follow your way through the thought process of the State Legislature.

Vice Chair Louise Sundin: Going back, the requirement, the high professional standards, the third test is a basic skills test. That is a misnomer. The basic skills test is known to be second year college level so it isn't what it sounds like. We have tried to get the Legislature to change their nomenclature but we have not been able to. It is not a basic skill level, it is a college level skill test. It has been shown by research that it is also a detriment to keeping some students of color out of the program disproportionately.

Jon Dalager: Studies have shown that the skills test is racially biased and some courts have shown that as well. So you are correct.

Vice Chair Louise Sundin: Part of the reason is the political blaming and shaming of educators throughout the country. You may not feel it but the educators do feel it daily and they feel alone and blamed. The lack of respect for educators has really done more than anything to limit the number of people who want to go into it.

The three "R"s -- Respect, Responsibility, Results. Educators today take extraordinary responsibility for their children's education, they are proving to have phenomenal results but we haven't been able to restore the respect that educators had. Since the 80's, politically, government work and employment has been denigrated and discouraged.

> **Fond du Lac Tribal and Community College and Winona State University Program: Building a Different Elementary Education Program in Order to Build a Whole Future**

Larry Anderson: I want to thank President Scott Olsen for all he has done for Fond du Lac and how he has worked with us from the beginning and what he has done for American Indian education in the State of Minnesota. (applause)
WINHEC process turned out to be a journey about what it really takes to look at things through two perspectives, two lenses and that is what we need to do in our instruction. It becomes a way of life. I would like to compare it to HLC being the skeleton of the body and the WINHEC process is the blood and the heart and the emotional part of what we do. That took us on a journey and I will let the rest of the team tell you about the journey.

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

Dwight Watson: We are happy to be here. I was an elementary teacher and this particular institution prides itself on teacher education and focusing on the regional needs of the southwest. We looked at the needs of paraprofessional and special education and pairing that together with the Legislative initiative. I'm pleased to share our progress here with Dr Sonya Vierstrate.

Trustee: I'm curious about the grant. Was that from the State Legislature?
Dwight Watson: Yes
Trustee: Are they looking at the success of this as a possible model for other areas?
Vice Chair Louise Sundin Over the years there have been about six grants and this is the most recent one. The majority are with private institutions. These residency programs of varying length, there have been 10 different grants. Some have been recurring.
Dwight Watson: And they tend to be urban based grants but this one was rural based grant so we are very pleased that the Legislatures recognized that there are critical needs in the rural areas as well.
Trustee Fredlund: I am a student in the early childhood program. How many classes compared to the regular k-12 license is the Para-to-Sped?
Sonya Vierstrate: We are seeking a waiver for 4 different classes that they would not need to take and then we are changing some of the courses to combine like action research would be a part of their pre-student teaching professional development course. We have started to re-visit our special education curriculum. We are looking at how can we make these changes and apply them to our other majors.
Trustee Hoffman: What specific role does Southwest Service Coop play?
Sonya Vierstrate: Originally they were the group that brought the need to us. They said this is something we have such a shortage in our area. We do still partner with them throughout and have regularly scheduled meetings to meet the needs of the region.
Trustee Hoffman: What is their role going forward? How are they really collaborating and really influential in the positive results?
Dwight Watson: One thing is we have to get the non-conventional approved so we can be sure our students can use their workplace experience as their student teaching

3

experience. They have to have a developmental role within their workplace experience where they have to work in the elementary, the middle and the high school. The coop will be our liaison in helping us do that. We can't go in and orchestrate the workload of a para professional but the Southwest Cooperative could work very closely with the principals and the superintendents and help us finesse that.

MSU, Mankato Programs: Commitment & Investment in Advancing Teacher Diversity through a Lens of Racial Equity
Jean Haar, Dean of the College of Education
Robbie Burnett, Director for Recruitment and Retention
Monica Ocampo, teacher candidate in Elementary Education

Jean Haar: I want to share what our college is doing to address and advance teacher diversity through a lens of racial equity. I will turn it over to Dr Burnett.

Trustee: I would like to ask Monica a question. How do you see your feedback translated into actions for the program? Because like you just stated it was very difficult to go through the program especially needing help and support, not finding it. How do you think your feedback, given to the program translates into actions and if so what are some examples of the changes in the teachers of tomorrow program?
Monica Ocampo: The teachers of tomorrow program has been an advantage given to me that I haven't ever had before. Usually with other students, they have generations of parents who have gone through college and my parents didn't. They were lucky enough to just get through primary school. There are things that I have to navigate that I don't know of and that's why I am so thankful for Dr Burnett for offering this program because if it wasn't for her I wouldn't be here. I'm also grateful for the College of Education for helping me with actions now I feel more prepared ready to start teaching. Although there were problems within the program I didn't see many role models, many leaders of color that looked like me in the College of Education. That just proves why we need to do this.
Jean Haar: Dr Burnett and others secured priority registration for teachers of tomorrow so they can be in classes together and collaborate. Dr Burnett shared that they meet weekly and do a lot of mentoring and relationship building so Dr Burnett and others have become the voice.
Trustee: There was comment that there was some learning and process out of this program that was transferring to the white student body as well and it would seem to me that that would be an equally valuable outcome to build awareness, sensitivity, welcoming atmosphere. Can you comment on if you see that as useful and an opportunity going forward as well.
Jean Haar: There is a lot about the history in systems. We are trying to catch up and invest in people and the knowledge and skill.
Robbie Burnett: I conducted a focus group with teacher candidates of color around their journeys and experiences through the predominantly white teacher education program.

The sample size was pretty small. To follow that study up we did focus groups with white teacher candidates about their experience as well as candidates of color in two separate focus groups. What we heard from both focus groups specifically from the white students was they don't feel prepared or equipped to go out into the schools because we are not teaching them about race diversity critical consciousness cultural competency at the level that is needed in order for them to go out into the classroom and hit the ground running.

Meeting Adjourned 12:00 noon
Meeting minutes prepared by Kathy Pilugin
11/29/2017

MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet

Name: Academic and Student Affairs Committee   **Date:** January 23, 2018

Title: Proposed NEW Policy 3.41 Education Abroad Programs – Second Reading

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 general counsel and 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

MINNESOTA STATE
BOARD OF TRUSTEES

BOARD ACTION
BOARD POLICY 3.41 EDUCATION ABROAD PROGRAMS - SECOND READING

1   **BACKGROUND**
2   Board Policy 3.41 Education Abroad Programs was created in response to an internal audit that
3   recommended the need for a board policy and system procedure in the area of education
4   abroad programs. The policy reflects the best practices within our system and across the United
5   States.
6
7   The proposed new policy was developed by the ASA Policy Council in coordination with the
8   Office of General Counsel, Risk Management, and the subject matter experts at our colleges
9   and universities.
10
11 The proposed new policy was reviewed by General Counsel, cabinet, Risk Management, Labor
12 Relations, then sent out for formal consultation and received support from the presidents,
13 employee representative groups, student associations, and campus leadership groups. All
14 comments received from the consultation were considered.
15
16
17 **RECOMMENDED COMMITTEE MOTION**
18 The committee recommends the Board of Trustees adopt the proposed new Board Policy 3.41.
19
20
21 **RECOMMENDED BOARD MOTION**
22 The Board of Trustees adopt the proposed new Board Policy 3.41.
23
24
25 *Date Presented to the Board of Trustees:*   *1/24/18*
26 *Date of Implementation:*   *xx/xx/xx*

MINNESOTA STATE
BOARD OF TRUSTEES

BOARD POLICY – SECOND 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 Colleges and universities shall inform students that any information students receive about
32 non-contracted third-party providers does not constitute an endorsement, approval, or
33 evidence that the college or university has vetted the third-party provider.

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

Name: Academic and Student Affairs Committee   **Date:** January 23, 2018

Title: Mission Statement: Pine Technical and Community College

Purpose (check one):

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

Brief Description:

The mission of Pine Technical and Community College is being presented for board approval. The mission meets the criteria in Board Policy 3.24 Institution Type and Mission, and System Mission, Part 4: Approval of College or University Mission Statements.

Scheduled Presenter(s):
Joe Mulford, President, Pine Technical and Community College
Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs

BOARD ACTION ITEM
Mission Statement: **Pine Technical and Community College**

BACKGROUND

The mission of Pine Technical and Community College is being presented for board approval. The mission meets the criteria identified in Board Policy 3.24 Institution Type and Mission, and System Mission, Part 4: Approval of College or University Mission Statements.

Current Mission: Through extraordinary technical and transferrable education and superior services, Pine Technical and Community College develops innovative workers, fosters educational citizens, builds strong communities, and promotes healthy economies.

Proposed Mission: Known for innovation and contributions to strengthen communities, we make college possible for those starting out or starting over. Whether a student seeks a career program, new skills or general education transferable to another college or university, Pine Technical & Community College is an excellent choice.

The revised mission recognizes Pine Technical and Community College's service to the unique qualities of East Central Minnesota. With a high percentage of first generation students and those from low income households, Pine is focused on increasing the higher education attainment rate of the region. The revised mission supports the focus on serving students with a diverse set of life experiences and goals.

Current Vision: Pine Technical and Community College is a vibrant, comprehensive college and community resource for extraordinary education, empowering learners and honoring the needs of those we serve.

Proposed Vision: In 2027, the people of East Central Minnesota will first turn to Pine Technical & Community College when they want career education, new skills or general education. More than 1200 FYE will be enrolled in programs; more than 4000 will benefit from training experiences; and the region will enjoy a dynamic, vibrant cultural resource. The heart of the college will be in up-to-date technology-driven facilities, complemented by satellite sites and online capabilities.

The new vision supports Pine's strategic plan to build a strong and sustainable financial model that supports expanded program offerings and services for the citizens of East Central Minnesota. The growth vision allows Pine to be the best partner for meeting the economic and personal needs of regional citizens and ensures access to more diverse and robust program offerings.

The college vision and mission respond to the following elements in system procedure:
1. The alignment of the proposed mission with the system mission and statewide needs;
    The revised mission and vision relies on and aligns with the system strategic framework:
    - Ensure access to an extraordinary education for all Minnesotans.
    - Be the partner of choice to meet Minnesota's workforce and community needs.
    - Deliver to students, employers, communities and taxpayers the highest value/most affordable higher education option.

10

The proposed mission states "we make college possible for those starting out or starting over" speaking directly to the critical role we serve as access point for all in a historically underserved region. The college strives to change the higher education attainment rate with new, more diverse programming, targeted services, and pathways. Changing historical perceptions of higher education, generally, and how Pine serves the region, specifically, are additional key components of the new mission.

2. The extent to which the college or university will meet expectations of statute and how it relates to other institutions of higher education;

The proposed revision does not change the extent to which the college will meet expectations of statute or how the college relates to other institutions of higher education. Pine TCC will remain a comprehensive community college governed by statues and laws of its accreditation agency, and the policies of the Minnesota State Board of Trustees.

3. The array of awards it offers;

The proposed revision does not change the array of awards the college offers. It reinforces the commitment to be more nimble and responsive as the reach of the college's programs extends beyond the region and as the needs of constituents change with technology.

4. The compliance of the college or university mission with statute, policy, and regional accreditation requirements;

Pine TCC will remain a comprehensive community college governed by statues and regulations of its accrediting agency, the Higher Learning Commission of the North Central Association (HLC-NCA.) The new Pine Technical and Community College mission provides a strong foundation for evaluation and accountability and regional accreditation.

5. The consultation with faculty, students, employers, and other essential stakeholders;

The proposed new mission and vision statements were developed as an outcome of "Discover Pine" comprehensive strategic planning process. The process was conducted over a near 7 month time period. The strategic planning process was guided by a steering committee comprised of individuals from the student senate, faculty, staff, and college administration units. Community input was gathered through numerous interviews with regional organizations, including both public and private leaders. Feedback loops were established throughout each phase of the process including all college in-service days and with the creation of additional days with the specific purpose of gathering comprehensive feedback on the strategic plan priorities.

RECOMMENDED COMMITTEE ACTION
Upon the recommendation of the Chancellor, the Academic and Student Affairs Committee recommends that the Board of Trustees approve the mission of Pine Technical and Community College.

RECOMMENDED MOTION
The Board of Trustees approves the mission of Pine Technical and Community College.

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

Name: Academic and Student Affairs Committee   **Date:** January 23, 2018

Title: Mission Statement: Lake Superior College

Purpose (check one):

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

Brief Description:

> The mission of Lake Superior College is being presented for board approval. The mission meets the criteria in Board Policy 3.24 Institution Type and Mission, and System Mission, Part 4: Approval of College or University Mission Statements.

Scheduled Presenter(s):
Pat Johns, President, Lake Superior College
Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs

BOARD ACTION ITEM

Mission Statement:
Lake Superior College

BACKGROUND

The mission of Lake Superior College is being presented for board approval. The mission and vision meet the criteria identified in Board Policy 3.24 Institution Type and Mission, and System Mission, Part 4: Approval of College or University Mission Statements.

Current Mission: Lake Superior College provides high quality, affordable higher education that benefits diverse learners, employers, and the community. LSC's academic, technical, continuing education, and workforce development offerings prepare learners for a rapidly changing global community. Our services support learning, and our partnerships connect the college and its learners to a broader spectrum of community life. Our mission is characterized by:

- A strong sense of community
- Trust, respect, and integrity
- Personal attention
- Accountability
- Innovation and flexibility
- Life-long learning and personal growth

Proposed Mission: Lake Superior College serves the community and supports the economy of Northeast Minnesota and beyond by providing high-value, accessible higher education and advanced training in a supportive environment.

The proposed mission statement is not intended to materially change LSC's core mission. Rather, the objective is to restate LSC's existing mission statement more directly and concisely.

The key elements are as follows:

- "Community" refers to the people and businesses, individually and collectively, within the College's service area.
- "Economy" is used broadly to include the management of both wealth and resources.
- "Northeast Minnesota and beyond" recognizes that LSC's service area extends outside the immediate Duluth, MN area as a result of its unique or high demand programs that draw students from across Minnesota, its extensive online offerings, and its many students, faculty, and staff drawn from Northwest Wisconsin.
- "High-value" means relevant and important to individuals, businesses, and the community collectively.
- "Accessible" includes both affordable and convenient.
- "Higher education and advanced training" recognizes the College's mission as a combined community and technical college offering both general education and the latest in career and technical skills and training.
- "Supportive environment" is meant to refer to unique attributes of LSC such as small class sizes and personal relationships with instructors as well as extraordinary efforts LSC makes to help its students be successful.

13

Current Vision: Lake Superior College (LSC) continues as an area leader of higher education learning opportunities by delivering excellent instruction, innovative programming, and dedicated service in an engaging, comfortable environment. Lake Superior College will excel in student development and community responsiveness.

Proposed Vision: We will strengthen our community by anticipating and meeting its needs for innovative education and training.

The vision is not being materially changed. In fact, the mission review process revealed a strong consensus around innovation both as part of LSC's current identity and its aspirations for the future. Therefore, the proposed vision is a more direct and concise statement of the existing vision, with a continued focus on innovation and responsiveness to the community's needs. "Community" is again used broadly to refer to the people and businesses, individually and collectively, within LSC's service area.

The college vision and mission respond to the following elements in system procedure:

1. The alignment of the proposed mission with the system mission and statewide needs;
   The revised mission and vision relies on and aligns with the system strategic framework:
   - Ensure access to an extraordinary education for all Minnesotans.
   - Be the partner of choice to meet Minnesota's workforce and community needs.
   - Deliver to students, employers, communities and taxpayers the highest value/most affordable higher education option.

The proposed mission statement aligns directly with the Minnesota State mission. Both focus on meeting the educational goals of students and supporting local economies. LSC's proposed mission statement also aligns directly with the Minnesota State vision in that both focus on accessible and high value education.

Likewise, LSC's proposed mission statement aligns directly with the Strategic Framework. Value and accessibility in LSC's mission statement encompass access, extraordinary education, and affordability. Meeting the needs of the community and supporting the economy in LSC's mission statement will make LSC the partner of choice for workforce and community needs within its service area.

2. The extent to which the college or university will meet expectations of statute and how it relates to other institutions of higher education;

The proposed revision does not change the extent to which the college will meet expectations of statute or how the college relates to other institutions of higher education. Lake Superior will remain a comprehensive community college governed by the policies of its accreditation agency, the Higher Learning Commission, and the policies of the Minnesota State Board of Trustees.

3. The array of awards it offers;

The proposed revision does not change the array of awards the college offers.

4. The compliance of the college or university mission with statute, policy, and regional accreditation requirements;

Lake Superior will remain a comprehensive community college governed by Minnesota statutes, Minnesota State Board of Trustees policies, and the requirements of its regional accrediting agency,

the Higher Learning Commission (HLC). In accordance with HLC's Criteria for Accreditation, Lake Superior College's mission is broadly understood within the institution and guides its operations, is articulated publicly, and demonstrates commitment to the public good, including attention to diversity.

5. The consultation with faculty, students, employers, and other essential stakeholders;

The proposed revision to LSC's mission statement was developed through a consultative and iterative process:

a) A Mission Review Task Force was convened.
b) Feedback on the current mission statement was solicited from community partners and students in conjunction with development of the College's new Strategic Plan.
c) A first draft of a revised mission statement was presented to the faculty for feedback on a faculty duty day.
d) The first draft was presented to staff for feedback at an all staff meeting.
e) The Task Force then revised the draft based on that feedback from faculty and staff.
f) The second draft was presented and, with a wording change, approved by the President's Cabinet.
g) The second draft with the wording change was presented for discussion at Faculty Shared Governance. At that time, a vocal faction of the faculty objected to the wording change.
h) The wording change was discussed at local meetings of the Minnesota State Faculty Association.
i) The wording change was discussed at a second Faculty Shared Governance meeting.
j) A college-wide open forum was subsequently held to allow further discussion of the wording. At that forum, compromise wording was suggested and embraced by those in attendance.
k) The President's Cabinet approved the proposal with the compromise wording.

RECOMMENDED COMMITTEE ACTION
Upon the recommendation of the Chancellor, the Academic and Student Affairs Committee recommends that the Board of Trustees approve the mission of Lake Superior College.

RECOMMENDED MOTION
The Board of Trustees approves the mission of Lake Superior College.

MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet

Name: Academic and Student Affairs Committee   **Date:** January 23, 2017

Title: Proposed amendment to Policy 2.8 Student Life – First Reading

Purpose (check one):

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

Brief Description:

The policy was reviewed as part of the five year review cycle pursuant to Board Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration, Part 6, Subpart H, Periodic review.

The proposed amendment was reviewed by 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

BACKGROUND

Board Policy 2.8 Student Life was adopted and implemented by the Board of Trustees on August 18, 1995. The policy was reviewed as part of the five year review cycle pursuant to Board Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration, Part 6, Subpart H, Periodic review.

The proposed amendment brings clarity to the current language and applies the new writing and formatting styles.

The proposed amendment was reviewed by 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.

BOARD POLICY – FIRST READING		
Chapter 2	Chapter Name	Students
Section 8	Policy Name	Student Life

1 **2.8 Student Life**

2

3 **Part 1. Purpose**

4 To provide student life programing resulting in a wide range of student activities that contribute to the

5 educational, cultural, or physical well-being of the student body.

6 **Part 2~~1~~. Student Life/Activity Program~~.~~**

7 ~~Each institution~~ Colleges and universities shall establish a student life/activity program. The revenue

8 generated by the student life/activity fee authorized by Board Policy 5.11 Tuition and Fees and by

9 System Procedure 5.11.1 Tuition and Fees ~~shall~~ must be used to fund student activities as defined in

10 Minnesota Statute Section 136F.01, Subd. 5. The student life/activity program ~~shall~~ must be

11 administered in accordance with ~~system~~ board policies and system procedures and consistent with

12 ~~Minnesota Statute Section~~ Minn. Stat. §136F.72, Subd. 3. ~~Student life/activity programming is intended~~

13 ~~to provide for a wide range and balance of student activities that complement the curricular offerings~~

14 ~~of the institution. Funding decisions shall be made in a viewpoint neutral manner.~~

15 **Part 3~~2~~. Student Life ~~c~~Committee~~.~~**

16 **Subpart A. Establishment and membership.**

17 Each college and university shall have one or more ~~a~~ student life/activity committee~~(s)~~, as

18 appropriate. The campus student association(s) may serve in this capacity. The campus student

19 association(s) shall appoint the student members of the student life/activity committee(s). The

20 campus student association shall establish the membership structure of the student life/activity

21 committee, and at least two-thirds of the membership must be made up of students.

22 ~~Not more than one-third of the voting members of a student life/activity committee. shall be non-~~

23 ~~students.~~ After consulting with the president or designee, the campus student association(s) may

24 review and amend the membership structure of the student life/activity committee to take effect

25 in ~~for~~ the next academic year.

26 **Subpart B. Committee responsibility~~.~~**

27 The committee(s) shall annually recommend to the campus student association(s) the amount of

28 the fee in the ensuing fiscal year, the allocation of revenues, policies and procedures for oversight

29 of the student life/activities budget, and expenditures consistent with ~~system and~~ college or

30 university ~~institution~~ policies and procedures and ~~(see~~ Board Policy 5.11 Tuition and Fees and

31 System Procedures 5.11.1 Tuition and Fees and ~~System Procedure~~ 2.8.1 Student Life~~)~~.

1

32   **Subpart C. Campus student association.**
33   On each campus, the student life/activity fee must ~~shall~~ fund the campus student association as
34   defined in Board Policy 2.1 Campus Student Associations.

35   **Subpart D. Authority for expenditures.**
36   The president of the college or university ~~institution~~ shall approve, reject, or modify the student
37   life/activity fee and/or budget and authorize the collection and expenditure of such fees. The
38   campus student association(s) ~~shall~~ must be consulted on any modification to their ~~association(s)'s~~
39   budget and expenditure recommendation prior to implementation. Student life/activity fund
40   balances ~~shall~~ must carry-over into the next fiscal year.

41   **Subpart E. Budget reserves.**
42   Budget reserves may be established for the student life/activity funds. ~~may be established and their~~
43   The status of such reserves must be ~~shall be annually~~ reported annually to the student life/activity
44   committee and campus student association.

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

Name: Academic and Student Affairs Committee   **Date:** January 23, 2018

Title: Proposed Amendment to Policy 3.7 Statewide Student Association – First Reading

Purpose (check one):

[✓] Proposed New Policy or Amendment to Existing Policy

[ ] Approvals Required by Policy

[ ] Other Approvals

[ ] Monitoring / Compliance

[ ] Information

Brief Description:

The college and university statewide student associations have filed documentation with the Minnesota Secretary of State's Office to do business with the assumed business names LeadMN and Students United respectively. The amendment references the assumed business names of the student associations in the policy. This proposed amendment was reviewed by the general counsel, and the leadership of both student associations.

The proposed amendment is a technical change.

Scheduled Presenters:

Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs
Brent Glass, Associate Vice Chancellor for Student Affairs

INFORMATION ITEM
PROPOSED AMENDMENT TO POLICY 3.7 – STATEWIDE STUDENT **ASSOCIATION (FIRST READING)**

BACKGROUND

Board Policy 3.7 Statewide Student Associations was adopted and implemented by the Board of Trustees on October 18, 1994. The policy was recently reviewed in 2016 just prior to the name changes of the statewide student associations.

The proposed amendment references the assumed business names now used by both student associations, Students United and LeadMN.

The proposed amendment is considered a technical amendment and was reviewed by the office of general counsel and the leadership of both student associations.

BOARD POLICY – FIRST READING		
Chapter #. 3	Chapter Name	Educational Policies
Section #. 7	Policy Name	Statewide Student Associations

1   **3.7 Statewide Student Associations**
2
3   **Part 1. Statewide Student Association Recognition**
4   The Minnesota State University Student Association <u>doing business as (DBA) Students United</u>, for
5   state university students, and the Minnesota State College Student Association <u>(DBA) LeadMN</u>,
6   for state community and technical college students, are each recognized as the one statewide
7   student association for their respective student associations and students.
8
9   **Part 2. Campus Student Association Affiliation**
10   Each campus student association shall be affiliated with its statewide student association and all
11   students enrolled in credit courses will be members of their respective statewide association.
12
13   **Part 3. Fees**
14   Each statewide student association shall set its fees and shall submit any changes in its fees to the
15   board for review. The board may revise or reject the fee change during the two board meetings
16   immediately following the fee change submission. Fees must be collected for each enrolled
17   credit by each college and university and must be credited to each association's account to be
18   spent as determined by that association. For purposes of this policy, enrolled credits include all
19   credits in which a student has enrolled and not dropped before the college or university drop
20   deadlines. Fees must be forwarded by the college or university to the statewide student
21   association whether or not the college or university has received payment for fees.
22
23   **Part 4. Recognition Process**
24
25   **Subpart A. Statewide student association recognition**
26   Recognition of the associations listed in Part 1 must continue until such recognition is
27   repealed by the board and succeeded by an appropriately constituted association representing
28   the same group of students.
29
30   **Subpart B. Repeal of recognition**
31   1. Repeal of recognition by the board must occur if the following actions occur:
32   a. Two-thirds vote by the existing statewide student association indicating no
33   confidence, expressed by a petition to the board in accordance with the procedures
34   set forth in the association's governing documents; and

35   b. Two-thirds of existing campus student associations, in accordance with their
36   governing rules, submit petitions to the board indicating no confidence.
37
38   2. Dissolution of a statewide student association must be subject to each association's
39   internal procedures as indicated in their respective governing documents. Recognition
40   of a statewide student association is repealed automatically upon dissolution of the
41   student association. A notice of intent to dissolve must be sent to the board.
42
43 **Subpart C. Recognition of new statewide student association**
44 Following repeal of recognition of a statewide student association, recognition of a new
45 statewide student association must be granted after the presentation of a petition to the board
46 which expresses support of the new association and is approved by two-thirds of the campus
47 student associations.
48
49 **Part 5. Implementation**
50 The chancellor shall develop an agreement between Minnesota State Colleges and Universities
51 and each statewide student association to implement this policy, including provisions addressing
52 payment of fees collected.

MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet

Name: Academic and Student Affairs Committee   **Date:** January 23, 2018

Title: Proposed amendment to Policy 3.24 Institution Type and Mission, and System Mission – First 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 3.24 Institution Type and Mission, and System Mission as part of the five year review cycle pursuant to Board Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration, Part 6, Subpart H, Periodic review. The proposed amendment contains technical edits consisting of updated formatting and writing styles in the policy and the replacement of obsolete language.

The proposed new policy was reviewed by general counsel and 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

INFORMATION ITEM

PROPOSED AMENDMENT TO POLICY 3.24 -

INSTITUTION TYPE AND MISSION, AND SYSTEM MISSION (FIRST READING)

BACKGROUND

Policy 3.24 Institution Type and Mission, and System Mission was adopted by the Board of Trustees on June 16, 1999 and implemented on July 1, 1999.

The proposed amendment relocates some of the detailed information to the associated system procedure, replaces outdated language with more current terminology, and applies the new writing and formatting styles.

The proposed amendment was reviewed by general counsel and 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

<table>
<tr><td colspan="4">BOARD POLICY – FIRST READING</td></tr>
<tr><td>Chapter</td><td>3</td><td>Chapter Name</td><td>Educational Policies</td></tr>
<tr><td>Section</td><td>24</td><td>Policy Name</td><td>Institution Type and Mission, and System Mission</td></tr>
</table>

1 **3.24 College or University Type and Mission, and System Mission**
2
3 **Part 1. Purpose.**
4 ~~This policy~~ To establish conditions and processes for the review of <u>college and university</u> type
5 and mission, ~~system and college and university missions,~~ and <u>system mission</u> in accordance
6 with ~~Minnesota Statutes section~~ <u>Minn. Stat.§</u> 136F.05 Missions.
7
8 **Part 2. Definitions.** The following definitions apply to this policy and related procedure.
9
10 **Subpart A.** **Mission:**
11 ~~Mission means t~~<u>T</u>he distinct purpose of the college, ~~or~~ university, <u>or system.</u> ~~the~~
12 ~~constituents served and the expected outcomes, values and goals, and aspects such as~~
13 ~~institution culture, decision-making processes, and the principles and behaviors to reach~~
14 ~~aspirational outcomes.~~
15
16 **Subpart B.** **Vision:**
17 ~~Vision means t~~<u>T</u>he aspirations of the college, ~~or~~ university, <u>or system.</u> ~~the primary products~~
18 ~~or services, the distinctive or unique attributes of the college or university, and assumptions~~
19 ~~about the college and university and its environment in the future that is consistent with~~
20 ~~the institution type.~~
21
22 **Subpart C.** ~~Institution~~ **College or university** ~~type:~~
23 <u>Technical colleges, community colleges, consolidated community and technical colleges,</u>
24 and state universities, as defined in ~~Minnesota Statutes section~~ <u>Minn. Stat. §</u> 135A.052,
25 Sub.~~division~~ 1.
26
27 **Part 3. Change in** ~~Institution~~ **College or University Type**
28 A request ~~by a college or university~~ for a change in ~~institution~~ <u>college or university</u> type is
29 subject to approval by the Board <u>of Trustees</u>, following a first and second reading in accordance
30 with <u>Board</u> Policy 1A.1 Part 6, Subpart A. The chancellor shall promulgate procedures to guide
31 the ~~Board of Trustees'~~ <u>board's</u> review of a change in ~~institution~~ <u>college or university</u> type.

32 **Part 4. Approval of College or University Mission Statement**
33 A college or university mission statement requires ~~Board of Trustees~~ <u>board</u> approval. The
34 chancellor ~~shall have~~ <u>has</u> authority to approve minor revisions to an approved mission
35 statement. ~~A college's or university's mission shall~~ <u>The mission of a college or university must</u>
36 support achievement of the system mission and ~~shall~~ provide a foundation for evaluation,
37 accountability, and regional accreditation. ~~The chancellor shall promulgate procedures to guide~~
38 ~~the Board of Trustees' review and approval of a college or university mission statement.~~ Each
39 college or university, with consultation <u>from students, faculty, staff, and members of the local</u>
40 <u>civic, nonprofit, and business communities,</u> ~~faculty, students, employers, and other essential~~
41 ~~stakeholders, shall~~ <u>must</u> be given considerable latitude to express its mission.
42
43 **Part 5. Review and Approval of the System Mission and Vision**
44 The Board of Trustees shall periodically review, revise as appropriate, and approve the system
45 mission and vision. The mission and vision ~~shall~~ <u>must</u> advance the higher education needs of
46 the state. The ~~Board of Trustees~~ <u>board</u> shall assure there is consultation with <u>students, faculty,</u>
47 <u>staff, and essential members of the state.</u> ~~faculty, students, employers, and other essential~~
48 ~~stakeholders. The chancellor shall promulgate procedures for the development of the system~~
49 ~~mission and vision.~~

MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet

Name: Academic and Student Affairs Committee   Date: January 23, 2018

Title: Developmental Education Strategic Roadmap

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 an overview of developmental education redesign efforts across the system, and report on two legislative requirements: developmental education completion measures, and the development of a systemwide developmental education plan. The presentation will summarize data trends relative to developmental education student enrollment and completion, and will provide an overview of Minnesota State's strategies for redesigning developmental education (as articulated in the system's Developmental Education Strategic Roadmap). In addition, campus leaders will discuss the implications of this work for campuses and their students. The presentation and corresponding discussion will lead up to consideration by the board of a motion to charge the chancellor and the system with moving the plan forward.

Scheduled Presenter(s):

- Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs
- Craig Schoenecker, Senior System Director for Research
- Peggy Kennedy, President, Minnesota State Community and Technical College
- Ginny Arthur, President, Metropolitan State University
- Shirley Johnson, Faculty, North Hennepin Community College
- Carrie Brimhall, Vice President of Academic Affairs, Minnesota State Community and Technical College

BOARD ACTION ITEM
DEVELOPMENTAL EDUCATION STRATEGIC ROADMAP

BACKGROUND

Minnesota State colleges and universities provides developmental education courses to students who do not meet college-level requirements in the areas of English, reading, mathematics, and English for Speakers of Other Languages (ESOL) based on course placement assessment. Over the past three years, the Minnesota Legislature has passed three pieces of legislature relating to developmental education within Minnesota State:

- The 2015 Minnesota Legislature required Minnesota State to submit a report in January 15, 2016 that detailed the system's plan to encourage students to complete credentials.
- The 2015 Minnesota Legislature required the Minnesota State Board of Trustees, beginning in January of 2018, to submit a report on its activities and achievements related to improving timely completion, including seven completion measures.
- The 2017 Minnesota Legislature required the Minnesota State Board of Trustees to prepare a plan that reforms developmental education offerings and a report will be submitted to the legislature by February 15, 2018.

This session will provide an overview of developmental education redesign efforts across the system, and report on two legislative requirements: developmental education completion measures, and the development of a systemwide developmental education plan. The presentation will summarize data trends relative to developmental education student enrollment and completion, and will provide an overview of Minnesota State's strategies for redesigning developmental education (as articulated in the system's Developmental Education Strategic Roadmap). In addition, campus leaders will discuss the implications of this work for campuses and their students.

RECOMMENDED COMMITTEE MOTION

The Academic and Student Affairs Committee recommends that the Board of Trustees endorse the 2018 developmental education strategic roadmap and charge the chancellor with establishing the appropriate oversight structure and system procedures necessary to implement the strategic roadmap and with supporting the implementation of the strategic roadmap at the system and campus levels.

RECOMMENDED BOARD MOTION

The Board of Trustees endorses the developmental education strategic roadmap and charges the chancellor with establishing the appropriate oversight structure and system procedures necessary to implement the strategy.

January 23, 2018
Academic and Student Affairs

Developmental Education Strategic Roadmap

Board of Trustees
Academic and Student Affairs Committee

LEGISLATIVE REPORTING REQUIREMENT

2015 Higher Education Appropriations Act

Beginning in January 2018 Minnesota State must report to the Legislature on:

- **Percent students placed into developmental courses;**
- **Percent completing developmental courses in 1 year;**
- **Percent completing a college level course in 1 year;**
- Percent completing 30 credits in 1 year;
- Retention rate;
- Graduation/completion rate;
- Credits earned at graduation;
- Disaggregated by college/university, race-ethnicity, Pell eligibility and age.

SUMMARY OF KEY DATA POINTS

Enrollment in developmental education is decreasing

- The number of fall entering undergraduate students taking developmental courses in their first two years decreased by 37% between 2009 and 2015.

- The percent of fall entering students that took a developmental course at the colleges decreased from 51% to 40% between 2011 and 2015.

- Students of Color and American Indian students have decreasing developmental course enrollment rates, but their rates are 10% to 23% higher than the rates for white students and the gaps have increased since 2009.

SUMMARY OF KEY DATA POINTS

The percent of students completing developmental courses is increasing

- The percent of fall entering students that completed their developmental math courses in the first year increased from 27% to 38% at the colleges and from 51% to 62% at the universities.

- Students of Color and American Indian students developmental course completion rates are increasing, but their rates are 9% to 12% lower than the rates for white students.

SUMMARY OF KEY DATA POINTS

The percent of students completing college-level courses in writing and mathematics is increasing

- The percent of fall entering college students that completed a college level math course in the first year has increased from 9% to 15% since 2009.

- The percent of fall entering college students that completed a college level writing course in the first year has increased from 28% to 34% since 2009.

- The percent of fall entering university students that completed a college level math course in the first year has decreased from 43% to 40% since 2009.

- The percent of fall entering university students that completed a college level writing course in the first year has decreased from 53% to 45% since 2009.

SUMMARY OF KEY DATA POINTS

- Students of Color and American Indian students have college level math course completion rates that are increasing at the state colleges and stable at the state universities.

- The gap in college level math course completion rates between Students of Color and American Indian students as compared to white students at the universities decreased from 14% for fall 2009 to 11% for fall 2016.

- The gap in college level writing course completion rates between Students of Color and American Indian students as compared to white students at the colleges decreased from 8% for fall 2009 to 3% for fall 2016.

2017 LEGISLATIVE DEVELOPMENTAL EDUCATION PLAN REQUIREMENT

Create a plan to reform developmental education to include but not be limited to:

(1) a systemwide multiple measures placement plan;

(2) uniform cut scores for student placement;

(3) other identified system policy changes, including an appeals process;

(4) accelerated pathways in mathematics, reading, and composition;

(5) comprehensive examination of the cost structure of developmental education; and

(6) identified best practices and targeted support strategies.

Plan must include deadlines for implementation and report submitted by February 15, 2018. Entire plan shall be implemented by the start of the 2020-2021 academic term.

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STRATEGIC GOAL 1

- **Improve student completion of developmental education and entry into college-level courses by redesigning developmental education curricula to include an acceleration option.**

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STRATEGIC GOAL 2

- **Improve the accuracy of course placement by implementing a multiple measures placement program at all colleges and universities.**

STRATEGIC GOAL 3

- Improve student success in developmental education by developing a comprehensive student support system for students in developmental education programs.

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STRATEGIC GOAL 4

- **Increase college readiness of high school graduates attending Minnesota State campuses by partnering with secondary partners.**

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STRATEGIC QUESTIONS FOR CONSIDERATION AND DISCUSSION

- What additional suggestions does the Board have to ensure effective implementation of this roadmap?
- What type of ongoing reporting would the Board like to see next year as we implement this strategy?

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COMMITTEE MOTION

The Academic and Student Affairs Committee recommends that the Board of Trustees endorse the 2018 Developmental Education Strategic Roadmap and charge the chancellor with establishing the appropriate oversight structure and system procedures necessary to support its implementation.

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BACKGROUND MATERIALS

MINNESOTA STATE

OVERVIEW OF DEVELOPMENT EDUCATION

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Developmental education is integrated academic and support programming provided to increase student success

- Developmental education is more than a series of precollege-level courses aimed at closing gaps in academic preparedness. It also includes:
  - Personal development
  - Academic development, and
  - Support services and interventions

- Developmental education is based upon research findings in cognitive and developmental psychology

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Developmental education, sometimes referred to as remedial education, consists of a series of precollege-level courses in reading, writing, mathematics, and English for Speakers of Other Language courses, as well as academic support services and interventions designed to develop students' skills and prepare them for college-level coursework. Although developmental education courses are offered for credit, the credits do not count toward the requirements of degrees, diplomas or certificates.

Students who are eligible for need-based financial aid can use that aid for developmental ESOL courses and for up to thirty credits of developmental reading, writing, and mathematics coursework.

Developmental education has a long and diverse history, dating back to the early 1700s. A 1889 study found that nearly 80 percent of all colleges at that time provided some version of a college preparatory (i.e., developmental education) program. It was estimated in 1894 that 40 percent of all first-year students were enrolled in such preparatory coursework.

Throughout the years, federal legislation has increased access to postsecondary education to diverse groups of students.

- In the 20th century, the GI Bill of Rights increased access to higher education for 2.5 million veterans.
- The Higher Education Act of 1965 made financial aid available to greater numbers of middle-class and low-income students.

Developmental education continues to be a critical support for these and other students.

Currently, 75% of all U.S. postsecondary institutions offer developmental education courses, and it is estimated that 28-40% of all new, first-time college students enrolls in one or more developmental education courses.

According to the Minnesota Office of Higher Education's 2016 *Getting Prepared* report, 26% of Minnesota's 2013 public high school graduates enrolled in developmental education courses upon enrolling in college. Across all higher education institutions in the state, the percent of recent high school graduates who enrolled in developmental education within two years of graduating has has decreased from 29 to 26 percent between 2007 and 2013. Among those graduates who enrolled in developmental education:

- 85% enrolled at a two-year college
- 12% enrolled at a state university
- 2% enrolled at a private college
- 1% enrolled at the U of M
- 1% enrolled at a for-profit college or university

Public two-year colleges (Minnesota State colleges) show the percent of high school graduates participating in developmental education courses within two years of graduating ranging from a low of 49 percent in 2013 to a high of 55 percent in 2010.

Developmental education is critical in addressing academic preparation gaps and outcome disparities

- Disparities in academic outcomes follow students from high school to college
- There are significant disparities in college readiness among our new entering students
- Appropriate academic preparation is critical to the success of college and university students
- Our colleges and universities have a responsibility to meet students where they are when they enter our doors, and support their progression through their chosen educational pathway
- Development education addresses the gap between a student's prior academic preparation and the preparation needed to succeed in college-level coursework

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Minnesota State's mission as the public-serving post-secondary education system for the state of Minnesota influences the students admitted to our colleges and universities and the delivery and options available for developmental education. Minnesota State colleges have open admission policies and admit all students with a high school diploma, regardless of academic preparation levels, which results in attracting students with a broad range of preparedness. Our universities also serve students who are academically underprepared. Consequently, Minnesota State institutions enroll many students who are not prepared to succeed at the college level.

Appropriate academic preparation is critical to the success of college and university students. Research has consistently shown that underprepared students are less successful academically and are at significantly greater risk of dropping out and leaving school before earning a degree.

Academic preparation and financial resources account for a significant portion of the completion gap among Minnesota State students. At our colleges, 2/3 of the completion gap is accounted for by these two factors alone. Among our university students, these two factors alone account for half of the completion gap.

This puts underrepresented students at particular risk, given that:

- 31.6% of new entering students of color and American Indian students enter college academically underprepared as compared to 12.6% of new entering white students, and
- 50.0% of new entering students of color and American Indian students are considered low income (based on federal grant eligibility) as compared to 19.7% of new entering white students.

As our colleges and universities have a responsibility to meet students where they are at and to help support their progression through their chosen educational pathway, developmental education is key to addressing readiness disparities and preparing students for success in their college-level coursework.

Academic preparation is assessed through multiple measures

- Board Policy 3.3: Assessment for Course Placement establishes the use of a common assessment instrument
- Procedure 3.3.1 establishes common minimum assessment scores for placement into college-level courses
- For students with scores below the established minimums, additional factors are taken into consideration
  - When taken together, the test score and other factors may result in placement directly into college-level courses

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A critical component of developmental education is the placement of students into the appropriate level of coursework, based on their academic readiness.

Board Policy 3.3 requires each college and university to establish a course placement policy and requires the chancellor to endorse a common placement testing instrument.

Current system procedure 3.3.1 defines college-level and developmental-level courses, and specifies that the College Board's Accuplacer tests are the current system endorsed placement instruments. In addition, the procedure establishes minimum scores for placement into college-level courses that are to be used by all colleges and universities, and it provides for exemptions from placement testing for students who have:
- Tested at another system college or university;
- Presented ACT scores that meet college-ready benchmarks; or
- Completed postsecondary courses that indicate a high probability of success.

Placement based on ACT test scores

System procedure 3.3.1, Part 6, Subpart C provides for an exemption from taking all or portions of the system-endorsed placement instrument if a student scores at or above college-ready benchmarks established by ACT. In accordance with that procedure, a student who obtains the following minimum scores or higher shall be placed in the corresponding college-level course(s):

- Reading: A student who presents a reading subject area test score of 21 or higher shall be placed in courses that designate college-level reading skills as a prerequisite;
- Writing: A student who presents an English subject area test score of 18 or higher shall be placed in courses that designate college-level writing skills as a prerequisite; and
- Mathematics: A student who presents a mathematics subject area test score of 22 or higher shall be placed in College Algebra.

The procedures also allows for a system college or university to establish lower minimum score(s) for placement into introductory college-level mathematics courses other than College Algebra and for developmental mathematics courses.

Placement based on SAT and Minnesota Comprehensive Assessments scores
2016 legislation requires Minnesota State to also consider SAT scores results and Minnesota Comprehensive Assessments (MCAs) scores in reading and mathematics within the course placement process. Students who demonstrate college-ready scores in subject areas on the SAT and/or MCAs are placed into the corresponding college-level courses.

Increasing capacity for extended multiple measures assessment
The colleges and universities of Minnesota State continue to improve the course placement process in their ongoing efforts to increase the accuracy and effectiveness of course placement. Research has indicated that the use of a single placement test results in some students being placed into courses that are not well matched to their needs or academic abilities. As an initial step to improve course placement the Minnesota State system has begun integrating non-cognitive questions into the Accuplacer assessment. These questions are used in the placement decision, augmenting the students' test scores.
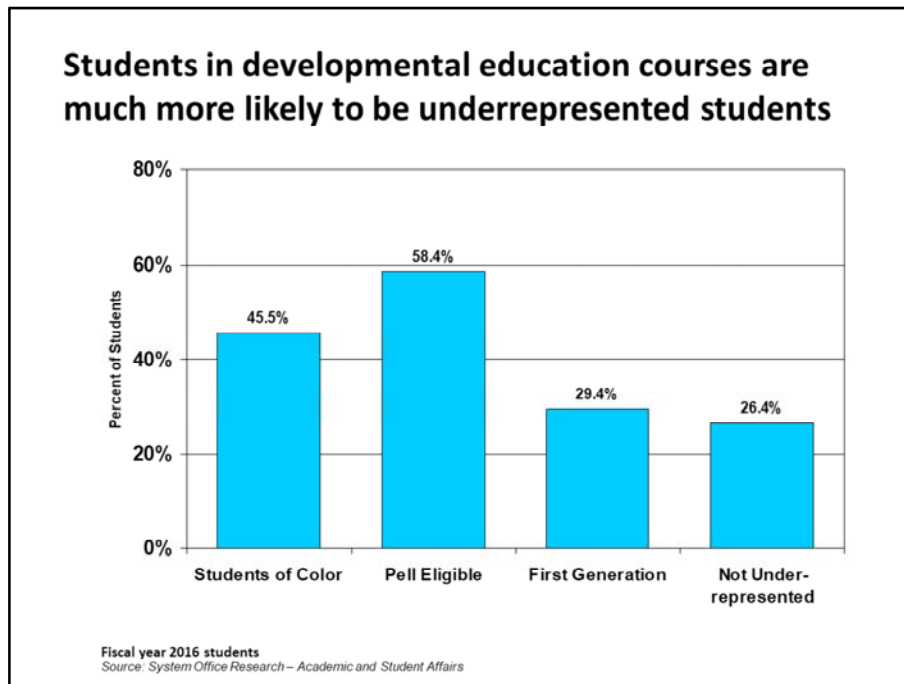
Colleges and universities across Minnesota State are increasing their capacity to develop and implement a more robust course placement process that embeds additional measures of academic readiness. This expanded approach considers multiple measures beyond Accuplacer test scores to determine student course placement. Minnesota State is currently in the process of considering additional measures such as:

- ACT/SAT scores
- High school GPA
- High school courses completed and grades
- Non-cognitive assessments

As a part of the Developmental Education Strategic Roadmap, Minnesota State will develop a comprehensive multiple measures course placement program.

Students in developmental education courses are much more likely to be underrepresented students

Percent of Students

- Students of Color: 45.5%
- Pell Eligible: 58.4%
- First Generation: 29.4%
- Not Under-represented: 26.4%

Fiscal year 2016 students
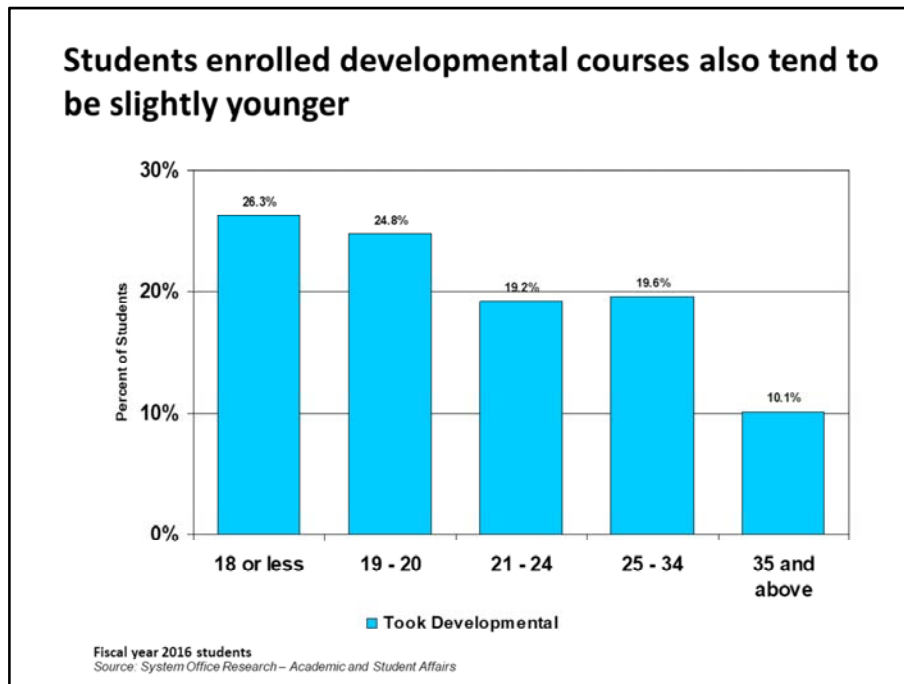Source: System Office Research – Academic and Student Affairs

In the graph above, the blue bars illustrate the characteristics of students who took developmental education courses in 2016. As the graph illustrates, students who take developmental education courses are much more likely to come from communities traditionally underrepresented in higher education.

When comparing the characteristics of students enrolled in developmental education courses to those of students not enrolled in developmental education courses, the differences are striking. Students enrolled in developmental education courses are:
- more than twice as likely to be students of color;
- almost twice as likely to be Pell eligible; and
- more likely to be first generation college students.

Students enrolled developmental courses also tend to be slightly younger

Fiscal year 2016 students
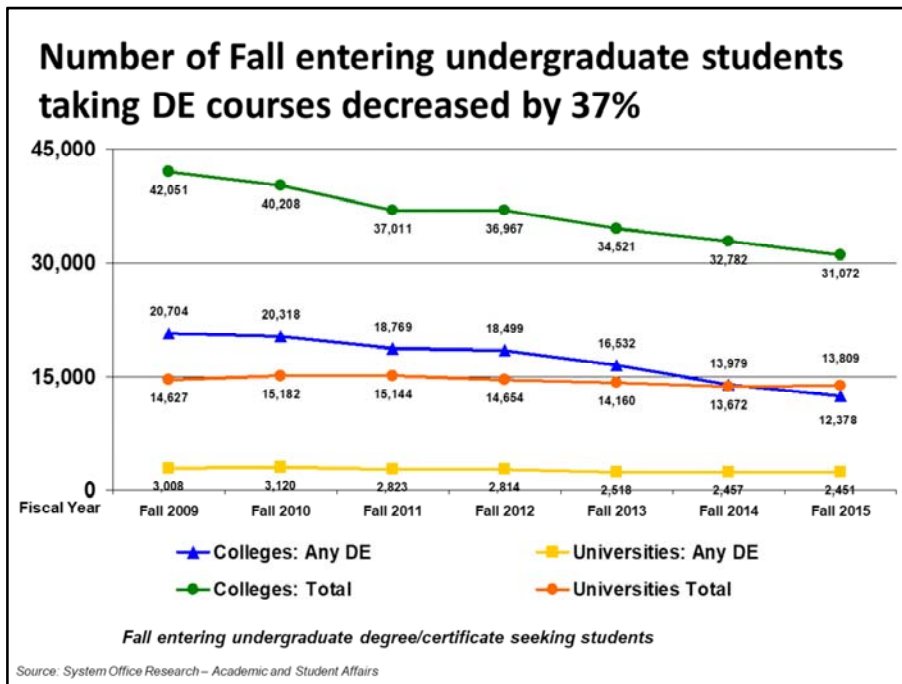Source: System Office Research – Academic and Student Affairs

Younger, more recently graduated high school students are also over-represented in developmental education.

- Seventy percent of the students who took developmental courses in fiscal year 2016 were under 25 years of age.
- This difference is a direct reflection of the open door mission of our colleges which admit any high school graduate, regardless of academic readiness.

PROFILE OF STUDENT
ENROLLMENT AND
COMPLETION IN
DEVELOPMENT EDUCATION

Number of Fall entering undergraduate students taking DE courses decreased by 37%

Fall entering undergraduate degree/certificate seeking students

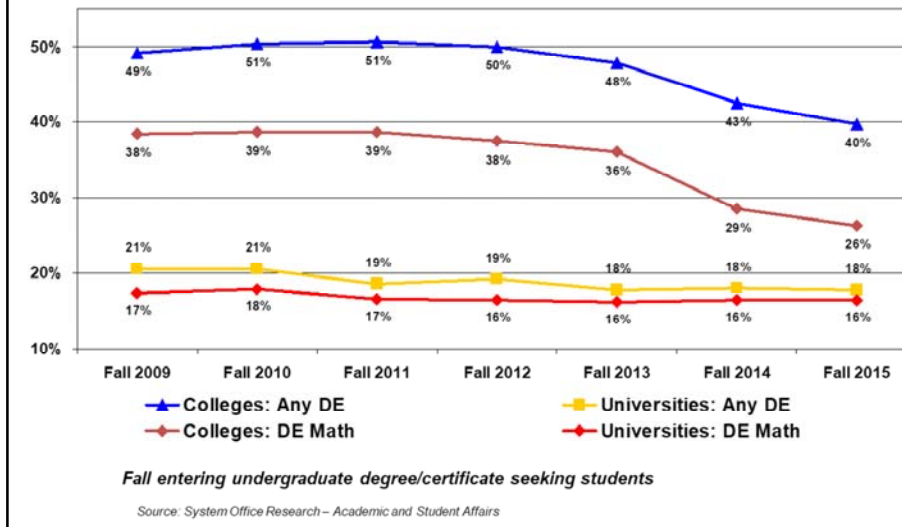Source: System Office Research – Academic and Student Affairs

The number of fall entering undergraduate degree and certificate seeking students that took one or more developmental education courses in their first two years decreased by 37 percent between Fall 2009 and Fall 2016.
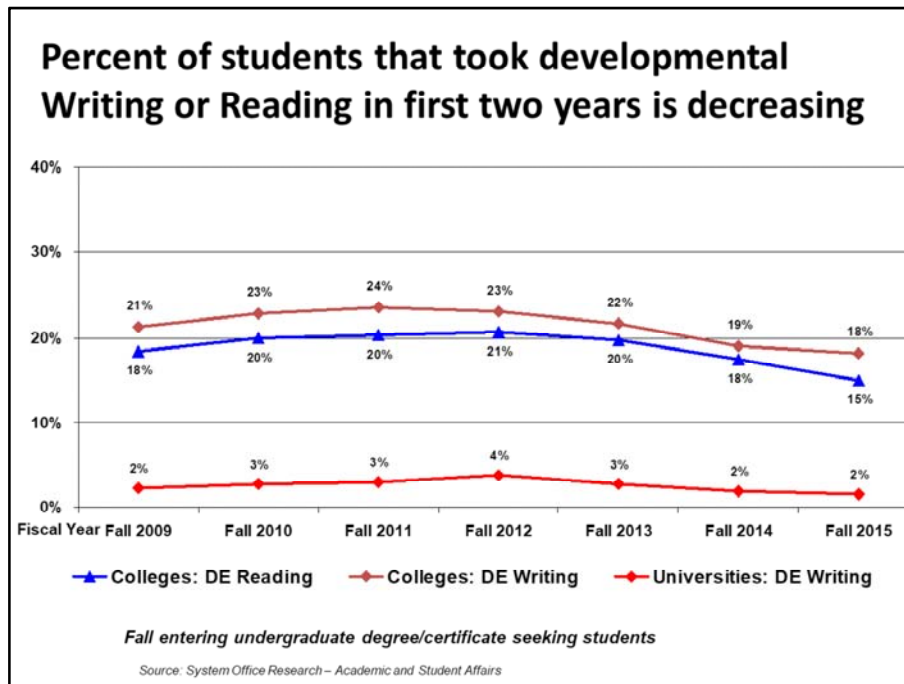
- The number of fall entering students taking developmental courses at the state colleges decreased by 40% between fall 2009 and fall 2015.
- The number of fall entering students taking developmental courses at the state universities decreased by 19% between fall 2009 and fall 2015.

Percent of students that took any developmental or developmental Math in first two years is decreasing

Fall entering undergraduate degree/certificate seeking students

Source: System Office Research – Academic and Student Affairs

The percent of fall entering degree and certificate seeking students taking developmental courses in their first two years has decreased since 2009.
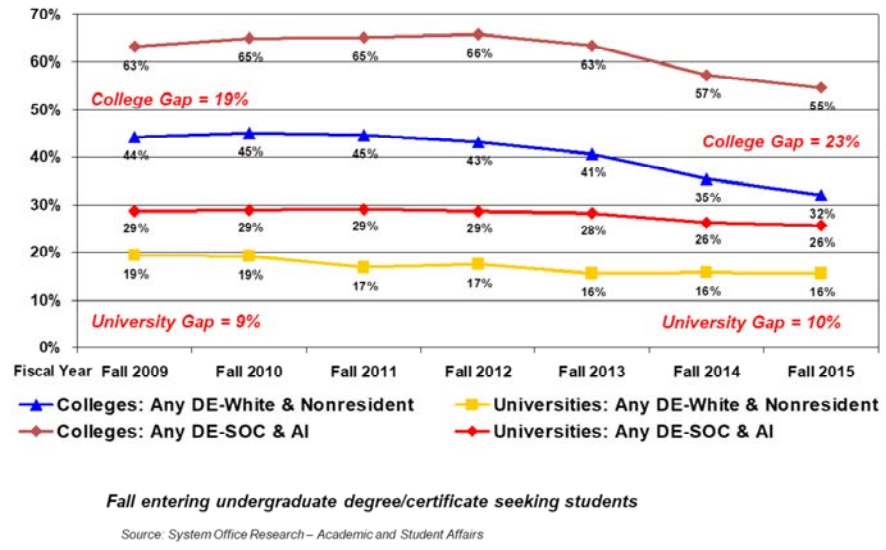
- The developmental education enrollment rate for fall entering students at the state colleges decreased from 51% for fall 2011 students to 40% for fall 2015.
- The developmental education enrollment rate for fall entering students at the state universities decreased from 21% for fall 2009 students to 18% for fall 2015.

Percent of students that took developmental Writing or Reading in first two years is decreasing

Colleges: DE Reading — Colleges: DE Writing — Universities: DE Writing

Fall entering undergraduate degree/certificate seeking students

Source: System Office Research – Academic and Student Affairs

The percent of fall entering degree and certificate seeking students taking developmental writing and reading courses in their first two years has decreased.

- The developmental writing enrollment rate for fall entering students at the state colleges decreased from 24% for fall 2011 students to 18% for fall 2015.
- The developmental reading enrollment rate for fall entering students at the state colleges decreased from 21% for fall 2012 students to 15% for fall 2015.
- The developmental writing enrollment rate for fall entering students at the state universities decreased from 4% for fall 2012 students to 2% for fall 2015.

Students of Color & American Indian students are more likely to take developmental in first two years

College Gap = 19%

College Gap = 23%

University Gap = 9%

University Gap = 10%

Fiscal Year	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015
Colleges: Any DE-SOC & AI	63%	65%	65%	66%	63%	57%	55%
Colleges: Any DE-White & Nonresident	44%	45%	45%	43%	41%	35%	32%
Universities: Any DE-SOC & AI	29%	29%	29%	29%	28%	26%	26%
Universities: Any DE-White & Nonresident	19%	19%	17%	17%	16%	16%	16%

- Colleges: Any DE-White & Nonresident
- Universities: Any DE-White & Nonresident
- Colleges: Any DE-SOC & AI
- Universities: Any DE-SOC & AI

Fall entering undergraduate degree/certificate seeking students

Source: System Office Research – Academic and Student Affairs

Students of Color and American Indian students have decreasing developmental course enrollment rates, but their rates are 10% to 23% higher than the rates for white students and the gaps have increased since 2009.
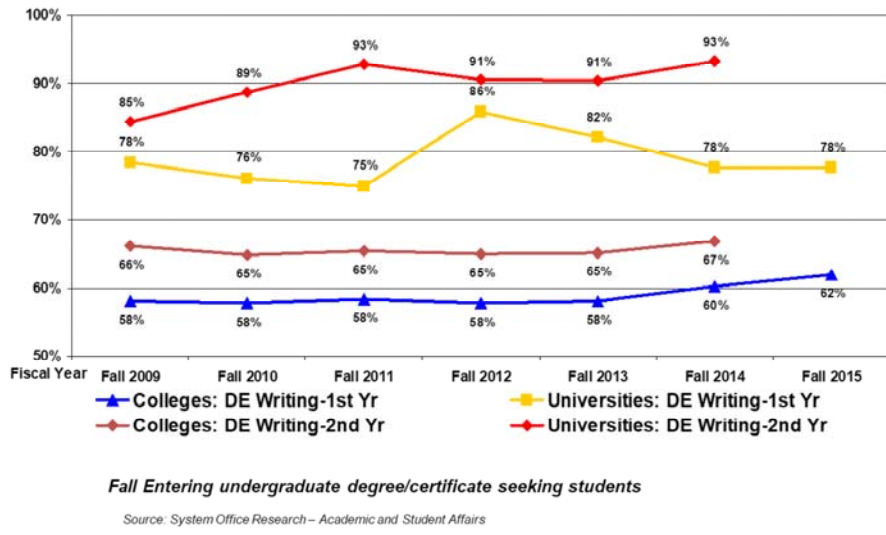- The developmental course enrollment rate for Students of Color and American Indian students at the state colleges decreased from 66% for fall 2012 to 55% for fall 2015.
- The developmental course enrollment rate for Students of Color and American Indian students at the state universities decreased from 29% for fall 2009 to 26% for fall 2015.
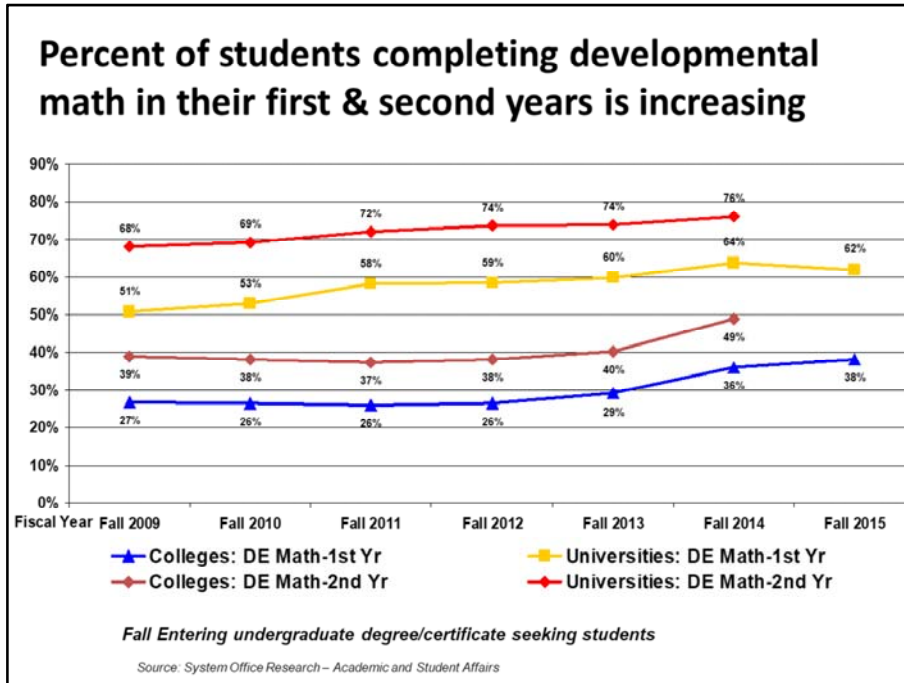
Percent of students completing developmental math in their first & second years is increasing

The percent of fall entering students that completed their developmental math courses in the first year increased from 27% to 38% at the colleges and from 51% to 62% at the universities.
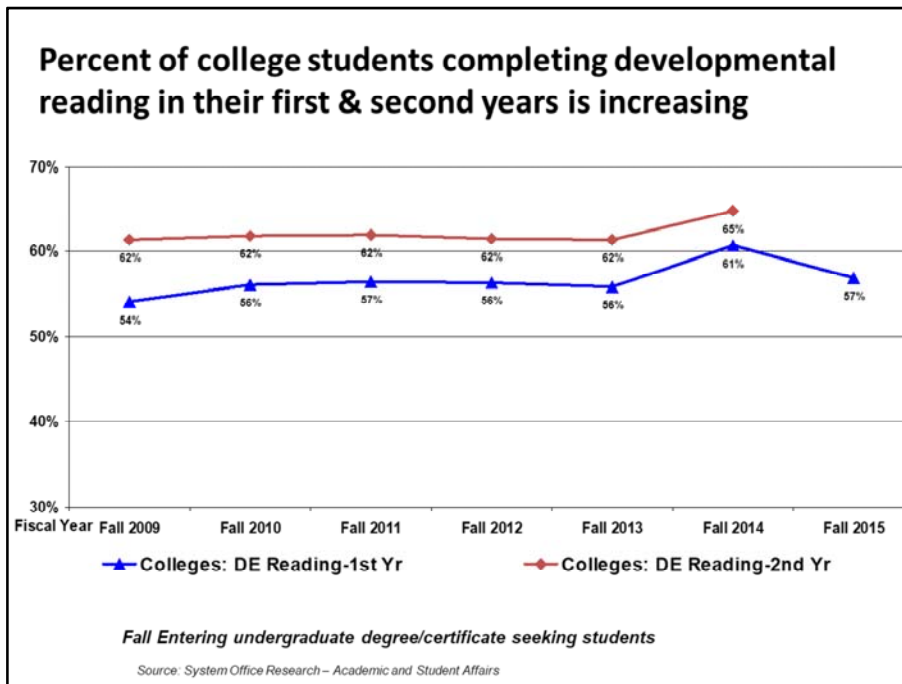
- The percent of fall entering state college students that completed their developmental math courses in the second year reached 49% for Fall 2014.
- The percent of fall entering state university students that completed their developmental math courses in the second year reached 76% for Fall 2014.

Percent of students completing developmental writing in their first & second years is increasing

Fall Entering undergraduate degree/certificate seeking students

Source: System Office Research – Academic and Student Affairs
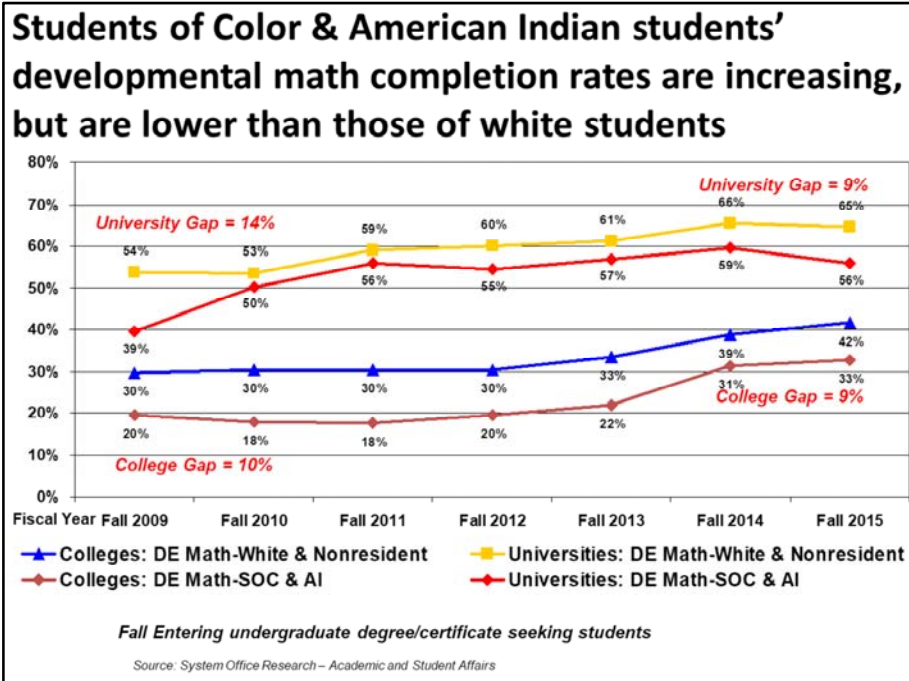
The percent of fall entering students that completed their developmental writing courses in the first year increased from 58% to 62% at the colleges and fluctuated between 75% to 86% at the universities.

- The percent of fall entering state college students that completed their developmental writing courses in the second year reached 67% for Fall 2014.
- The percent of fall entering state university students that completed their developmental writing courses in the second year reached 93% for Fall 2014.

Percent of college students completing developmental reading in their first & second years is increasing

Fall Entering undergraduate degree/certificate seeking students

Source: System Office Research – Academic and Student Affairs

The percent of state college fall entering students that completed their developmental reading courses in the first year increased from 54% to 57% between fall 2009 and fall 2015.
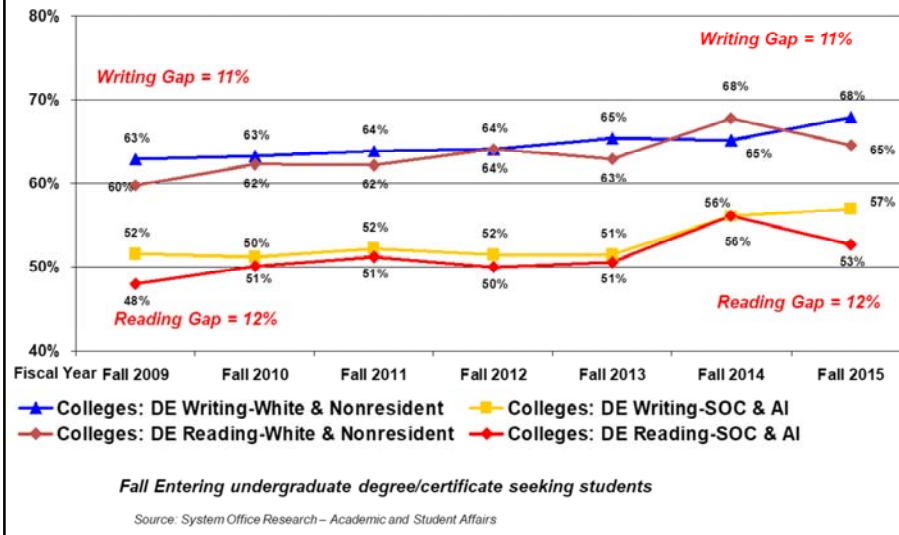
- The percent of fall entering state college students that completed their developmental reading courses in the second year reached 65% for Fall 2014.
- The state universities do not offer developmental reading courses.

Students of Color and American Indian students have developmental math course completion rates that are increasing, but their rates are 9% lower than the rates for white students.
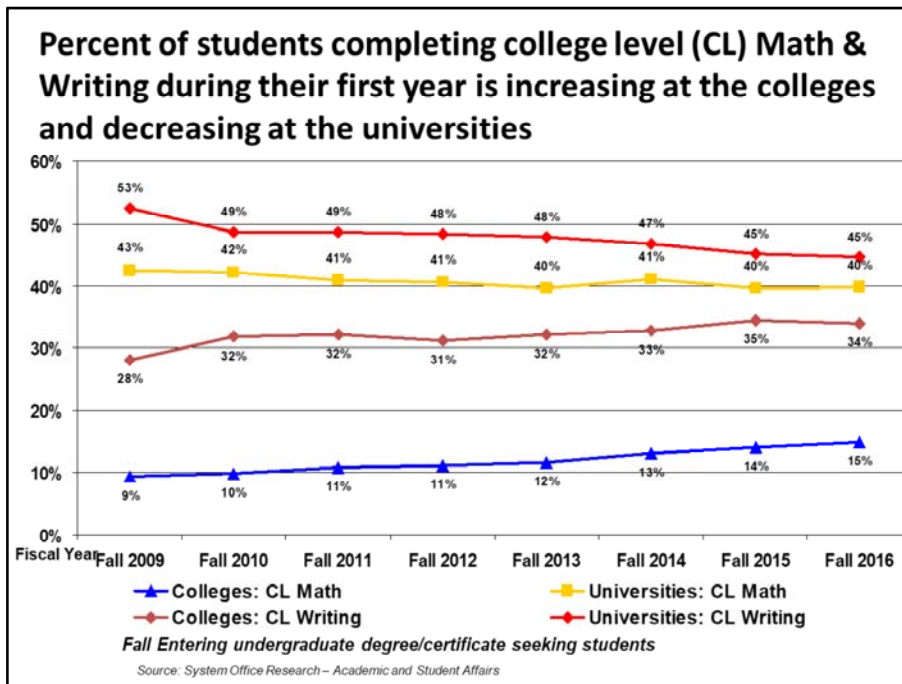
- The percent of fall entering state college Students of Color and American Indian students that completed their developmental math courses in the first year increased from 18% for Fall 2011 to 33% for fall 2015.
- The percent of fall entering state university Students of Color and American Indian students that completed their developmental math courses in the first year increased from 39% for Fall 2009 to 56% for fall 2015.
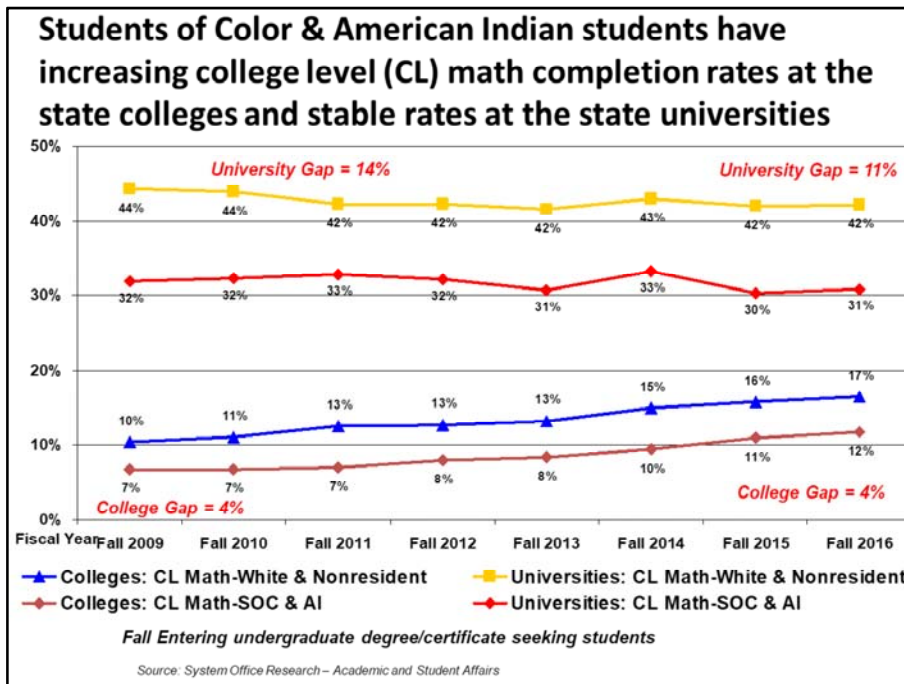
Students of Color and American Indian students at the state colleges have developmental reading and writing course completion rates that are increasing, but their rates are 11% to 12% lower than the rates for white students.

- The percent of fall entering state college Students of Color and American Indian students that completed their developmental writing courses in the first year increased from 52% for Fall 2011 to 57% for fall 2015.
- The percent of fall entering state college Students of Color and American Indian students that completed their developmental reading courses in the first year increased from 48% for Fall 2009 to 53% for fall 2015.
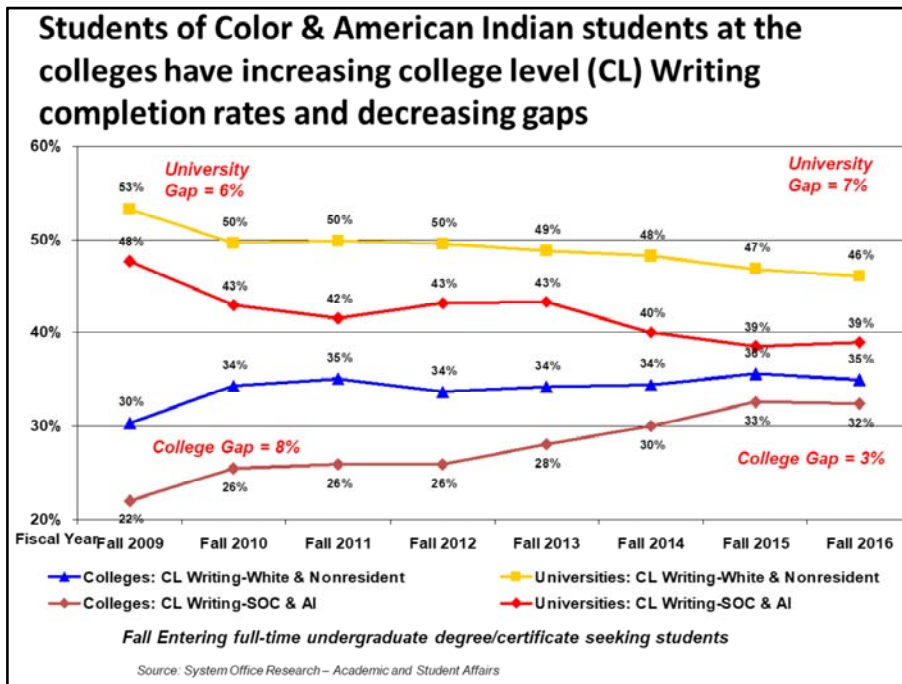
Percent of students completing college level Math & Writing during their first year is increasing at the colleges and decreasing at the universities.

- The percent of fall entering college students that completed a college level math course in the first year has increased from 9% to 15% since 2009.
- The percent of fall entering college students that completed a college level writing course in the first year has increased from 28% to 34% since 2009.
- The percent of fall entering university students that completed a college level math course in the first year has decreased from 43% to 40% since 2009.
- The percent of fall entering university students that completed a college level writing course in the first year has decreased from 53% to 45% since 2009.

Students of Color & American Indian students have increasing college level (CL) math completion rates at the state colleges and stable rates at the state universities

Source: System Office Research – Academic and Student Affairs

Students of Color and American Indian students have college level math course completion rates that are 4% lower than white students at the colleges and 11% lower that white students at the universities.

- The percent of fall entering state college Students of Color and American Indian students that completed a college level math course in the first year increased from 7% for Fall 2009 to 12% for fall 2015.
- The percent of fall entering state university Students of Color and American Indian students that completed a college level math course in the first year has ranged from 30% to 33% between fall 2009 and fall 2015.

Students of Color & American Indian students at the colleges have increasing college level (CL) Writing completion rates and decreasing gaps

Source: System Office Research – Academic and Student Affairs

Students of Color and American Indian students have increasing college level writing course completion rates at the state colleges and decreasing gaps with white students.

- The percent of fall entering state college Students of Color and American Indian students that completed a college level writing course in the first year increased from 22% for Fall 2009 to 32% for fall 2015 and the gap with white students dropped from 8% to 3%.
- The percent of fall entering state university Students of Color and American Indian students that completed a college level writing course in the first year decreased from 48% to 39% between Fall 2009 and fall 2015.

PROFILE OF DEVELOPMENTAL EDUCATION PROGRAMS ON OUR CAMPUSES

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Developmental education is delivered at both our colleges and our universities

- Developmental education programs typically include the following components:
  - Assessment of academic preparation for purposes of appropriate course placement
  - One or more credit-based courses in core areas of reading, writing, and mathematics
  - Focused tutoring and academic supports available outside of class

- Although colleges and universities both offer developmental education programs, the vast majority of development education is delivered by our colleges
  - 92% of developmental education FYE enrollment is delivered by the colleges

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As noted in an earlier slide, Minnesota State colleges offer developmental education courses in reading, writing, mathematics, and English for Speakers of Other Languages.

Minnesota State universities may offer development education courses in writing, mathematics, and English for Speakers of Other Languages. They do not offer developmental reading courses.

Campuses have been innovating in developmental education based on proven practices

- Using multiple measures in addition to test scores to place students
- Redesigning curriculum to provide accelerated options and speed student completion
- Emphasizing the improvement of reading skills first
- Aligning college mathematics courses with specific program requirements
- Implementing early alert systems, intensive advising, focused academic support, and peer and professional tutoring

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There has been an ongoing conversation both in Minnesota and nationally about the challenges facing developmental education. As a result of these discussions, there has been a movement to redesign and innovate developmental education programs.

The colleges and universities of Minnesota State have been utilizing national research, as well as our own campus data, to inform our redesign efforts.

Recent research at several of our colleges suggests that:
- In addition to test scores from a placement test such as the Accuplacer, using multiple measures of student readiness can improve course placement.
- Students are best served by building their reading skills prior to focusing on building their mathematics skills.
- Student completion of developmental education can be enhanced and expedited by accelerating the number of courses included in a developmental course sequences through curricular redesign, and/or delivering those courses concurrently with college-level courses.
- Success in developmental mathematics can by improved when these courses are

more closely aligned with program requirements.

In addition, national research suggests approaches that parallel that of our colleges and universities:

- Accelerated approaches are designed to limit the time students spend on developmental education by combining courses and/or creating co-requisite courses that can be completed in one semester instead of two.
- Expanded student support approaches, such as early alert notification to students with academic or attendance problems, intensive advising, personalized counseling, professionally staffed academic centers, and peer and professional tutoring, enhance classroom learning and lead to improved outcomes.
- Contextualized approaches pair developmental education courses with discipline-based courses to provide contextualization of instruction in reading, writing, or mathematics. For example, when a college-level introduction to sociology course is paired with a developmental reading course to form a learning community, students get the benefit of the contextualized and integrated application of reading instruction within the context of reading in sociology, as well as the benefit of the social and academic engagement gained by participating in a learning community.
- Modularized approaches provide students the opportunity to move through concepts and skills at their own pace and to focus on specific areas of skill deficiency.
- Early assessment and intervention approaches create partnerships between postsecondary schools and colleges and universities to align assessments and curriculum so that more high school students graduate college-ready.

The majority of our campuses are deploying two or more of the above approaches, and all are tracking the impact of these innovations on the success of their students. This information is then used to adapt and improve campus practice.

Development education is consistently a focal point in campus strategic planning
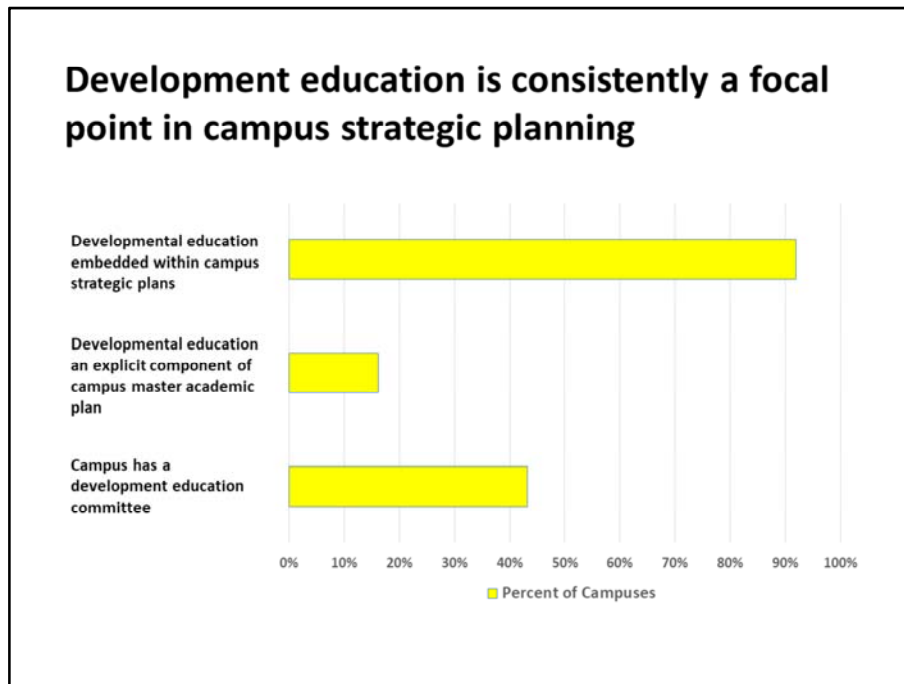
Informational interviews from spring of 2015 showed that all 37 Minnesota State colleges and universities illustrates the centrality of developmental education and its important role in serving Minnesota State students.

- As the slide above indicates, 92% of campuses include developmental education as part of their overall focus on student success in their campus strategic plans.
- Six of the campuses have a master academic plan that includes explicit goals for developmental education.
- 16 campuses have a developmental education committee.

Campus innovations in developmental reading take a number of forms
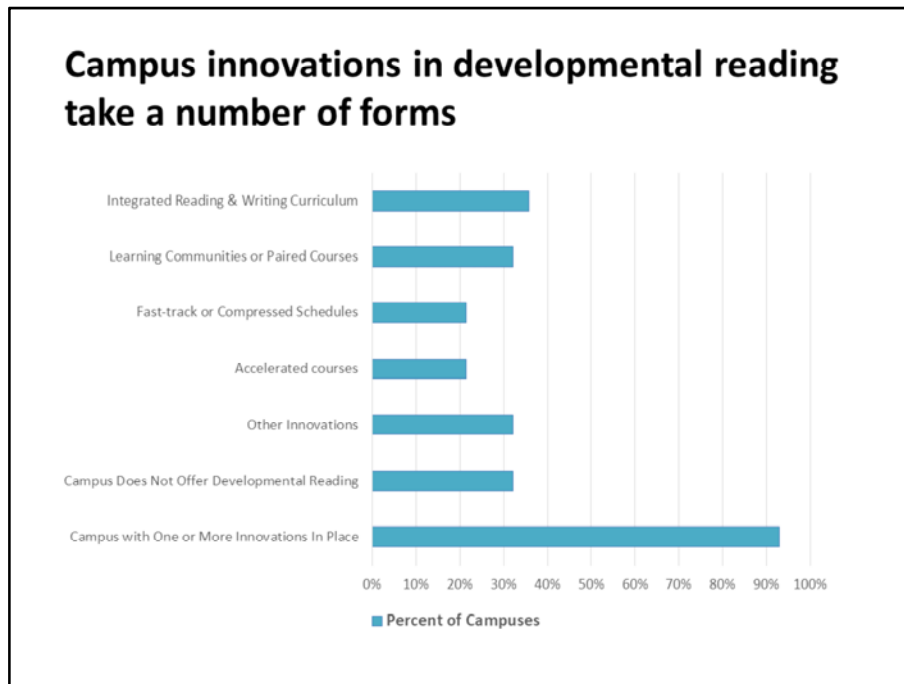
Developmental reading courses are offered only at our colleges. While our universities offer developmental writing and mathematics courses, they do not offer developmental reading courses.

Among our college campuses offering developmental reading instruction:
- 10 campuses offer an integrated reading and writing course or course sequence
- 9 campuses offer learning communities or paired courses, where a developmental reading course is paired with a college-level course and/or a student success course
- 6 campuses offer a fast-track model, where two courses are offered sequentially within a single semester
- 6 campuses offer an accelerated approach, providing a one-course sequence in developmental reading
- 9 campuses are implementing a variety of other reading instruction innovations
- 9 campuses do not offer developmental reading instruction

26 of 28 campuses that offer reading curriculum have one or more innovations in place

<u>Definitions</u>
Integrated reading and writing course(s) blend reading and writing curriculum, allowing students to address their learning needs for both content areas through a single developmental education course or sequence of courses.

Learning communities or paired courses involve coupling courses with similar or related requirements (e.g., a literature course and a developmental writing course; a developmental reading course and a general education course). This type of pairing allows students to learn within a community, experience an integrated learning environment, and apply knowledge and learning across disciplines.

Fast-track or compressed schedules allow students to complete two developmental education courses in one semester. Courses are scheduled sequentially, often compressing a full semester course into a half-semester.

Accelerated courses combine content from multiple developmental education levels into a single course in which students can complete within one semester. To ensure that the institution can meet the broad range of learning needs of the students, some campuses offer one-semester courses with varying credit options based on students' academic readiness.

Campus innovations in developmental writing take a number of forms
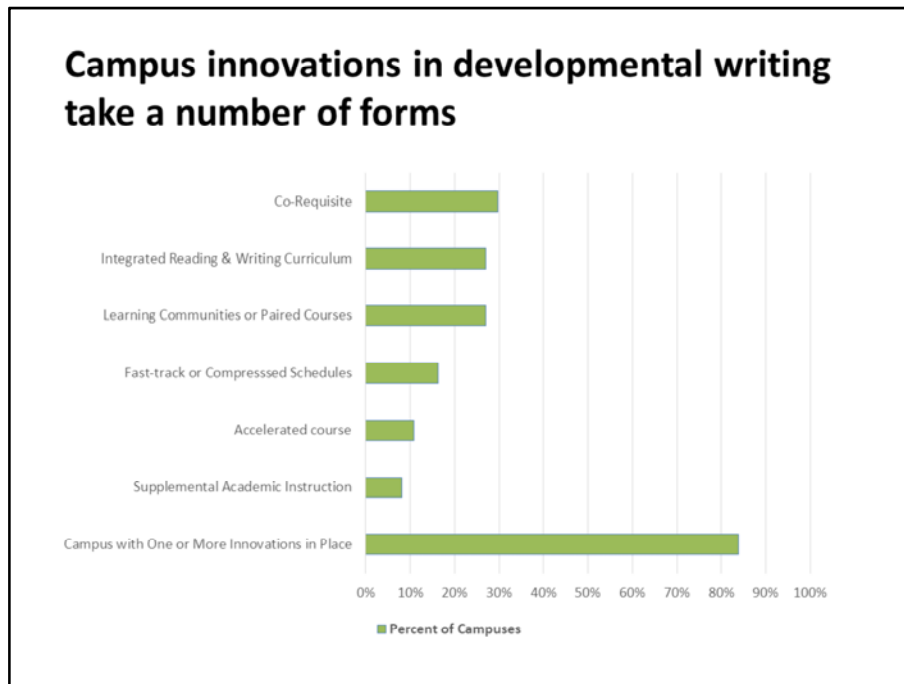
Among our campuses, developmental writing instruction takes a number of forms:
- 11 campuses are using the accelerated learning program model (also known as the co-requisite model)
- 10 campuses offer an integrated reading and writing course or course sequence
- 10 campuses offer learning communities or paired courses, where a developmental writing course is paired with a college-level course and/or a student success course
- 6 campuses offer a fast-track model, where two courses are offered sequentially within a single semester
- 4 campuses offer accelerated courses, providing a one-course sequence in developmental writing
- 3 campuses offer supplemental instruction, where students receive supplemental support

31 campuses have one or more innovations in place

Additional Definitions

Accelerated models are designed to increase students' progress through developmental education over a shorter period of time. There are a number of different acceleration models being employed across our campuses. Some models enroll students immediately into college-level courses while providing supplemental supports. Other models combine content from multiple developmental education levels into a single course (accelerated course), while other models compress the course content over a shorter period of time, allowing students to complete multiple courses within one semester (fast-track or compressed).

Of the accelerated models, a number of our campuses are implementing a **co-requisite model**, such as the Accelerated Learning Program model, or **supplemental academic instruction**. Under these models, students enroll directly in college-level courses and utilize supplemental supports and instruction. This supplemental support can come in the form of a mandatory companion class, required outside lab sessions, integrated tutorial support, and/or additional class sessions.
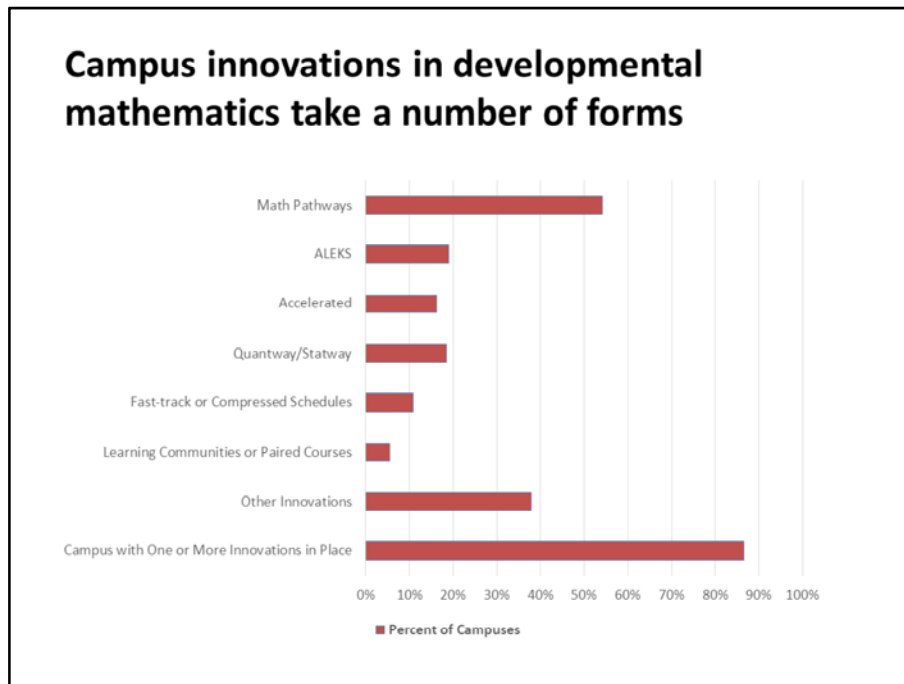
Among our campuses, developmental mathematics instruction takes a number of forms:

- 20 campuses have multiple math pathways defined, focusing preparation to the needs of particular programs
- 7 campuses are using ALEKS, a computerized, tailored instructional program
- 6 campuses offer an accelerated approach, providing a one-course sequence in developmental mathematics
- 5 campuses are implementing the Quantway or Statway program
- 4 campuses offer a fast-track model, where two courses are offered sequentially within a single semester
- 2 campuses offer learning communities or paired courses, where a developmental mathematics course is paired with a college-level course and/or a student success course
- 14 campuses are implementing a variety of other mathematics instructional innovations

32 campuses have one or more innovations in place

Additional Definitions

Math pathways provide different developmental course sequences for students pursuing differed degree pathways. While one pathway may lead to college-level courses in algebra,

others focus on preparing students for statistics, and/or quantitative reasoning. Additionally, many campuses with technical programs have program mathematics requirements that are satisfied without reaching college-level mathematics preparation.

The **Assessment and Learning in Knowledge Space (ALEKS)** program, a web-based, artificial intelligent assessment and learning system, diagnoses learning gaps for students and provides tailored instructional materials that addresses the individual learning needs of each student. In this program, a semester-long course is broken down into smaller, competency-based units that allow students to spend time addressing specific skill deficits.

The **Statway** and **Quantway** programs are based on a contextualized instruction model in which students learn developmental math concepts in the context of college-level curriculum. These programs are advanced by the Carnegie Foundation for the Advancement of Teaching, and promote the development of a growth mindset and the creation of holistic learning environments. The Statway program focuses on statistics, data analysis, and causal reasoning, while the Quantway program focuses on quantitative reasoning.

> ## Campus innovations in academic and student support strategies take a number of forms
>
> - Early alert systems
> - Intensive academic advising
> - Academic support provided by Academic Learning Centers and Student Support Centers
> - Tutors embedded into courses (supplemental academic instruction)
> - Peer and professional tutoring
>
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Wrap-around academic and student support strategies are critical to increasing the success of students in developmental education courses. Campuses have implemented one or more of the following types of innovations to support student success:

- **Early alert systems**, where faculty members monitor students' academic progress and attendance early in the semester and are able to alert students so that appropriate interventions (i.e., advising, academic support, tutoring, counseling, etc.) can be provided where needed.
- **Intensive academic advising**, where students are required or have the option to receive academic advising from an advisor or counselor. In many cases, specific advisors or counselors are assigned to specific courses and/or programs, allowing students the ability to connect with a specific person to enhance rapport, engagement, and advising.
- **Academic support** that are provided by Academic Learning Centers and Student Support Centers (i.e., writing center, mathematics center, reading center).
- **Tutors embedded into courses** (supplemental academic instruction) where tutors provide academic support to students before, during, and after classes to support students in their courses.
- **Peer and professional tutoring** that are available to support students in their courses.

Campus innovations focus on partnerships and programs to increase students' college readiness

- Partner with K12 to better prepare high school students for post-secondary education
    - Improving alignment between K-12 and postsecondary in assessments and curriculum

- Partner with Adult Basic Education, workforce centers, businesses and industries, and community organizations

- Bridging options that increases placement into college-level courses

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We also know that we cannot address academic preparation alone and our system is working closely with our external partners to increase the career and college readiness of students arriving to our colleges and universities.

Minnesota State colleges and universities are collaborating with their K-12 partners to improve practice and curriculum alignment so that we can ensure that more high school students graduate career and college-ready. In addition, the colleges and universities of Minnesota State continue to partner with their local adult basic education, workforce centers, businesses, and industries to build seamless transitions into Minnesota State institutions. The system continues to collaborate with the Minnesota Department of Education Adult Basic Education, the Department of Employment and Economic Development, other state agencies, and community-based organizations to improve college transitions for our students.

Secondary/Post-secondary alignment
Currently, high school graduation alone does not equate to college readiness. To close this gap, Minnesota State continues to work with secondary partners to improve practice and curriculum alignment and ensure that more high school

students graduate college-ready.

Specific secondary-postsecondary partnership efforts include:
- Aligning high school assessments with measures of readiness for post-secondary education
- Providing targeted support during high school to those students who are not on track to graduate college-ready
- Increasing opportunity to earn college credits before high school graduation (for those high school students ready for post-secondary education prior to high school graduation)
- Better aligning students' educational plans with college readiness requirements and workforce needs

Partnerships

Minnesota State colleges and universities are working hand-in-hand with Adult Basic Education, workforce centers, businesses and industries, and/or community based organizations to not only increase college readiness but also ensure successful transitions into college. Partnerships include information or programs that increase students' knowledge of college processes and expectations.

Bridging options

Campuses are offering various types of bridging options that enable incoming developmental students to enter as new college students with college-ready skills, thus reducing the need for developmental education course enrollment and subsequent cost. These include partnership with Adult Basic Education to offer non-credit classes, summer bridge programs, summer bootcamps, Accuplacer prep, etc.

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Audit Committee
January 23, 2018
4:00 p.m.
McCormick Room

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 November 14, 2016 (pages 1-5)**
2. **Federal Student Financial Aid Audit Results (pages 6-14)**

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

Bolded items indicate action is required.

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

Audit Committee Members Absent: none

Others Present: Trustees Abdulrahmane Abdul-Aziz, Alex Cirillo (phone), Jay Cowles, Dawn Erlandson, Roger Moe, Louise Sundin, and Cheryl Tefer

The Minnesota State Colleges and Universities Audit Committee held its meeting on November 14, 2017, at Southwest Minnesota State University in Marshall, Minnesota. Chair Vekich called the meeting to order at 1:30 p.m.

1. **Minutes of October 18, 2017**
   The minutes of the October 18, 2017 audit committee were approved as published.

2. **FY2017 and FY2016 Audited Financial Statements**
   Trustee Vekich began by noting that the audited financial statement materials contained a significant adjustment due to GASB 67 and 68, dealing with unfunded liabilities for pension funds. It is a significant adjustment for Minnesota State, but it is also a non-cash event, which means the liability and operations have been charged for it but there will not be a cash exchange. In light of the impact to the financials, Trustee Vekich asked Vice Chancellor Laura King to address the Moody ratings and how these adjustments will affect those ratings. He also asked Mr. Loberg to address how other higher education institutions have addressed these adjustments.

   Mr. Eric Wion, Interim Executive Director for Internal Auditing, explained that the system had contracted with CliftonLarsonAllen to provide audits of the systemwide financial statement, the revenue fund financial statement, St. Cloud State University financial statement and Itasca Community College Student Housing audit. He stated the audit committee members had received copies of all four sets of financial statements prior to the meeting, and he added that he and Vice Chancellor King had met with each member of the audit committee to review the individual financial statements.

   Mr. Wion stated that board policy requires that the audit committee review and discuss the results of the audit engagement with the auditors prior to recommending that the Board release the financial statements. Once released, the financial statements get incorporated into the State of Minnesota's financial statements.

Mr. Wion introduced Mr. Don Loberg, Partner with CliftonLarsonAllen. Mr. Loberg introduced Ms. Brenda Scherer and Mr. Daniel Persaud. Mr. Loberg stated that the audit process went really well.

Mr. Loberg explained the responsibilities of the external auditors. He stated that they would opine on the fairness of the financial statements as a whole. Part of the audit is understanding the key internal controls but they do not give an opinion on them. He stated that they do test controls on a rotating process.

Mr. Persaud reviewed the scope of the audit and the audit approach. The audit is conducted on a risk based approach. He noted that they conduct audits on a rotation of procedures so that all colleges and universities are included over a three year basis as well as rotating audit areas so that each college and university is included in some form each year.

Mr. Persaud stated that they do some IT procedures within the system to understand how the system is operating but they do not opine on the controls. He stated that they also do internal controls to gain an understanding of design and a walkthrough of effectiveness as well as expanded tests of certain controls. Finally he stated that they rely on other independent auditors for work that they have done, such as foundation audits.

Ms. Scherer began by thanking Ms. Denise Kirkeby and her team for their work and assistance. Ms. Scherer reviewed the audit results for the systemwide audit. She stated that there were no material audit adjustments, no material weaknesses, and no significant deficiencies. They issued an unmodified opinion on the financial statements which is the highest level of assurance you can have on a financial statement.

Ms. Scherer reviewed the results for the St. Cloud State University financial statement audit. She stated that they had issued an unmodified opinion, and there were no material weaknesses. She reviewed one significant deficiency having to do with the food services contract.

Mr. Persaud reviewed the Revenue Fund audit and reported that they had issued an unmodified opinion, and there were no material weaknesses or significant deficiencies. He stated that for the Itasca Community College Student Housing audit they had issued an unmodified opinion as well, with no material weaknesses and one significant deficiency.

Mr. Loberg talked about the Student Financial Aid Testing. He stated that although they are not ready to present the results, he wanted to let the committee know that they were significantly further along at this point than they had been in previous years. He noted that the financial aid staff on campuses thought that changes this year had been a much better process, and he hoped that next year they might be able to present these results along with the financial statements audit results.

2

Mr. Loberg presented the required governance communication letter. He noted that there were a number of estimates on the financial statements but they tested those significant estimates and felt confident with the estimates. There were no difficulties encountered in the audit, no disagreements encountered, and no other findings to report. There were no material adjustments, and only one past adjustment that was a rolling past adjustment related to capitalized interest expensed rather than capitalized. Finally, Mr. Loberg stated that they would get a management representation letter signed at the conclusion of engagement.

Trustee Vekich asked when the system should be considering capitalizing interest. Mr. Loberg stated that the decision to book past adjustments was really up to management. Vice Chancellor King stated that there was a great deal of tedium to associate state bond interest to particular projects at the campus financial statement level so they have chosen not to expend staff time on capitalizing interest. She added that the number doesn't change much each year.

Finally Mr. Loberg stated that the audit went very well. He stated that they were happy about the relationship. He thanked Vice Chancellor King and Ms. Kirkeby and their staff. He stated that the committee should be proud of the people that they have throughout the system because Minnesota State is a large and complicated system with decentralized processes which makes the finances complicated, and he gave credit to the staff for their hard work.

Trustee Cowles asked if there were any notable changes in the calculations or the basis for the estimates that would be useful for the committee to understand. Mr. Loberg explained that there was one change with St. Cloud State University with the allowance. They had been ultra conservative in the way they did their allowance in previous years and they changed to what Minnesota State has used for their allowance. But as a system, it's not material. He added that the GASB 68 is a very large change. Unfortunately there's a large bandwidth for the actuaries and the state to determine what the assumptions are going to be on these types of liabilities. Minnesota State had been on the non-conservative side a year ago, and they swung that pendulum over to being very conservative in their calculation. It seemed a little aggressive on the other end, now they might be much less aggressive. He noted that he did not see any major changes in the rest of the estimates, and he added that they had tested those estimates so he felt pretty comfortable with them.

Trustee Vekich thanked CliftonLarsonAllen for their work. He added that and audit with no material adjustments, no material weaknesses, and no significant deficiencies was a real big deal considering the size and complexities of the system. The results really speak to the work of each of presidents and their staffs, Vice Chancellor King and her staff, as well as the oversight from Finance and Facilities Committee and the Audit Committee. Trustee Vekich congratulated everyone whose work contributed to the audit results.

Vice Chancellor King introduced Ms. Denise Kirkeby, System Director for Financial Reporting, and she introduced the financial team who were back in St. Paul. She thanked her team and thanked the staff on all of the campuses for the culture of commitment and dedication that cumulated in these audit results. She also thanked the team at CliftonLarsonAllen.

Vice Chancellor King presented a high level overview of the Minnesota State FY2017 and FY2016 results. The focus was on the systemwide level including the systemwide statements, the revenue fund, St. Cloud State University and the Itasca program.

Vice Chancellor King stated that the overall conclusions were good. They received unmodified opinions with no audit adjustments. She added that they had received unmodified or unqualified opinions every year beginning in 2002 for the system as a whole.

Vice Chancellor King stated that all colleges and universities reported an operating loss in FY2017 which was substantially attributable to the GASB effects. Excluding the effects of GASB 68, the system reported a $19.7M loss, or less than 1% of the annual revenue, which is essentially a breakeven year. The colleges and universities operating budgets showed improvements but were under continued stress and that is also reflected in the FY2017 financial results.

Campuses have held reserve funding levels constant or slight improvements while working to adjust budgets and enrollment strategies. Budget reductions are occurring across the state accompanied by staff reductions, program closures and other actions.

Vice Chancellor King outlined some of the key performance metrics for fiscal year 2017. She stated that students were taking fewer credits but staying enrolled. Ms. King reviewed the FY17 and FY16 adjusted for new long term pension reporting requirement. She continued by reviewing the GASB 68 effect. The impact on net position is a negative impact, she stated that we are now reporting $710.1M lower net position in FY17.

Vice Chancellor King reviewed the statements of net position. Total assets before Deferred Outflows remained relatively flat. Total liabilities increased in FY2017 by $1.5B after a $12.0M decrease in FY2016 which is primarily attributed to pension change. Excluding GASB 68, expenses increased by only $15.7M or 0.8 percent, which is again a nearly breakeven year.

Vice Chancellor King reviewed the changes in net operating revenue for FY2017. She noted that without 2016 and 2017 GASB – Compensation increased $11M or .8% but with GASB, there was a net operating loss of ($255.3M) was 11.6% of total expenses.

Vice Chancellor King reviewed the Student Data Per Full Year Equivalent. The GASB impacts were removed to better illustrate the impact of financial decisions by the presidents.   She noted that colleges and universities are keeping costs inside the classroom which was illustrated the percent of budget spent on direct expense, or classroom instruction and related

costs. She added that students were paying a slightly declining share of the cost of education which could be seen by the decline in tuition revenue as a percent of total revenue. Finally she noted that the colleges and universities have been running operations at or just below breakeven for the past three years, as seen in the percent of total operating and non operating revenue.

Vice Chancellor King reviewed the Financial Aid and Student Payments. Financial aid, after jumping 10% from 2008-2012, has been a relatively flat percent of our total tuition revenue for the past seven year. In fact, it has declined several percentage points the past three years.

Vice Chancellor King stated that all colleges and universities reported operating loss due to the GASB 68 adjustment as well as to an enrollment decline. Campus budget reserves have been preserved, and there have been continued investments in building improvements and infrastructure which will help retain current and attract new students.

Vice Chancellor King reviewed the Composite Financial Index (CFI). She stated that the Board has been a strong supporter of the CFI reporting discipline, and a support of the goal of improving college, university and overall system performance with this number. The system shows a decline from 2016, before the addition of the pension liabilities as well as a decline when including the pension liabilities. She noted that the CFI calculation had been prepared with and without the GASB entries in order to provide year over year comparison data.

Vice Chancellor King thanked the strong financial management commitment on the campuses and their attention every day to accurate, reliable recordkeeping which made this clean opinion possible. She stated that once again the results proved strong campus budget management under continued stress. Overall, very strong results, if we look past the GASB effects.

Trustee Vekich called for a motion to release the fiscal year 2017 audited financial statements. Trustee Soule made the motion, Trustee Hoffman seconded. There was no dissent and the motion carried.

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.

The meeting adjourned at 2:28 p.m.

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

Name: Audit Committee   **Date: January 23, 2018**

Title: Federal Student Financial Aid Audit Results

Purpose (check one):

☐ Proposed New Policy or Amendment to Existing Policy

☐ Approvals Required by Policy

☐ Other Approvals

☐ Monitoring / Compliance

☒ Information

Brief Description:

Federal law requires an annual audit of major federal financial assistance programs, including the student financial aid programs. The firm of CliftonLarsonAllen, LLP conducted the audit. The auditor's report on compliance for the major federal award programs expressed an unqualified opinion. The audit report contains no material weaknesses and two findings that were significant deficiencies.

Scheduled Presenter(s):
Eric Wion, Interim Executive Director of Internal Auditing
Don Loberg, Principal with CliftonLarsonAllen, LLP
Brenda Scherer, Manager with CliftonLarsonAllen, LLP

INFORMATION ITEM
Federal Student Financial Aid Audit Results

BACKGROUND
Copies of Minnesota State Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2017 were provided to members of the Board of Trustees in the board materials for the January 2018 meeting. Copies of the report are also available on the Finance Division website (http://www.minnstate.edu/system/finance/accounting/financialstatements). The report was prepared by the firm of CliftonLarsonAllen LLP as part of its responsibilities as the system auditor for Minnesota State. The results of this report were incorporated into the State of Minnesota's Single Audit report that will be released in late March. Copies of that report are available on the Minnesota Management and Budget web site at (http://mn.gov/mmb/accounting/reports/single-audit.jsp).

The attached PowerPoint presentation provides a summary of audit work completed on federal student financial aid programs.

Date Presented to the Board of Trustees: January 23, 2018

January 23, 2018
Office of Internal Auditing

Internal Audit Report to the Audit Committee

Today's Agenda

- Internal Auditing Update
  - Project Updates — completed/initiated
  - Projects Updates — planning

- Federal Student Financial Aid Audit Results

1

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Internal Auditing Update

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Project Updates — completed/initiated

Projects/Objective	Status
Payment card industry (PCI) risk assessment Survey performed over all institutions and the System Office to determine the System's PCI risk profile and identify risks to the System and institutions. Benchmarking with peer institutions performed to provide industry leading best practices.	Completed
Human resources, transactional service model Review the current HR Hub service model to assess the transition, progress to date, and the extent to which the desired project goals and objectives have been achieved. Identify key lessons learned to be applied on future initiatives. Perform an assessment of risks associated with the transition and how to mitigate these risks for future projects.	Initiated – January/ February fieldwork
Information security consultation – Phase I Perform a review of the Information Security Plan Template Top 5 Initiatives Assessment to validate appropriateness and applicability to the environment for reducing risk. Internal Audit will advise on the drafted measures/metrics in the plan and advise on potential improvements to the Top 5. A high level approach for the next phase of work to develop a pilot will be presented.	Initiated – January/ February fieldwork

MINNESOTA STATE

Project Updates — completed/initiated (continued)

Projects/Objective	Status
ERM Internal Audit Assist the Chancellor and Internal Audit with the Enterprise Risk Management (ERM) assessment activities.	Initiated – Developed draft ERM Charter and approach to guide the ERM process including risk identification, mitigation, and reporting.
NextGen project risk review (PRR) Establish Internal Audit's role in facilitating periodic checkpoints to provide assurance regarding risks of the NextGen project, designed to replace Minnesota State's primary enterprise systems.	Initiated – Attended and participated in the December and January NextGen steering committee meetings and currently drafting the project risk review approach to align with the ERP implementation timeline.

4

MINNESOTA STATE

Project Updates — planning

Projects/Objective	Status
Enrollment initiatives review Assess the institutions' initiatives to increase enrollment and evaluate how institutions recruit and retain successful students in relation to leading practices across higher education.	Planning – Execution planned for February/March
Information technology risk assessment – Phase I Perform an initial review to identify the System's enterprise information technology risk profile and areas for further focus.	Planning – Execution planned for March/April
Procurement audit As an extension of the purchasing card follow-up audit, perform a comprehensive review of the sourcing and procurement processes. Compare the System's procurement approach to industry leading practices and assess risks related to methods of contracting and procurement across the System.	Planning – Execution planned for April/May
Shared services governance framework review Assess the current and planned shared services to provide assurance and confirm criteria for sustainable organizational governance relative to guiding principles and accreditation standards. Assist the System with aligning shared services to individual institutions.	Planning – Execution planned for April/May
Compliance practices assessment Inventory key compliance responsibilities and risks for the System, the likelihood and impact of those risks, and parties' roles and responsibilities for compliance and oversight.	Planning – Execution planned for April/May

5

MINNESOTA STATE

CliftonLarsonAllen

Minnesota State Colleges and Universities
(Minnesota State)
Presentation of the Student Financial Assistance Program
Audit Committee

Year Ending June 30, 2017

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor. | ©2016 CliftonLarsonAllen LLP

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

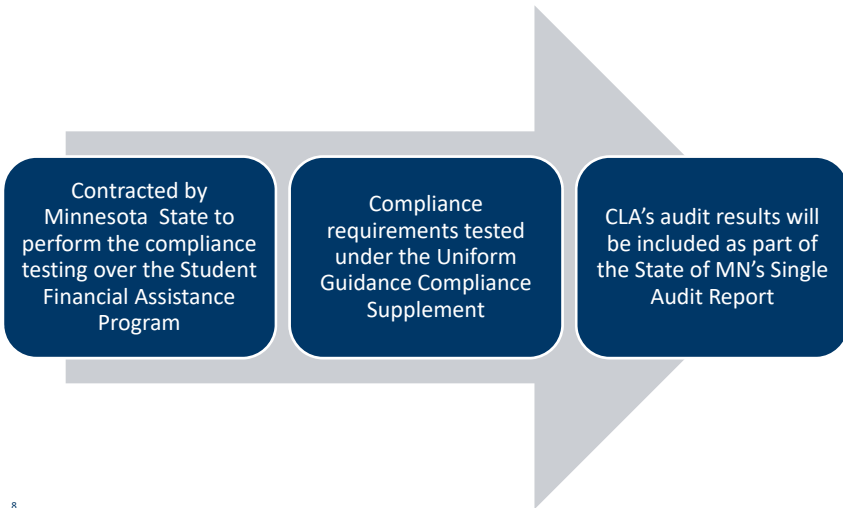## Overview

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> **Overview of the Audit Process**

> **Audit Results**

7

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Audit Process

Contracted by Minnesota State to perform the compliance testing over the Student Financial Assistance Program	Compliance requirements tested under the Uniform Guidance Compliance Supplement	CLA's audit results will be included as part of the State of MN's Single Audit Report

8

Audit Approach

- Rotation of internal control policies and procedures

- Random sample of 60 students selected from all students within the system receiving awards under the federal student financial assistance (FSA) cluster (over 105,000 students receive FSA)

- Other samples selected for various compliance testing applicable to federal FSA programs as required under the Uniform Guidance Compliance Supplement (e.g. Reporting, Perkins testing)

9

Audit Results

Opinion	• Unmodified opinion on compliance
Results	• No material weakness • Two findings that were significant deficiencies

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10

Findings

Reading Tutor

One campus did not employ a reading tutor as required

National Student Loan Database System (Enrollment Reporting)

National Student Clearinghouse (NSC) issue – two campuses did not have procedures in place to oversee NSC

11

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13

Questions and Feedback

- We welcome any questions pertaining to the audit, governance communication letter, management letter, or other matters related to the engagement.

- We appreciate the opportunity to serve as the auditors for the Minnesota State system and welcome any feedback relative to our performance.

12

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

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✳ **MINNESOTA STATE**

Audit Committee
January 23, 2018
4:30 p.m.
McCormick Room

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.

Committee Co-Chairs Michael Vekich and Jay Cowles call the meeting to order.

Pursuant to Minnesota Statutes § 13D.05, subd.3(d), the Board of Trustees will meet in Closed Session to receive a systemwide information technology security briefing.

1. Call to Order (Co-Chairs Michael Vekich and Jay Cowles)
2. **Motion to close the meeting**
3. Receive Information Technology Security briefing on Payment Card Industry Data Security Standards Risk Assessment
4. **Motion to end the closed session and return to open session**
5. Adjournment

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

Finance and Facilities Committee Members
Jay Cowles, Chair
Roger Moe, Vice Chair
AbdulRahmane Abdul - Aziz
Basil Ajuo
Ann Anaya
Bob Hoffman
Jerry Janezich

Bolded items indicate action is required.

MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet

Name: Closed Session: Joint Audit and   **Date:** January 23, 2018
Finance and Facilities Committee

Title: Payment Card Industry Data Security Standards Risk Assessment

Purpose (check one):

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

Brief Description:

In closed session, the Vice Chancellor for Information Technology and the Interim Executive Director for Internal Auditing will provide a briefing on the Payment Card Industry Data Security Standards Risk Assessment.

Scheduled Presenter(s):
Ramon Padilla, Vice Chancellor – Chief Information Officer
Eric Wion, Interim Executive Director for Internal Auditing

Handout

**MINNESOTA STATE
BOARD OF TRUSTEES**

INFORMATION ITEM
Payment Card Industry Data Security Standards Risk Assessment

BACKGROUND

In closed session, the Vice Chancellor for Information Technology and the Interim Executive Director for Internal Auditing will provide a briefing on the Payment Card Industry Data Security Standards Risk Assessment.

Finance and Facilities

January 24, 2018
8:00 A.M.
McCormick Room

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.

Finance and Facilities Committee, Jay Cowles, Chair

1. **Minutes of November 14, 2017 Joint Academic and Student Affairs and Finance and Facilities Committees (pp. 1–7)**
2. **Minutes of November 15, 2017 (pp. 8-17)**
3. **Contracts Exceeding $1 Million (pp. 18-34)**
   a) **Winona State University Digital Life and Learning Program FY2019-FY2024**
   b) **Increase in Contract Value for IT Hardware and Software Master Contracts with CDW-G and Now Micro**
   c) **Tutoring Services Contract**
4. **Surplus and Sale of Real Estate, St. Cloud State University (pp. 35-40)**
5. **Non-resident Tuition Waiver for Students from Puerto Rico and the U.S. Virgin Islands Impacted by Hurricanes Maria and Irma (pp. 41-42)**
6. College and University Financial Performance Update (pp. 43-52)
7. FY2020 Capital Program Guidelines for 2020 Capital Program and 2019 Revenue Bond Sale (First Reading) (pp. 53-57)
8. Proposed Amendment to Policy 8.3 College, University and System-Related Foundations (First Reading) (pp. 58-67)

Committee Members:
Jay Cowles, Chair
Roger Moe, Vice Chair
AbdulRahmane Abdul-Aziz
Basil Ajuo
Ann Anaya
Bob Hoffman
Jerry Janezich
_____
President Liaisons:
Anne Blackhurst
Barbara McDonald

Bolded items indicate action is required.

MINNESOTA STATE
BOARD OF TRUSTEES
JOINT ACADEMIC AND STUDENT AFFAIRS AND
FINANCE AND FACILITIES COMMITTEE
November 14, 2017
4:00 P.M.
Southwest Minnesota State University
Conference Center
1501 State Street

Academic and Student Affairs Committee Members Present: Chair Alexander Cirillo, Vice Chair Louise Sundin, Trustees Dawn Erlandson, Amanda Fredlund, Jerry Janezich, Rudy Rodriguez, Cheryl Tefer.

Finance and Facilities Committee Members Present: Chair Jay Cowles, Vice Chair Roger Moe, Trustees AbdulRahmane Abdul-Aziz, Robert Hoffman, Jerry Janezich,

Committee Members Absent: Trustees Basil Ajuo, Ann Anaya

Cabinet Members Present: Chancellor Devinder Malhotra, Senior Vice Chancellor Ron Anderson and Vice Chancellor Laura King

The Minnesota State Colleges and Universities Board of Trustees held its meeting on November 14, 2017 at Southwest Minnesota State University, Marshall, Minnesota at 4:00 p.m.

Trustee Cowles called to order the joint meeting of the Academic and Student Affairs committee and Finance and Facilities committee and explained that the purpose of the meeting is informational and for discussion. The Collaborative Campus and Regional Planning initiative is on today's agenda to update the Board on enterprise leadership efforts underway. It is one of several 2018 projects focused on expanding the ways in which the individual institutions can take advantage of being a part of the collection of institutions. Trustee Cirillo commented that it is important for institutions to develop a plan that will allow campuses to work collaboratively. Senior Vice Chancellor of Academic and Student Affairs, Ron Anderson and Vice Chancellor for Finance and Facilities Laura King were invited to present.

Senior Vice Chancellor Anderson explained that a project has been launched with campuses this year to develop collaborative regional planning guidance. The staff are seeking board input on the policy objectives that will guide this work. This work is one of the key strategic efforts underway this year. Last month the chancellor articulated the three strategic goals:
- Focus on the success of our students;
- Commitment to diversity, equity, and inclusion; and
- The financial sustainability of colleges and universities.

The focus of the work on these goals is viewed through three lenses which include:
- aligning to the changing needs of all learners, particularly new learners;

1

- aligning to new demographics and the workforce needed for the knowledge-based economy; and
- aligning to new budget realities.

This regional planning project will advance answers on all three lenses. The regional planning project fits into a larger agenda that the board endorsed. The staff is not asking for approval or a specific recommendation but rather is seeking input on the project objectives that will inform the work over the coming months.

Upon completion of the project next year, the staff will ask for board approval of recommendations from the project. Each of the efforts is designed to leverage diversity for long term student success and long-term financial sustainability. Some of the large-scale change agenda include transfer pathways, developmental education, comprehensive workplace solutions, collaboration programming and the Twin Cities Baccalaureate expansion.

The need for enhanced academic and administrative/facilities planning has been understood for some time. Last year's work on Charting the Future and the Long-Term Financial Sustainability formalized the need.

The Academic Planning and Collaboration workgroup convened under the Charting the Future work, recommended that campus academic plans drive planning in all areas of the campus, including facilities, and that common planning guidelines be created. In recognition of different campuses approaches to planning, the Leadership Council adapted that recommendation to focus on campus strategic plans, with academic planning at their core, as driving all other planning.

In its final report, the workgroup on Long-Term Financial Sustainability recommended that the system recalibrate its physical plant to address miss-matches in program needs and space capacity. In the strategy roadmap for Long-Term Financial Sustainability, the Chancellor called for taking additional steps to reduce facility costs and increase utilization to ultimately reduce costs to students and Minnesota taxpayers.

This project brings these two efforts together to ensure that the planning efforts center on our core mission to deliver academic programs to students and communities, and to make sure that the missions are appropriately supported and enhanced by the physical facilities.

Academic and Student Affairs Committee Vice Chair Sundin asked about the progress on shared leadership since one of the goals of the Charting the Future academic planning and collaboration was demonstrating shared leadership on the campuses. This is an important model as students transition to the workplace. Senior Vice Chancellor Anderson responded that faculty, administrators and other campus staff are heavily involved at the campus level when master academic planning is underway. They examine the programmatic needs, where strengths are in the existing region, and where these need to move to in the future. Processes

differ across campuses according to unique needs, histories and culture. The expectation is that the processes fully involve constituents on the campuses.

Vice Chair Sundin followed up asking whether leadership training is done. Senior Vice Chancellor Anderson responded that there is not training for planning work in the academic and student affairs division at the time.

Senior Vice Chancellor Anderson shared the following project planning assumptions:
1. Campuses are vital economic and quality of life partners in their communities across the state
2. The economic and demographic trends significantly drive and directly impact enrollment opportunities and academic programming
3. Enterprise leadership in academic affairs are using opportunities for companion facilities strategies and the alignment of academic and physical plant planning
4. Academic and support planning needs to drive facility usage and planning
5. Competition for state funding to meet operational and programmatic needs will continue to be in resulting in many needs not being met.
6. Technology will play an increasing role in the delivery of higher education and will continue to impact programming and how facilities are used to support that program

To move the program forward, there are a series of design principles that will be applied to individual data and decision points as the work advances. The design principles are:
1) preserving and enhancing access to Minnesota State higher education opportunities across the state;
2) providing for high-quality extraordinary education and program offerings supported and enhanced by appropriate facilities;
3) efficiently and effectively utilizing financial human and capital resources across all of the campuses; and
4) reducing cost to students and Minnesota tax payers.

Vice Chancellor King stated that the project outcomes and deliverables are ambitious but we think fundamental in terms of moving the colleges and universities forward and advancing strategic goals. It is believed that this work will provide the path to celebrating partnerships between the colleges and universities and the communities they serve. It will also give us some tools to strengthen our strategic focus in service to our communities.

When the work is done, the expectation is to have regional planning guides, academic planning and facilities investment principles and space sharing strategies for use by all of the colleges and universities. It is expected that the work will influence the goals of the 2020 capital program and campus academic and facilities planning across the system.

The work will be piloted in the southwest region with the assistance of President Gores at Southwest State University, Marshall and President Gaalswyk at Minnesota West with

campuses in Canby, Granite Falls, Jackson, Pipestone and Worthington. This region was selected based on the presence of strong community and cross-institutional partnerships already in place. The university and the college have very exciting work underway to grow programs in support of their region, to support and bring strength to regional partners like the Southwest Initiative Fund, and partner with their high schools in support of rural career development opportunities.

A campus based project team has been assembled which starts with the Leadership Council executive committee. This is the only project this year, among many, where presidents are asked to give us their time at the project team level. Project managers are Todd Harmening from Academic and Student Affairs and Brian Yolitz from the Facility group. There are project staff teams identified at the college and university level which include academic officers, deans, chief financial officers, facilities directors and institutional research staff. There are subject matter experts that can be called on in institutional research, academic affairs, student affairs, administration and finance and facilities.

There will be work with the stakeholders, the campus subject matter experts and the leadership executive committee to support and advance this effort on an aggressive timetable. It is anticipated that there will be bargaining unit and student consultation involvement throughout the work. To move through the deliverables, there will be consultation with the board in April to bring together the results of the work with the FY202 Capital Guidelines. The work will continue after April 2018 but the committee wants to have something to share with the board at that point.

Vice Chancellor King asked for advice and a conversation on the expected design principles that will drive the project deliverables. Trustee Rodriguez asked whether subject matter experts within Minnesota State have considered benchmarks on optimizing programs and plans from other regionals institution or other technical on-line institutions. Vice Chancellor King responded that the project will take advantage of benchmarks around national and regional data. There has been a struggle from a space utilization standpoint because of the diversity of our institutional types compared to other systems.

Chancellor Malhotra commented this regionalization is different than how the scaling of work occurs. Most of the benchmarks are associated with individual institutions. In the regional approach, the project work will look both at the broader academic portfolio of offerings of all the regional institutions and pooling the institutions resources to see whether matches provide operational paths. This would increase the scale of activity and provide a more individualized mode that is aligned to context.

Chair Cirillo commented that the approach is regional but what might occur somewhere in planning is a geographic version of regional that might be non-traditional. Don't get too small in looking at the regional issues. Might be able to look at urban versus rural. Vice Chancellor

King commented that there will be some planning guides that are available across the system, but they won't be based on geography.

Trustee Abdul-Aziz asked what communicating and cooperating with the bargaining units and student organizations will look like. Vice Chancellor King responded the general practice is to have all project material available on a SharePoint site, sending material as they are generated, scheduling videoconferencing, and setting up FAQs which all allows an opportunity for discussion and to give advice.

Trustee Moe asked whether there will be interaction with state agencies, or entities like a regional service cooperative or the association Minnesota County League of Cities. There is a certain interaction that might lead to the bottom line. Vice Chancellor King agreed with Trustee Moe and stated that there is an expectation of partnership and community engagement. The work may be done in stages to arrive to a conclusion on implications of space and what is suggested for available space for other purposes. After these stages, there will be community conversations. There will be a series of conversations over the next couple of years with the State of Minnesota, school districts, and local county governments.

Trustee Hoffman asked whether it has been defined how Minnesota State will look in five years. Senior Vice Chancellor Anderson responded that is what this process will help to develop and design. The institutions' master plan will lead in the direction in response to the local and broader regional and state needs. Having the right academic questions will help determine where the facilities will go in the future. Part of the work is to talk about how to sequence the pieces and having the right conversations about academic program mix; not only now but in the next 5-10 years. It's easy to do a current overlay but the real challenge is forecasting what the overlay needs to look like. The strength of the work will be in having different conversations than what has occurred in the past. Sister campuses should be engaged in the discussion instead of just at the individual campus level.

Chair Cirillo commented that another piece that may be missing is how to prioritize how regional decisions and plans are made. There will need to be principles with the priorities to keep things from clashing.

Vice Chair Sundin asked whether there is any information on campuses closings in Wisconsin. Vice Chancellor King responded that the Wisconsin's system's official position is that there will be no campus closings in the Wisconsin re-organization. The purpose is to strengthen the pathways from the colleges to the universities, improve the curricular alignment and provide administrative strength to the smaller colleges. There is not a lot of data or facts that have been released but that is their official position.

Trustee Janezich asked in reference to the 4th design principle, whether this might reduce costs to students but still raise taxes for Minnesota taxpayers. Chair Cowles suggests that the wording for the principle be changed from "reducing cost to students and Minnesota tax

payers" to "reduce cost to students". Vice Chancellor King provided background on the design principle expression. The Finance Committee has talked about it for a long time. The system has a substantial deferred maintenance backlog due to aging buildings. The capital program request runs 8-10 years before campuses can get projects fully financed. These costs accrue to the Minnesota taxpayer because they are part of the HEAPR program demand. The thinking is that space can be re-purposed and find other partners to maintain it then it can reduce deferred maintenance burdens, which would reduce the burden on institutions and on the state.

Trustee Moe commented that this is not about closing campuses but what they will look like in the future.

Trustee Abdul-Aziz commented on Trustee Janezich's point about differentiating between the system and the taxpayers and asked whether the project design can include specific examples of the correlations between the student and taxpayer. Vice Chance King responded it's a long way down the logic but an example is at MSU Mankato. There was a science building built with GO bonds which the students help to support through the debt service charge. State statute requires us to pay a portion of the debt service on capital improvements. That hits the students' tuition costs. Those kinds of projects can be avoided through using a different kind of space, shared space or changes in academic requirements which changes the way space is taken care of. This would hold down student costs. Another way students and taxpayers have cost associated with operations is in maintaining the buildings, i.e. paying for heating, air conditioning, lighting, security and custodial services, etc. These are paid by the campuses through both state appropriations and tuition dollars.

Trustee Cowles reinforced Trustee Hoffman and Trustee Moe's comments and stated in reflecting back on the previous presentation on student demographics, the report was a good demonstration of what has happened but does not feed the vision for what is going to be happening. He asked that the project team make assumptions as visible as possible on a 5 or 10 year outlook, show trends for colleges vs universities, show any changing shift in credentials and degrees relative to the workplace. The more that can be made visible including benchmarks, the better informed the board will be. The intention is not to micro-manage the process but to frame a shared vision of the future and shaping of the landscape ahead. This should be used as an educational process.

Trustee Cowles further comments in follow up to Trustee Cirillo's comment on not getting rigid about definitions of region, there is a system wide online strategy which has been started to develop greater effective, efficient programs which can exist in different places across regions. There may be resources outside a region or can be made available to other regions from a content curriculum standpoint that should be reviewed. Technology will also give us a little more to transition. This discussion reflects that the work is taking an enterprise step forward.

Trustee Tefer commented that the design principle is not a perfect example of how this operates because of the different structures. An example of a design that was developed which brought together the colleges and universities in the Twin Cities is the Minnesota Alliance for Nursing Education. This was a huge endeavor which had to meet a lot of the design principles and can be reviewed and evaluated to compare against best practices.

Trustee Cowles thanked Senior Vice Chancellor Anderson, Vice Chancellor King and all project staff for leading the work and everyone for their feedback.

There were no further questions or comments.

The meeting adjourned at 5:00 p.m.
Respectfully submitted
Maureen Braswell, Recorder

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

***Finance and Facilities Committee Members Presen**t: Chair Jay Cowles, Trustees AbdulRahmane Abdul-Aziz, Robert Hoffman, Jerry Janezich, Roger Moe*

***Committee Members Absen**t: Trustees Basil Ajuo, Ann Anaya*

***Other Board Members Present**: Trustees Cheryl Tefer, Alexander Cirillo, Dawn Erlandson, George Soule and Michael Vekich, Louise Sundin, Amanda Fredlund, Rudy Rodriguez*

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

The Minnesota State Finance and Facilities Committee held its meeting on November 15, 2017 in the Conference Center, Southwest Minnesota State University, Marshall, MN.

Chair Cowles called the meeting to order at 8:05 am and thanked President Gores and staff for hosting the meeting at the campus. There was a quorum.

1. Minutes of October 18, 2017
Chair Cowles called for a motion to approve the minutes from October 18, 2017. Trustee Moe made the motion, Trustee Hoffman seconded. There were no changes to the minutes as presented. The motion carried.

Vice Chancellor King was invited to provide updates.
* Thanks to President Gores and staff for accommodating the meeting.
* FY2017 financial results were good. There were no audit adjustments or findings at the system level. There will be a meeting with the committee chair to discuss how to bring the results forward to an upcoming committee meeting.
* FY2017 single audit work is almost complete and will be presented at an upcoming meeting. Great news was reported from auditors and staff teams.
* OASHA consultation process continues with visits at St Cloud Technical College and Fergus Falls. Results are documented and shared around the community to improve practices.
* Chancellor Malhotra, President Datzmoud, Vice Chancellor King and Associate Vice Chancellor Brian Yolitz met with Commissioner Frans, MMB staff and the governor's staff to present the FY2018 Capital Budget Request. There was positive feedback from the commissioner and his staff on the tours at the colleges and universities and on the

system's capital request overall. The governor will present his capital budget recommendations in January 2018.

- As part of the consultation process and prior to finalizing the draft, the FY2020 Capital Program Guidelines were shared with the bargaining units and student associations. There has not been any feedback to date.
- The System Office will be hosting the 2017 CFO Conference in December.
- The Department of Administration Disparity Study is underway and is expected to move to final form for review this month. It is hoped that there can be some board discussion before the results become public. There will be a state-wide report and Minnesota State sub-report.

2. **Approval of Contracts Exceeding $1M**

Vice Chancellor King was asked to present the two contracts exceeding $1 million for board approval.

a. **Lease Extension for System IT Services Space**

This item concerns a lease extension to a system contract for ITS staff at Quarry Center in St. Cloud. The recommendation is for authorization to extend the contract for two years with three one year renewal options Staff will evaluate the availability of on campus space before any options are exercised.

b. **ISRS Next Gen Business Process Re-engineering Vendor Contract**

This request concerns a contract for up to $5 million with the selected vendor for the business process review work associated with the ISRS Next Gen placement project. The work concerns the finance, human resources and the student records system. There was a competitive RFP process prior to vender selection. The staff goal is to have the contract in place by the first of January contingent upon board approval. The recommendation is that the board approves authorization for the Chancellor or his designee to execute a contract and provide the Chair and Vice Chair with periodic updates.

Chair Cowles commented since the timeline will extend for several years, the entire Minnesota State community will need to begin engaging in the work of developing the ISRS project and making this work a high priority. It is critical for all parties to help determine what final outcomes will be required.

This is an exciting moment and one that everyone needs to pay attention to. This is more than simply a contract. This project is the largest change effort in the system's history and worthy of full board awareness and oversight. Chair Cowles recommended adding the following sentence after the first sentence in the 2nd paragraph of the committee motion:

"the Chair of the Board and the Chair of the finance and facilities committee will be consulted at the 25 percent, 50 percent and 75 percent milestones of vendor work completion."

Chancellor Malhotra endorsed Chair Cowles' recommendation to modify the sentence and commented that this is an exciting project that is no longer a choice but rather an imperative. Minnesota State must create modern infrastructure in order to accelerate the student success efforts. Given the nature of the project, its immediate urgency and large scale, it's very important to develop an ongoing and robust consultative and communicative structure for all parties involved. This will ensure that the project moves forward in a cohesive and unified manner. Updates will be shared with leadership, bargaining units, students, the Chair of the Board and Chair of the Finance and Facilities Committee.

Trustee Hoffman asked what the impact on campus budgets will be. Chair Cowles responded that the project is funded specifically by the legislature. Vice Chancellor King responded that there are many dimensions to this question. There are advantages for the campus in improved functionality particularly regarding the student records. There is tremendous effectiveness benefit with this new functionality. The project will be financed 50 percent from a campus contribution and 50 percent from the request for state support. The 2018 and 2019 support provided by the legislature enabled the project to move forward to where it is today. The supplemental budget request seeks a return to the Legislature for another request for state support.

Vice Chancellor Padilla was asked to make some comments regarding the vendor selection process and to provide some project perspective. Vice Chancellor Padilla stated that this is a culmination of work that was started 2 ½ years ago. A business plan was built and was provided to the board. After board approval, the legislature was approached for funding. The initial project plan was then adjusted. Some of the deliverables/prerequisites were moved forward including: business process reengineering and behind the scenes data clean up and restructuring work. This is a tremendous opportunity for the system after 20 years to reevaluate how business is done.

Trustee Abdul-Aziz asked what the total cost of the project. Vice Chancellor King responded the project budget is $25 million a year from FY2019 to 2024 for a total of $150 million. This total covers the implementation of a replacement student records, finance and human resources system. The project finance plan was structured to match the legislative appropriation and match the rate in which the work can be completed. Two-thirds of the overall estimate represents an annual licensing fee for software and $8-$10 million would be paid to the project vendors annually for four years. The remaining amount supports external contract help, internal diverted staff and equipment.

Chancellor Malhotra emphasized Vice Chancellor Padilla's comments; recognizing that this is the single largest project that the system will be taking up over the last 20 years. The magnitude brings complexity. The project must be segmented in stages because of its size and because of continuous engagement with the legislature for continued funding. The recommendation before the board is to identify the proper vendor so that the project can move forward in an appropriate manner. If the proposed technological infrastructure was just to support the system office, it would not be this type of cost.

Chair Cowles called for a motion to approve the two contracts with the amended motion for the Next Gen vendor. Trustee Hoffman made the motion, Trustee Moe seconded. The motion carried.

3. Potential Supplemental Budget Request Discussion
Vice Chancellor King presented.

The supplemental budget request will be forwarded to the governor and legislature for consideration if endorsed by the board. There is an opportunity to request additional operating support in the supplemental budget request.

While we had strong support from the governor and the legislature, the FY2018-19 biennial budget request was not fully funded. The biennial request for campus support was for $143 million; $133 million was received. The Next Gen funding is a critical, strategic multi-year investment that replaces outdated technology and impacts all aspects of operations at a total cost of $150 million over the six-year project development. The request was based on a multi-year partnership model with half of the funds coming from the state and half of the funds coming from the system office and colleges and universities; at about $25 million a year.

The legislature appropriated $4 million in annual ongoing Next Gen funding but did not support the full campus support request. Also, the final appropriation was structured in a manner that resulted in an ongoing structural deficit for the colleges and universities beginning in 2019 totally $34 million annually.

The recommendation before the committee for consideration is to approach the 2018 legislature with a request of $21 million for the ISRS Next Gen project to fulfill the $25 million annual requirement and $10 million to address the campus support shortfall. We would be seeking a total of $31 million of additional base support.

Trustee Hoffman asked whether the $21 million for ISRS Next Gen and $10 million in campus support goes directly to the campus or to the system office. Vice Chancellor King responded, if

successful, in June there would be $21 million from the legislature for ISRS Next Gen. There will be no request to campuses for additional ISRS support. All of the $10 million campus support request would flow to the campuses.

Chair Cowles commented that the request is responsive to the need. This is the right set of priorities to emphasize and sends an important message to the legislature about the priorities. Trustee Soule asked for an explanation of the consultation process relating to the letter that came from the Chancellor's office and the big picture analysis of how the numbers were settled upon. Vice Chancellor King responded the revision to the original proposal seeks to respond to concerns around the system office and campus contribution to the Next GEN work. The campus and system office would be partners in the financing. The proposal was altered to ask the state to recognize the structural problem the state created and relieve the campuses of the some of the deficit. The strategic component is now different in posture because the FY2018 funding request created a structural deficit on top of large-scale investments for colleges and universities. The legislature would be approached in an effort to deal with the structural deficits through full funding of the ISRS Next Gen project. This is what's reflected in the revised proposal.

Trustee Abdul-Aziz asked whether it is feasible to rely on the campuses to financially support the ISRS Next Gen project with the structural deficit in mind. Vice Chancellor King responded it is absolutely critical that this happens from an enterprise risk management, student success and financial stability standpoint in order to serve future needs. There will be continued conversations and continuous avenues will be pursued at the legislature. Trustee Sundin asked if anyone knows what the November forecast looks like. Vice Chancellor King responded the most recent updates have not been presented.

Chair Cowles called for a motion to approve the recommendation to move forward with the revised resolution to the Supplemental Budget Request. Trustee Moe made the motion, Trustee Abdul-Aziz seconded. The motion carried.

4. FY2020-2024 Capital Budget Guidelines Framing Discussion
Vice Chancellor King and Associate Vice Chancellor Brian Yolitz presented the framing of the FY2020-2024 guidelines. Board Policy 6.9 calls for the Chancellor to develop and recommend to the board the capital funding guidelines that shapes how facilities and real properties are invested. The focus is on legislative funding and bond sales. Of the five capital improvement funding streams, two are the focus in these guidelines: General Obligation (GO) Bonds for academic facilities and Revenue Bonds for capital investment in auxiliary space i.e. residence halls, unions, parking and system authority.

Academic buildings are getting older. These buildings and their structural elements are 40 years old. Over 50% of academic facilities were built between 1960 and 1980. They were built with the focus on quick construction, lower quality materials. The competition for state capital investment has grown and this competition has produced a decline in the capital investment in public higher education facilities as a percentage of the state's general obligation investments and in real dollars terms. These declines occur at a time when academic facilities are aging, the cost of construction is going up, and the competition for recruiting and retaining students and faculty with high quality facilities has increased.

Minnesota State has prioritized HEAPR funding as the number one priority since the system's inception. The growth in the backlog of maintenance exceeds 40 percent. Colleges and universities spend about $1.30 per square foot or roughly $30 million a year out of their operating budgets for regular repair and replacement. Those budgets are being asked to absorb more emergency projects as building and the components age and HEAPR funding lags.

The board guidelines for FY2018 were focused on taking care of current space and improvements targeted to making space more flexible and adaptable to changing classroom needs and improving energy efficiency. There is a desire expressed by constituent groups to further focus the capital investment program on emerging needs of the workforce particularly technical programs, underscoring partnerships with local communities and entities in the region, focusing on sustainability and preservation and making advances in the application of renewable energy solutions.

Chair Cowles asked what the board process would involve for adding additional emphasis to renewable sources of energy and how the feedback would change the process. Mr. Yolitz responded that there are a couple of options: making a bold statement as a standalone item around advancing renewables would be a first step. In the past there has been a very thin margin in some renewable project proposals in terms of costs and improvements gained. Another strategy is to be more aggressive in communicating with the Department of Administration to have more energy provided through renewable sources on the campuses.

Chair Cowles asked whether there would be an increase in project costs for advanced renewables. Mr. Yolitz responded there could be a path opened to expanded consideration of renewable energy sources as part of the capital process and individual campus sustainability or climate action plans. Chair Cowles commented that this would send a signal to all staff on campuses throughout the system. The board would examine any sustainability ideas that might emerge and make positive impacts on the campuses.

Trustee Moe suggested moving the renewable energy item higher on the list to send a signal that it has a higher priority and, switching topics, asked Vice Chancellor King whether there are unforeseen opportunities relating to the collaborative campus and regional planning guidance. Vice Chancellor King responded yes, the planning processes converge. Trustee Erlandson commented that there is a commitment to reducing waste around food consumption at Southwest Minnesota State and conservation would go over well with staff and students. This promotes smart economics and marketing. Mr. Yoiltz commented that each campus has individualized approaches and focuses for their sustainability efforts.

Trustee Hoffman commented that the timing of the collaborative planning pilot will expand into other areas and asked how leadership will be involved on this initiative. Mr. Yolitz along with Tom Harmening, and working with leadership of President Gores and Gaalswyk and their teams will have a conversation around planning this framework. There will be conversations around the academics and the resources that support it.

Trustee Sundin recommended the need for increased focus for on campus student living conditions including on campus housing. The living spaces on campus should be more inviting to prospective students. There should be consideration given to broadening and enhancing learning spaces. The board should consider making a set of standards instead of just making a statement on renewable sources of energy.

Chair Cowles commented that there are standards which exist in current procedures. Mr. Yolitz responded that design standards have been incorporated into board policy and operating instructions to accommodate the State of Minnesota's B3 benchmark standards around energy efficiency and operating standards. There is work on flexible space to meet the needs of the future.

Trustee Cirillo asked whether LEED certification plays a role. Mr. Yolitz responded yes, and highlighted that the Minnesota State facility design standards are rigorous and include key aspects of the state's Buildings, Benchmarks, and Beyond (B3) standards for energy efficiency and sustainability. As a result, a completed facility would score on par with a LEED certification of "silver" in areas of sustainable site, energy, building atmosphere including comfort and lighting, and indoor air quality. Official LEED certification comes at an additional cost for formal review and scoring. If an institution chooses to pursue formal LEED certification, they would fund that work locally. It is not part of the capital funding.

Chair Cowles stated that the identification of candidate projects is not led by the system office or system leadership but at the individual college and university within their comprehensive

facilities plans which are developed in consultation from stakeholders. However, all candidate projects are scored against Board guidelines and system standards.

Vice Chancellor King commented that the recommended FY2020 capital program guidelines will be presented to the board in January and today's discussions and concerns will taken into consideration as final drafting occurs.

5. Enterprise Wide Administrative Services and Related Financing Project Report
Vice Chancellor King stated that the work is complete on the EAS project. There is no required board action on this item, the intention today is to provide the board a summary of the work.

The background for the work comes out of the long-term financial sustainability and charting the future work. Recommendations were brought forth from both initiatives as well as the allocation framework redesign team. A campus-based project team was developed consisting of CFOs, CHROs, CSAOs, CIOs, CAOs and system office staff. The group's task was to review and analyze the current method of financing system administrative/shared services and to recommend alterations to better reflect the system's goals. It was determined that the work had to be done in the following sequence:

- develop principles for identification of, organization of, and financing for enterprise work
- make changes to the 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);
- provide decision-making governance and management structures that will guide the work and related financing decisions going forward;
- develop benchmarks and metrics for ROI methodology, campus feedback around quality assurance
- Be sure there is an implementation plan that includes enterprise communication, change management, and consultation.

The group concluded with the following recommendations:

- principles for identifying shared administrative services that support system wide interests
- design guidelines for financing
- establishment of a standing advisory group
- preliminary articulation of an Implementation plan

The group reviewed a substantial amount of literature presenting national research in higher education and industry practices around shared services, best practices for decentralized organizations, and multi-campus cross-divisional work. The report provides a detailed bibliography that colleges and universities should reference if they are interested. The group

relied upon industry best practices as a guide for its recommendations. The practices that consistently surfaced include a commitment to continuous evaluation and customer quality assurance, communication and a strong feedback loop.

The principles for identifying shared services are a result of the group's work and have been shared with the Leadership Council and constituent groups for comment. There are recommended financing guidelines which also were vetted through the consultation process and are expected to be used by the implementation team to evaluate services currently offered at the enterprise level and how they are being financed. These same guidelines will also be applied to new services once they are identified to ensure consistency in financing methodologies. Once the chancellor approves the recommendations, a standing group will begin the work in January. There has been strong positive and no negative feedback on the recommendations. Vice Chancellor King thanked the group for all the hard work.

Chair Cowles asked the timetable for reporting back to the board on the progress. Vice Chancellor King will provide the timetable after the chancellor's endorsement and mapping of the work. Chancellor Malhotra commented that there will be more conversation on what will be done at the enterprise level and what is best left for the colleges and universities to handle at the campus level.

Trustee Hoffman asked whether there was communication with the presidential leadership team since there were no presidents as members of the group. Vice Chancellor King responded yes, all work has been shared with and is endorsed by Leadership Council. There have been monthly conversations and updates.

Trustee Moe asked whether EAS interfaces with Next Gen. Vice Chancellor King responded because there is tie-in with enterprise work, some of the systems will change the way campuses do business on a technology or relationship basis.

6. **Proposed New Policy 6.11 Facility Management and Operations (Second Reading)**
Associate Vice Chancellor Yolitz presented the second reading of the proposed new policy. This policy clarifies guidance, eliminates redundancy and streamlines governance documents in the facilities arena. The policy focuses on the operation of the college and university physical plant. It is recommended that Policies 6.4, 6.5 and 6.6 be retired as their guidance was updated and fully incorporated in the proposed new Policy 6.11, and policies 6.9 and 6.10 approved earlier this year by the Board. Chair Cowles commented on *part 3. Accountability and Reporting* which refers to periodic reporting to the board on specific areas and metrics and noted that based on recent conversations about space management and use that utilization rates be a routine update to the board. He also said the Board would be interested in metrics that speak to student and faculty spaces supportive of teaching and learning missions.

Trustee Abdul-Aziz asked whether part 3 could be utilized in prioritizing academic and auxiliary project for HEAPR funding. Mr. Yolitz indicated that some of the elements are contributing factors to the capital program review and scoring processes.

Chair Cowles called for a motion to approve the policy. Trustee Moe made the motion, Trustee Janezich seconded. The motion carried.

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:** January 24, 2018

Title: Contracts Exceeding $1Million
   a) Winona State University Digital Life and Learning Program FY2019-FY2024
   b) Increase in Contract Value for IT Hardware and Software Master Contracts with CDW-G and Now Micro
   c) Tutoring Services Contract

Purpose (check one):

☐ Proposed New Policy or Amendment to Existing Policy	☒ 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.

- Winona State University Digital Life and Learning Program FY2019-FY2024
- Increase in Contract Value for IT Hardware and Software Master Contracts with CDW- G and Now Micro
- Tutoring Services Contract

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

BOARD ITEM

CONTRACTS EXCEEDING $1M:
    a. WINONA STATE UNIVERSITY DIGITAL LIFE AND LEARNING PROGRAM FY2019-FY2024
    b. INCREASE IN CONTRACT VALUE FOR IT HARDWARE AND SOFTWARE MASTER CONTRACTS WITH CDW-G AND NOW MICRO
    c. TUTORING SERVICES CONTRACT

BACKGROUND

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. The first contract listed is for the university only, the others are system wide in impact and benefit.

a. Winona State University Digital Life and Learning Program FY2019-FY2024

The proposed action item is for Board approval of a 3-year lease-financing contract with the option to renew for 2 additional years valued at $5,500,000 a year.

In 1997, Winona State University (WSU) launched its *e-Warrior: Digital Life and Learning Program*, providing all students with a laptop computer to enhance their studies. This program has contributed to WSU's development as a distinctive institution and is now completely integrated into the campus culture. Unlike other institutions within the Minnesota State system, there are no computer labs at WSU. Instead of building specialized rooms, students and faculty can transform any room on campus into a computer lab. The predictable environment afforded by the program has allowed instructors to explore innovative pedagogies and action research in such areas as digital and open content, flipped classrooms, blended instruction, and enhanced communications with students. Winona State's new buildings were designed around a mobile computing environment, allowing for efficient, effective, and technology-enabled teaching and learning.

The *e-Warrior: Digital Life and Learning Program* is foundational to one of the three *Next Level Initiatives* for Winona State University: Advancing Digital Teaching and Learning. It is also core to the newly developed Digital Citizenship badge. In addition, Winona State sees the *e-Warrior: Digital Life and Learning Program* as one of the primary ways that it serves the strategic framework particularly in the delivery of an extraordinary education. Students were consulted throughout the process. An assessment plan, which included a survey of the program and measures of student support, is resoundingly positive.

Key takeaways from the *e–Warrior: Digital Life and Learning Program* at WSU:

- 20 years of enhancing student success with significant impact on the campus culture.
- Student-centered program based on assessment and feedback.
- Integrated program with consistent software, technology, and support accessible to all students.
- Student and alumni satisfaction 90%.
- Building infrastructure is designed to support the program.
- Significant factor in students choosing WSU.
- Continually enhancing the program to meet the changing needs of students.

A Request for Proposals was completed during November 2017 that competitively identified vendors for the program. Through a selection process, Aspen Capital was identified as the firm to provide the leasing. Commencing with the 2018-2019 academic year, the contract will be for three consecutive years with the option to renew for two additional years.

The estimated annual lease-financing cost of $5.5 million is based on an average technology bundle value of $1,400 per unit and a proposed lease rate of .0419 with a student enrollment of 7,500 participating in the program. ($1,400 x .0419 x 12 (months) x 7,800 (students/faculty) = $ 5.5 million.) The program is supported by the *e-Warrior: Digital Life and Learning Program* fee. This fee is currently set at $485 a semester. This fee also supports additional services. An example of a component of the fee is Information Technology Services at WSU employs over 100 students with an annual budget of $510,000, most directly supported by this fee. The fee is in-line with similar 1:1 programs at University of Minnesota-Rochester and Crookston, University of Wisconsin – Stout, and Valley City State University (North Dakota).

The attached document (**Attachment A**) provides additional information about *WSU's e-Warrior: Digital Life and Learning Program*.

b. **Increase in Contract Value for IT Hardware and Software Master Contracts with CDW- G and Now Micro**

In November 2013, the Board of Trustees approved master contracts for IT Hardware and Software with NowMicro and CDW-G for a combined total of up to $36 million with a term of 3 years, with options for up to two additional years. These are master contracts used by colleges and universities to purchase IT hardware and software peripherals such as notebooks, desktops, monitors and networking equipment. In 2017, Minnesota State exercised the extension options for both contracts up to five years total, expiring in March 2019. To date the combined spend for the two contracts is approaching $36 million, and this action would enable an increase to the contract value to an amount not to exceed $50 million. The costs are paid by the colleges and universities that use the contracts for purchasing actions.

c. Tutoring Services Contract

The system office has concluded an RFP process and is seeking approval for a new contract with Tutor.com to provide online tutoring services for all students. Similar services are currently provided under a contract with a vendor and product called Smartthinking. The request is for a five-year contract, with an option to extend up to three years (total of eight years). The contract value for the entire eight year term will not exceed $2,500,000. It is to the benefit to the students that Minnesota State move to a new vendor, based on the responses received from the RFP. Tutor.com will provide features that are more current for Minnesota State students. Minnesota State funds on line tutoring services through Mn-Online funds.

RECOMMENDED COMMITTEE ACTION:

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

a. The Board of Trustees authorizes the chancellor or the chancellor's designees to execute a 3-year lease financing contract with the option to renew for 2 additional years with Aspen Capital totaling $5,500,000 a year to provide lease financing for the Winona State University's *e-Warrior: Digital Life and Learning Program*. The board delegates execution of the contract and all necessary documents to the chancellor or the chancellor's designee.

b. The Board of Trustees authorizes the chancellor or the chancellor's designee to execute amendments to the IT hardware and software master contracts with both NowMicro and CDW-G for a new combined total amount not to exceed $50 million for the five year term, through March 2019. The board delegates execution of the contract and all necessary documents to chancellor or the chancellor's designee.

c. The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a contract with Tutor.com for five years with an option to extend for up to three years for a total amount not to exceed $2,500,000 over the eight year term. The board delegates execution of the contract and all necessary documents to chancellor or the chancellor's designee.

RECOMMENDED BOARD ACTION:

a. The Board of Trustees authorizes the chancellor or the chancellor's designees to execute a 3-year lease financing contract with the option to renew for 2 additional years with Aspen Capital totaling $5,500,000 a year to provide lease financing for the Winona State University's *e-Warrior: Digital Life and Learning Program*. The board delegates execution of the contract and all necessary documents to the chancellor or the chancellor's designee.

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Date Presented to the Board of Trustees: January 24, 2018

Winona State University
e-Warrior Digital Life and Learning Program
Board Report "Additional Information"- January 2018

"A Community of Learners Improving Our World"

Attachment A

INTRODUCTION

Higher education is a distinct enterprise continually reaching out to find leading-edge implementations of information technology to transform the administrative, teaching, research, and service missions of the institution. Just as it has transformed society, information technology has become an integral part of the academic enterprise. Key stakeholders in higher education see information technology as a significant focus for their schools' success.

It is against this backdrop that in 1997, Winona State University (WSU) launched its e-Warrior: Digital Life and Learning Program, providing all students with a laptop computer to enhance their studies. This program has contributed to WSU's development as a distinctive institution and is now completely integrated into our campus culture. Unlike other institutions within the Minnesota State, there are no computer labs at WSU. Instead of building specialized, expensive rooms, students and faculty can transform any room on campus into a computer lab. The predictable environment afforded by the program has allowed instructors to explore innovative pedagogies and action research in such areas as digital and open content, flipped classrooms, blended instruction, and enhanced communications with students.

Winona State's new buildings on campus (i.e., Education Village) are designed around a mobile computing environment (See **Appendix A, Paving the Way for Next Generation Teaching and Learning**). All the building spaces and equipment, including science labs, are built with the assumption that students have mobile computing devices. This mobile computing environment allows Winona State to create more efficient teaching and learning spaces such as connecting to high-tech science equipment. An outcome of this environment is the Winona campus has one of the largest wireless network installations in the state of Minnesota.

Vendi, a local marketing agency, collected and analyzed external marketing data on the perceptions of Winona State University. Employers indicated that WSU is a leader in technology and technology infused learning with 64% strongly agreeing and 30% agreeing with this statement. This area of strength as identified by employers was second only to the statement that "WSU offers a rich campus environment (natural beauty and extracurricular experiences)".

The *e-Warrior: Digital Life and Learning Program* is foundational to one of the three *Next Level Initiatives* for Winona State University: Advancing Digital Teaching and Learning. It is also core to the newly developed Digital Citizenship badge. In addition, Winona State sees the *e-Warrior: Digital Life and Learning Program* as one of the primary ways that it serves the strategic framework particularly in the delivery of an extraordinary education. Our graduates, many of whom continue to work and learn in the State of Minnesota, have benefited from the knowledge, skills, and abilities gained through their participation in the program.

E-WARRIOR DIGITAL LIFE & LEARNING PROGRAM

What is the *e-Warrior: Digital Life & Learning Program*?

This program integrates communication and information technology into student's social and learning experience at Winona State University. The program provides students with a powerful set of tools and services to support all facets of their academic work and residential life at Winona State. More than just a laptop, the e-Warrior: Digital Life and Learning Program ensure secure, reliable, and supportable technology 24/7.

Why do all students have to participate in *the e-Warrior: Digital Life & Learning Program*?

All full-time students (12 or more semester credits) are automatically enrolled in the *e-Warrior: Digital Life and Learning Program*. In order for the program to be most effective, all full-time faculty and students must have a common set of tools. This level of standardization allows instructors to integrate technology into their courses confidently and allows support staff to provide timely and cost effective technical assistance. This has allowed Winona State University to eliminate its campus computer labs allowing for more efficient use of space. The end result is that students and faculty can spend their time using technology to facilitate learning versus solving technical problems, wondering whether their personal computers will be adequate for their next set of courses, waiting for their computers to be repaired, or installing software.

The cost of the program is $485 per semester. How is this money used?

The *e-Warrior: Digital Life and Learning Program* provides students with much more than just a mobile device. The cost of the program is used to cover:

- **60% Hardware -** new mobile device every two years, 3 yr. warranty, spare laptops
- **15% Staffing -** full-time professional staff and student employment
- **10% Software Applications -** Microsoft Office, Adobe, SPSS, SAS, etc.
- **8% Program Cost -** Senior buyout program, training, administration
- **5% Maintenance -** repairs, replacement components
- **2% Miscellaneous costs associated with program,** i.e., marketing, supplies, bad debt write-off

Why does WSU lease laptops?
- Leasing avoids an initial purchase investment that may not be used, considering the withdrawal and transfer rates of first year students.
- WSU has no disposal costs. The units are returned to the leasing company.
- New equipment capable of keeping up with the fast pace of technological change is guaranteed with the two-year refresh that a leasing arrangement allows.
- Leasing allows the student buyout program to graduating students.

3

Senior Student Buyout Program
Winona State University, working with its leasing vendor, provides a purchase option for graduating seniors. The leasing vendor sells the mobile technology package to graduates and the purchase price is determined by the number of years that the student has participated in the e-Warrior: Digital Life and Learning Program (example: $25 for a 4-year Winona State University student). When a student is accepted for graduation, information is sent to them explaining the dates and times of the sale and the terms of the sale.

Figure 1: e-Warrior program integrated into classroom activities

DECISION MAKING, STUDENT, AND CAMPUS CONSULTATION

The *e-Warrior: Digital Life and Learning* Review Committee is a subcommittee of the All University Technology Committee (AUTC). The purpose of this subcommittee is to discuss and make recommendations on issues related to the *e-Warrior: Digital Life and Learning Program.* The complete committee make-up can be found in **Appendix B**. This committee reviews and evaluates assessment data collected around the program and makes recommendations to the Chief Information Officer. The assessment plan uses 20 instruments and 300 data points to measure program effectiveness. This fall, three showcase events were held around campus collecting additional input from students on various hardware options being evaluated. In addition, via the technology master planning process, multiple listening sessions were held for students, faculty, and other constituency groups. One of the key questions we asked during these sessions was on how the program served their technology needs. Figure 2 is the letter of consultation from Benjamin Reimler, President of the Student Senate.

Student Union
Winona State University
P.O. Box 5838
Winona, MN 55987

RE: Winona State University Technology RFP

Vice Chancellor King and Board of Trustees:

This letter is to inform you that the Winona State University Student Senate has been properly consulted regarding the technology RFP.

Our students have been actively involved and engaged in the process and I can state that Winona State University administration has taken student perspectives seriously.

I'm also happy to report that, through student assessments, we've found that our unique program enjoys 90 percent satisfaction among the Winona State student-body. At Winona State University, we are continually proud of our laptop program and the benefits it has provided for our students.

I look forward to a continued partnership between the Winona State University Student Senate and WSU administration to provide our students with the tools necessary to achieve a high-quality education in the 21st century. Additionally, I want to thank you and the Board of Trustees for your unwavering commitment to students in the Minnesota State system.

Sincerely,

Benjamin Reimler
President | Winona State University Student Senate

Figure 2 Consultation Letter from Student Senate

PROGRAM INDICATORS AND STUDENT SATISFACTION

Overall, students report satisfaction with the program. Each year in the spring, Winona State's Institutional Research unit holds an Assessment Day. The Assessment Day Survey includes a section on the *Digital Life and Learning Program*. The survey respondents include students from all Colleges and from multiple years in school. While the number of respondents varies each year, about one-third of the student body is represented. Overall satisfaction in the program has grown from 64% in spring of 2008 to a high of 91% in the spring of 2013 and has held steady at 89% over the past four years. Figure 3 shows overall satisfaction growth over the last ten years.
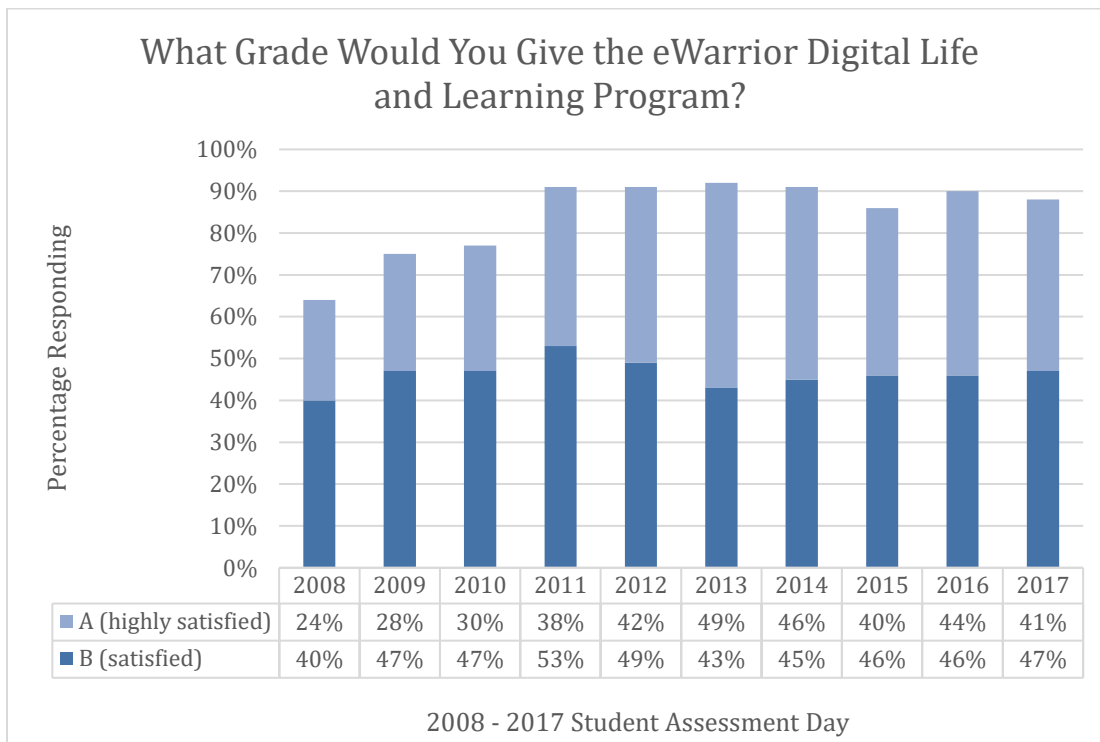
5

Figure 3 Student satisfaction data related to the *e-Warrior: Digital Life and Learning Program*

Every year since 2013, WSU has participated in the ECAR national student technology survey and compares very favorably with other, similar institutions. Averaging across the 2016 and 2017 surveys, 97% of WSU students reported using their laptops in most or all of their courses, 99% reported that the use of their laptops contributed significantly to their academic success, and 90% reported being highly satisfied with campus technology overall. By comparison, the corresponding values for similar MA institutions nationwide were 87%, 93%, and 77% respectively.

The 2014 and 2016 Alumni Technology Survey, administered to former *Digital Life and Learning Program* participants three years post-graduation, indicated that students' positive evaluation of the program persisted as they began their careers and that the benefits of participation are increasing:

- Averaged across 2014 and 2016, 93% of alumni gave the *Digital Life and Learning Program* an "A" or "B" overall and all program components received positive ratings, particularly network speed and access, printing, technical support, and software.
- In 2014, 69% of alumni reported that their participation in the *Digital Life and Learning Program* led to the development of computer skills that exceed their co-workers'. That increased to 75% in 2016.

The reliability and predictability of the technology and support provided through the Digital Life and Learning Program has been appreciated and leveraged by WSU instructors. In all of five college-specific faculty IT master planning sessions conducted in fall 2017,

6

instructors emphasized the importance of a consistent technological platform for learning and the degree to which this gives them the confidence they need to innovate. Responses to the 2014 and 2105 ECAR Faculty Technology Survey also indicated faculty satisfaction with the computing environment provided by the Digital Life and Learning Program, further differentiating WSU from other MA level institutions nationwide. In the 2015 ECAR survey, 83% of WSU faculty reported high levels of satisfaction with the professional development around integrated use of technology (e.g., technology training opportunities, incentives, and encouragement) and 64% strongly agreed that the institution was using technology to enhance student learning outcomes effectively, compared with 52% and 53% across similar, MA-level institutions, respectively. In recognition of our success in the area of faculty development related to the integration of technology into teaching and learning, ECAR asked WSU to contribute to its 2015 publication, [Educational Technology and Faculty Development in Higher Education](#).

Finally, Winona State has significantly higher utilization of key academic technology in the system. In the fall of 2017, Winona State administered nearly twice as many D2L Brightspace classroom tests as any campus in the system.

HIGHER LEARNING COMMISSION OBSERVATIONS
 The Higher Learning Commission (HLC) accreditation team during its accreditation visit made several observations about the *e-Warrior: Digital Life and Learning Program* in its report:

"The "e-Warrior: Digital Life and Learning Program," aka student laptop program, has been an outstanding recruitment tool for Winona State University. The total program investment from student fees allowed the campus to serve its students' needs in a superior fashion, and as a side benefit has allowed the campus to reduce infrastructure and operating costs through the elimination of all computer labs." (Component 2D)

"WSU has been a leader in the state in providing its students with computer technology through its longstanding laptop initiative. Through this program, students are assured a current laptop computer and appropriate software to meet their needs in their degree program. **Administrators, faculty and students all spoke highly of this program in the various face-to-face meetings with visiting team members."** (Component 3D)

"The Technology Infrastructure is impressive. **The team observed multiple ways in which IT at WSU is more advanced than other similar institutions.** The significant use of assessment to move forward strategically is noteworthy. In fact, assessment appears to inform all decisions. The use of Lean Principles to reduce costs, improve efficiency and increase efficacy is an example of the forward thinking that routine in this unit." (Recognition of Significant Accomplishments)

7

MOVING FORWARD

Winona State has made a public commitment to student success through the e-Warrior: *Digital Life and Learning Program* and its continued support of innovative pedagogy and active learning strategies employed by faculty.   Winona State continues to evaluates the program and improve it to meet the needs of students now and in the future.

Key points - *e–Warrior: Digital Life and Learning Program*

- 20 years of enhancing student success with significant impact on the campus culture.
- Student-centered program based on assessment and feedback.
- Integrated program with consistent software, technology, and support accessible to all students.
- Student and alumni satisfaction 90%.
- Building infrastructure is designed to support the program.
- Significant factor in students choosing WSU.
- Continually enhancing the program to meet the changing needs of students.

"A Community of Learners Improving Our World"

PAVING THE WAY FOR NEXT GENERATION TEACHING AND LEARNING

The Digital Life and Learning Program positions Winona State and Minnesota State to continue our tradition of teaching and learning innovation in response to new and emerging challenges and opportunities. The next generation of technology-enhanced teaching and learning will feature experiential learning in collaborative and community-infused contexts, personalized learning that adapts to the needs of individual students, and continuous access to affordable digital learning content and activities that democratize learning and eliminate the digital divide. WSU is already leveraging its Digital Life and Learning Program to make progress in all three areas.

The Education Village

In 1858, Winona became home to the first teacher preparation school west of the Mississippi River. Following our sesquicentennial, we began thinking about teacher preparation for the 21st century. We are currently integrating the university into the community and its schools, establishing an Education Village by renovating existing buildings on the campus. Generally, between 16-20% of WSU students are education majors today making this project central to the future of our campus. We are creating a vibrant community, housed in state-of-the-art facilities and infused with technology, that will blend the education and knowledge of our faculty with the experience of master PK-12 teachers and the insight and support of parents and our regional communities to provide next generation learning experiences for our future teachers. The dependability and flexibility of the Digital Life and Learning Program will be critical to the success of this project.

Adaptive, Personalized Learning

Advances in mobile computing, big data, and artificial intelligence are opening new opportunities to personalize the learning experience in effective ways. Math applications can detect specific errors and adjust themselves to better support the individual student. Assessment and feedback applications can present nursing students with flash cards, brief quizzes, and other distributed learning opportunities outside of class time that adapt to address their specific learning

10

challenges. Access to these adaptive learning tools is greatly facilitated by the Digital Life and Learning Program and WSU is leading the way. The WSU Digital Faculty Fellows Program is an important part of a larger campus effort, led by Dr. Patricia L. Rogers, Winona State University Provost and Senior Vice President of Academic Affairs. Dr. Rogers was one of 32 academic leaders from across the country selected by the Association of Chief Academic Officers (ACAO) to participate in a new Digital Fellows Program. Supported by the Bill & Melinda Gates Foundation, the ACAO Digital Fellows Program provides provosts and chief academic officers with critical information, shared resources, and evidence-based strategies for leading their campuses forward in the effective application of high-impact digital courseware. This year, two faculty fellows are being supported in their efforts to integrate adaptive learning tools into their courses. More information about this project is available at https://learn.winona.edu/Digital_Faculty_Fellows.

Open Educational Resources and Textbook Affordability

Finally, open textbooks and other sources of open, free, or low-cost digital content and learning activities promise to increase the affordability of higher education and greatly reduce related inequities that may discourage some of our most talented students and prevent us from fulfilling our mission as a public educational institution. As technology continues to increase access to a growing repository of free and low-cost digital content, it is absolutely essential that all of our students have the ability to access it anytime and anywhere. The Digital Life and Learning Program ensures that all WSU students can access these open educational resources continuously and we are taking steps to help our faculty leverage them fully. This year, WSU established a Textbook Affordability Task Force, led by our Student Senate and including faculty and staff, who are working to document, promote, and expand the use of open educational resources at WSU. The lessons we learn will be of great benefit to the entire system and our Digital Life and Learning Program allows us to innovate, discover, and lead the way.

11
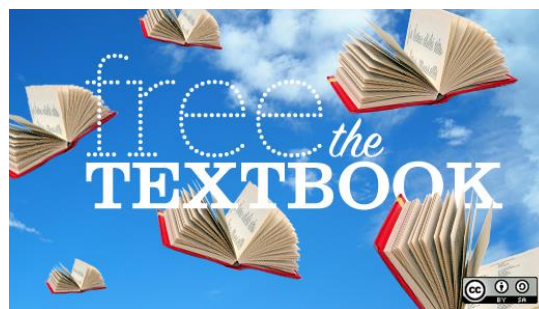
E-WARRIOR: DIGITAL LIFE AND LEARNING REVIEW COMMITTEE

This committee is comprised of the student members of the Winona State University Student Technology Fee Review Committee the faculty and staff members of the All University Technology Committee (AUTC). The committee make-up for the 2017 – 2018 school year is listed below:

Ex-Officio
- Kenneth Janz, Associate Vice President for Academic Affairs and Chief Information Officer
- Ken Graetz, Director for Teaching, Learning, and Technology Services
- Robin Honken, Director for User Services

Student Representatives
- Lizzie Casey (Co-Chair)
- Nick DeMaris
- Connor Taylor
- Jessica Harvey Rigby

Inter Faculty Organization (IFO) Representation
- Pat Paulson, Professor, College of Business (Co-Chair)
- Edward Guernica, Associate Professor, College of Liberal Arts
- Pingping Zhang, Assistant Professor, College of Science and Engineering
- Gregory Richard, Assistant Professor, College of Liberal Arts
- H "Vernon" Leighton, Librarian, Library

Deans' Council Representation
- Charla Miertschin, Dean, College of Science and Engineering

Administrative and Service Faculty (ASF) Representation
- Trent Dernbach, Student Success and Career Advisor

Minnesota Association of Professional Employees (MAPE) Representation
- John Yearous, Application Developer, Information Technology Services
- Travis Norman, System Administrator, Information Technology Services

Middle Managers Association (MMA) Representation
- Tom Hill, Director Classroom Services

AFSCME Representation
- Dustin Tollefsrud, Administrative Assistant, Outreach and Continuing Education

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

Name: Finance and Facilities Committee   **Date:** January 24, 2018

Title: Surplus and Sale of Real Estate, St. Cloud State University

Purpose (check one):

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

Brief Description:

The Board of Trustees is asked to declare certain real property owned by St. Cloud State University as surplus per *Board Policy 6.7, Real Estate Transactions and Management*.

St. Cloud State University is contemplating surplus actions for real property for which it no longer has a use. The university has identified Talahi Woods and remainder parcels adjacent to Friedrich Park that are no longer needed for university purposes.

Scheduled Presenter(s):
Laura M. King – Vice Chancellor – Chief Financial Officer
Brian Yolitz, Associate Vice Chancellor for Facilities

BOARD ACTION
SURPLUS AND SALE OF REAL ESTATE ST. CLOUD STATE UNIVERSITY

PURPOSE

The Board of Trustees is asked to declare certain real property owned by St. Cloud State University as surplus per *Board Policy 6.7, Real Estate Transactions and Management*. The property is located away from the main campus in the city of St Cloud.

BACKGROUND

As part of its 2016 comprehensive facility plan and discussions with the city of St. Cloud, St. Cloud State University contemplated surplus actions for certain real property for which it no longer has a use. The university has identified Talahi Woods and remainder parcels adjacent to Friedrich Park that are no longer needed for university purposes. The overview map of St. Cloud State University property holdings is included for reference as **Attachment A.**

Talahi Woods. Talahi Woods is an approximately 26 acre undeveloped tract on the Mississippi River south of Riverside Park in St. Cloud. The elevated woody tract offers views of the Beaver Islands. It is fenced on its land-facing sides, which abuts Killian Boulevard/Minnesota Drive/9th Avenue SE. Its trails are used by students and the public for casual recreation, especially cross country skiing. The university originally acquired this property on October 12th, 1944, from the St. Cloud State University Alumni Association. The Alumni Association originally purchased the property in 1938 for $4000. The land is currently zoned R-1, and is shown on **Attachment B**. The university has determined that the property has no planned university use – academic or otherwise - based on its recent comprehensive facilities planning work.

Friedrich Park (remainder parcels). The board previously declared the main parcel constituting Friedrich Park as surplus in April, 2015. The main parcel was subsequently sold to the city for conversion to a city park. The remaining parcels to the north of the park were not included in the original surplus action and includes platted, but undeveloped lands. The total remainder parcel contains approximately 20 acres. The current zoning of the remainder parcel is R-5, General Multi-Family Residential District in the City of St. Cloud. The purpose of the General Multi-Family Residential District is "to provide for, and preserve, quality high density residential development including multi-family dwellings up to four (4) stories." For the most part, ownership is held by Minnesota State (the university). Title work is ongoing to verify the full quality of title. The parcel is included in **Attachment C.**

The university has determined that the property has no planned university use – academic or otherwise - based on its recent comprehensive facilities planning work. Provided the board declares the properties as surplus, the first offering would be to local jurisdictions to meet statutory requirements. The city of St. Cloud has already signaled their interest in acquiring the properties for city parkland, and he the county and school district are aware of interest by the city of St. Cloud to acquire both parcels for city parkland development. If designated as surplus by the Board of Trustees, the City of St. Cloud would present this acquisition to the St Cloud city council for formal approval during a subsequent council meeting. Appraisals for both have been obtained by the university. Under statute, the proceeds from any sale shall be used for a capital project on the campus that had control over the land that were placed in surplus status.

RECOMMENDED COMMITTEE ACTION:

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

The Board of Trustees designates the Talahi Woods and Friedrich Park remainder property at St. Cloud State University as surplus, and authorizes the chancellor or his designee to pursue a sale of the property no less than its appraised value.

RECOMMENDED BOARD OF TRUSTEES ACTION:

The Board of Trustees designates the Talahi Woods and Friedrich Park remainder property at St. Cloud State University as surplus, and authorizes the chancellor or his designee to pursue a sale of the property for no less than its appraised value.
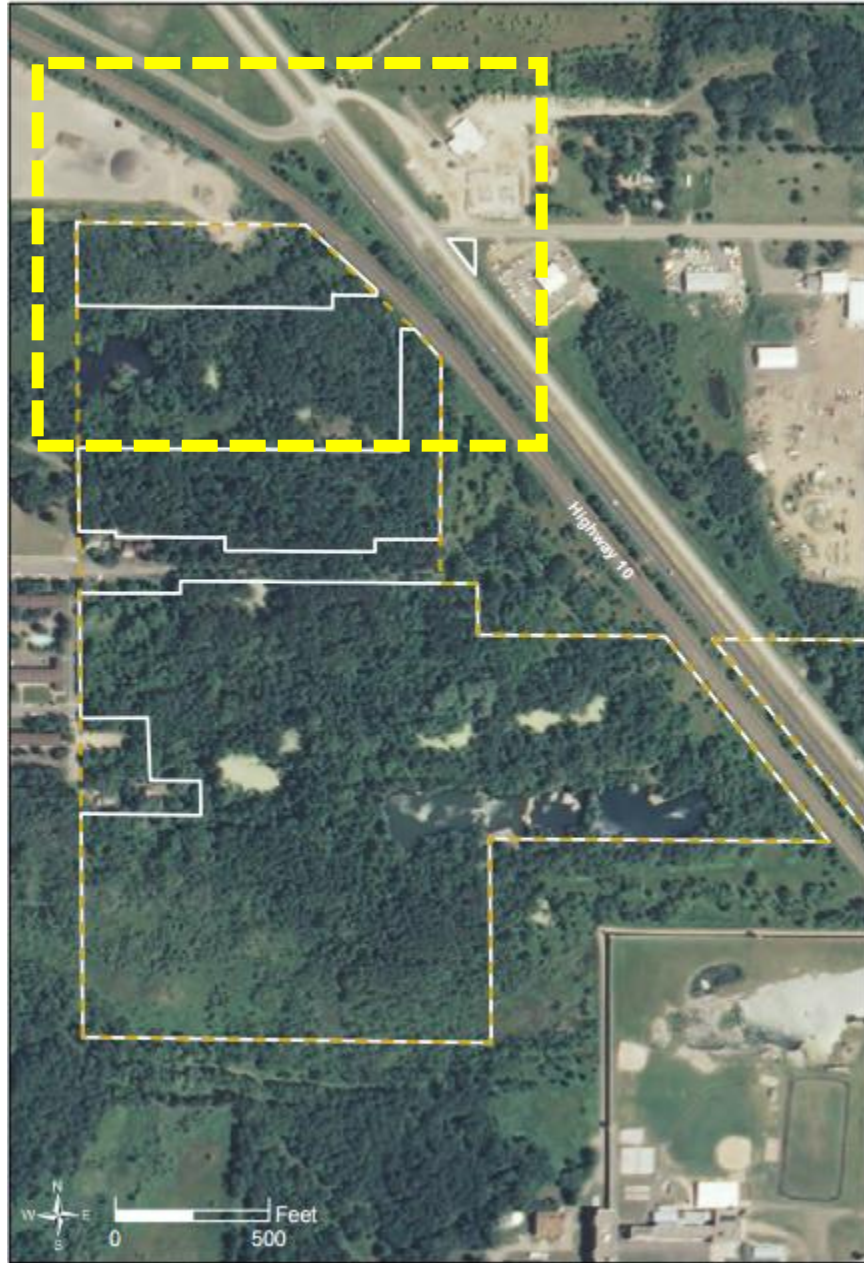
Date of Adoption: January 24, 2018

ATTACHMENT B – TALAHI WOODS PARCEL

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

Name: Finance and Facilities Committee   **Date:** January 24, 2018

Title: Non-resident Tuition Waiver for Students from Puerto Rico and the U.S. Virgin Islands Impacted by Hurricanes Maria and Irma

Purpose (check one):

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

Brief Description:

The Minnesota State Board of Trustees and the Minnesota State community are sympathetic to those individuals impacted by the hurricane disasters. Higher education institutions across the country have acted to support continued educational opportunities for these students. It is proposed that Minnesota State waive non-resident tuition from January 2018 through December 2018 for any student from Puerto Rico or the U.S. Virgin Islands who meet the criteria outlined in the report.

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

MINNESOTA STATE
BOARD OF TRUSTEES

<table>
<tr><td align="center">**BOARD ACTION**</td></tr>
<tr><td align="center">NON-RESIDENT TUITION WAIVER FOR STUDENTS FROM PUERTO RICO
AND THE U.S. VIRGIN ISLANDS IMPACTED BY HURRICANES MARIA AND IRMA</td></tr>
</table>

1 **BACKGROUND**
2 In the aftermath of Hurricanes Maria and Irma, tens of thousands of people from Puerto Rico
3 and the U.S. Virgin Islands have been impacted, including students enrolled at higher education
4 institutions temporarily closed as a result of the hurricanes. The Minnesota State Board of
5 Trustees and the Minnesota State community are sympathetic to those individuals impacted by
6 the hurricane disasters. Higher education institutions across the country have acted to support
7 continued educational opportunities for these students. Five of our universities and seven
8 colleges presently charge a non-resident tuition rate to non-resident, non-reciprocity students.
9 It is proposed that Minnesota State waive non-resident tuition from January 2018 through
10 December 2018 for any student from Puerto Rico or the U.S. Virgin Islands who meet the
11 following criteria:
12
13 1.   The student was enrolled at a regionally accredited college or university now closed due
14   to the hurricane(s); and
15 2.   The student will enroll at a Minnesota State college or university for spring 2018 and/or
16   fall 2018 semester(s).
17
18 All of the affected colleges and universities endorse and support this proposal; the number of
19 students eligible for the waiver is expected to be small.
20
21 **RECOMMENDED COMMITTEE MOTION:**
22 The Finance and Facilities Committee recommends the Board of Trustees adopt the following
23 motion:
24 The Board of Trustees endorses efforts to support Puerto Rican and U.S. Virgin Islander
25 students impacted by Hurricanes Maria and Irma and delegates to the Chancellor the authority
26 to determine eligibility and implementation criteria for the non-resident tuition waiver.
27
28 **RECOMMENDED BOARD MOTION:**
29 The Board of Trustees endorses efforts to support Puerto Rican and U.S. Virgin Islander
30 students impacted by Hurricanes Maria and Irma and delegates to the Chancellor the authority
31 to determine eligibility and implementation criteria for the non-resident tuition waiver.
32
33 *Date Presented to the Board of Trustees:*   *01/24/2018*
34 *Date of Implementation:*   *01/24/2018*

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

Name: Finance and Facilities Committee   **Date:** January 24, 2018

Title: College and University Financial Performance Update

Purpose (check one):

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

Brief Description:

> Minnesota State FY2017 and FY2016 financial statements and an update on FY2017 college and university financial health indicators will be presented to the committee for discussion.

Scheduled Presenter(s):
Laura M. King – Vice Chancellor – Chief Financial Officer
Deborah Bednarz, System Director Financial Planning and Analysis

January 24, 2018

FINANCE

College and University Financial Performance Update

Board of Trustees
Finance and Facilities Committee Meeting

Presentation Overview

Minnesota State FY2017 and FY2016 financial
statements results

FY2017 college and university financial health
indicators

2

MINNESOTA STATE

Financial Results Summary

- System reported an operating loss of $19.7M, less than 1% of FY2017 revenue*

- 22 colleges and universities reported an operating loss in FY2017 (19 in FY2016)*

- Campus budget reserves preserved – critical risk management strategy

* Excludes the unfunded pension liability entries

3

MINNESOTA STATE

FY2017 financial results indicate sound financial position; cost management critical

- Sound financial position maintained

- Continued reliance on state operating appropriation to support mission critical services; state's funding pattern contributed to the operating loss in 2nd year of biennium

- Tuition revenue pressure due to frozen tuition rates at the universities and a one percent reduction at the colleges and continued enrollment declines

- Enrollment management and cost management strategies critical

4

MINNESOTA STATE

Slight degradation in CFI results compared to FY2016

Excludes the unfunded pension liability entries

5

MINNESOTA STATE
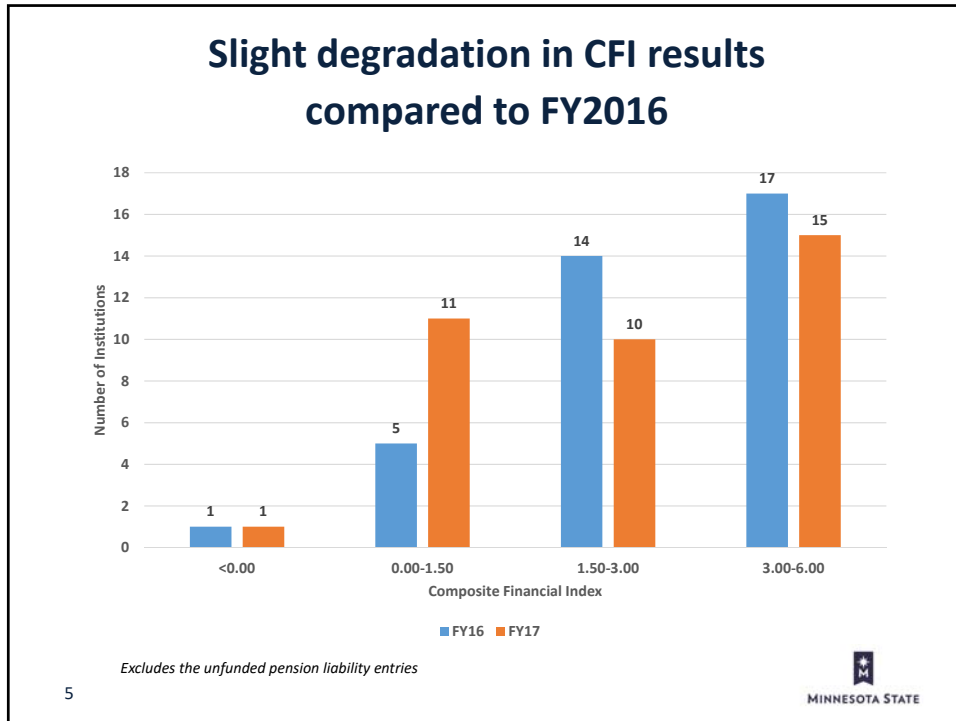
Key Performance Metrics
Fiscal Year 2017 vs. 2016

FYE   131,640 students (FY2017) vs. 135,089 (FY2016)
Headcount   250,446 students (FY2017) vs. 254,206 (FY2016)

 $1.98 billion revenue   (2.2%) compared to FY2016
 $2.22 billion net position   0.7% compared to FY2016*
 $15.8 million change in net position compared to FY2016*

College and university operating reserve
• $102.9 million, flat compared to 2016
• 7.0% of revenue; board requirement = 5% to 7%

 * *Excludes the unfunded pension liability entries*

6

MINNESOTA STATE

Five indicators measure financial health

Two enrollment-based indicators
- A1. Long-term enrollment decline of more than 8 percent over two years
- A2. Short-term enrollment shortfall more than 2% compared to budget

Two cash-based indicators
- B1. General fund cash balance less than 20 percent of annual general fund revenue
- B2. General fund balance decline of 10% or more over three year period

One accrual-based indicator
- C1. Adjusted CFI (without pension liability entries) below 1.5 (2-year average) or 0.5 (most recent year)

7

MINNESOTA STATE

Disciplined campus leadership led to fewer indicators triggered in FY2017

8

MINNESOTA STATE
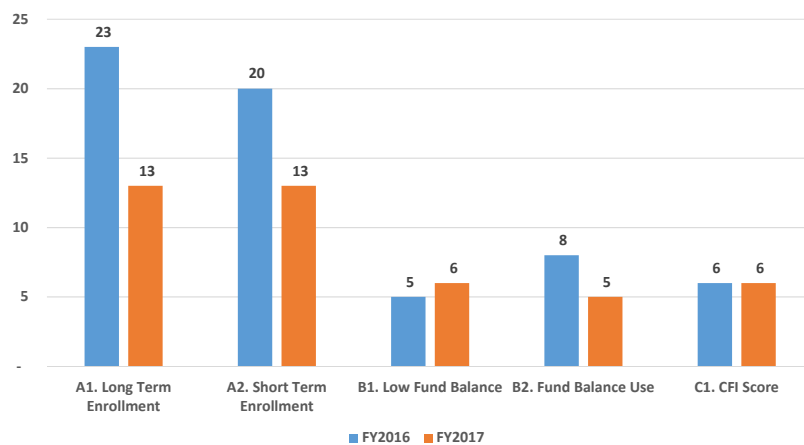
12 colleges and universities triggered more than one indicator in FY2017, compared to 20 in FY2016
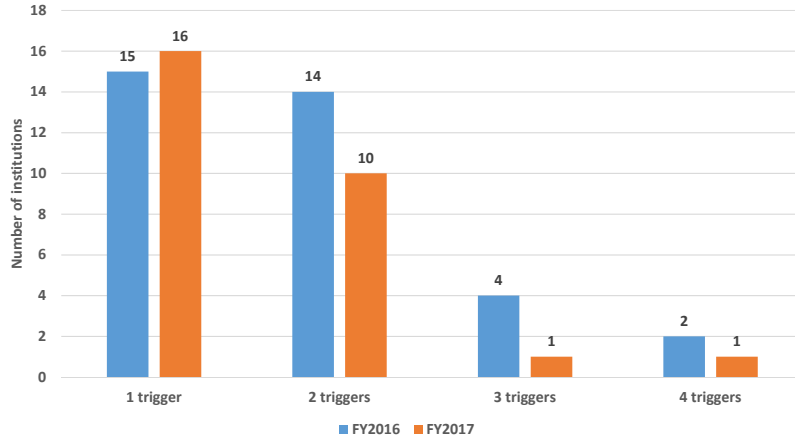
9

A1. Rate of enrollment decline moderating with improvement in number of colleges and universities showing decline of more than 8% over two years
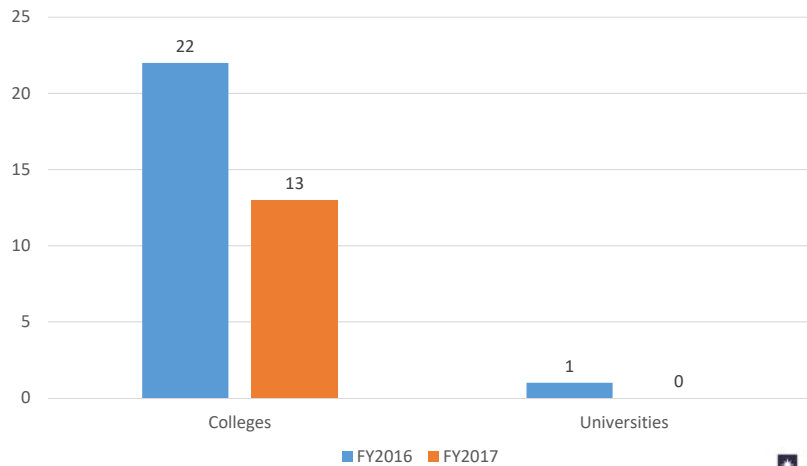
10

A2. Budget enrollment outlook accuracy improving with 13 colleges and universities underperforming outlook by more than 2%
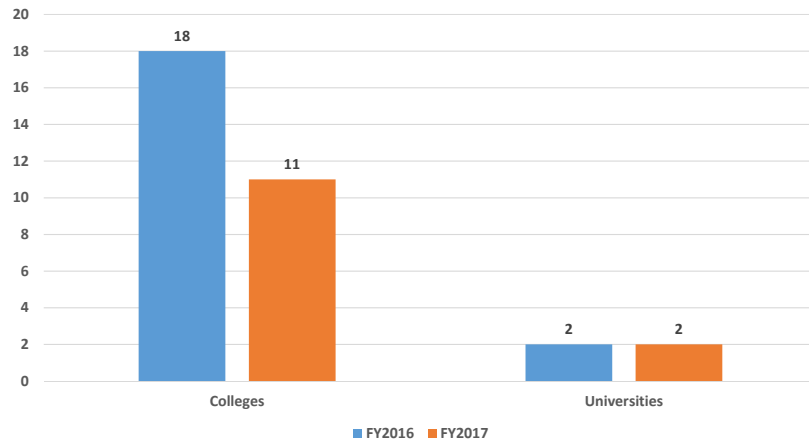
A2. Overall, year-to-date enrollment outlook is on track with budgeted enrollment
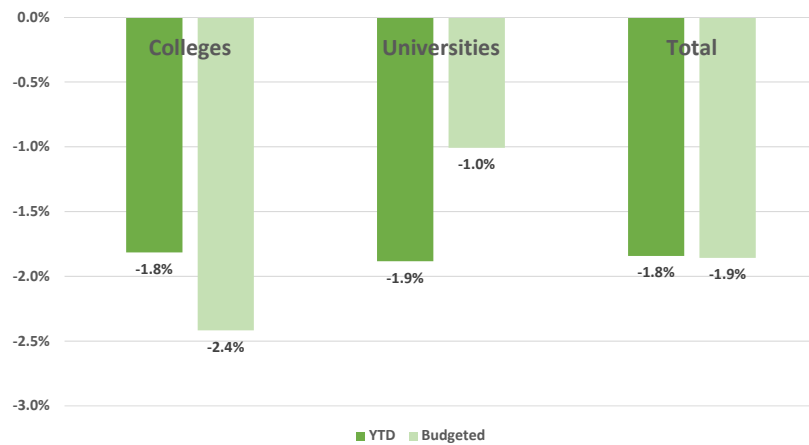
B1. Six colleges and universities report fund balances below 20% in FY2017
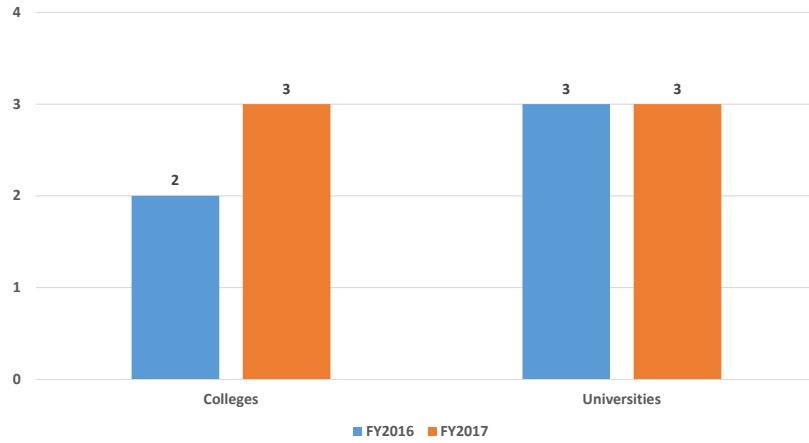
B2. 5 colleges and universities consumed more than 10% of fund balance over past 3 years
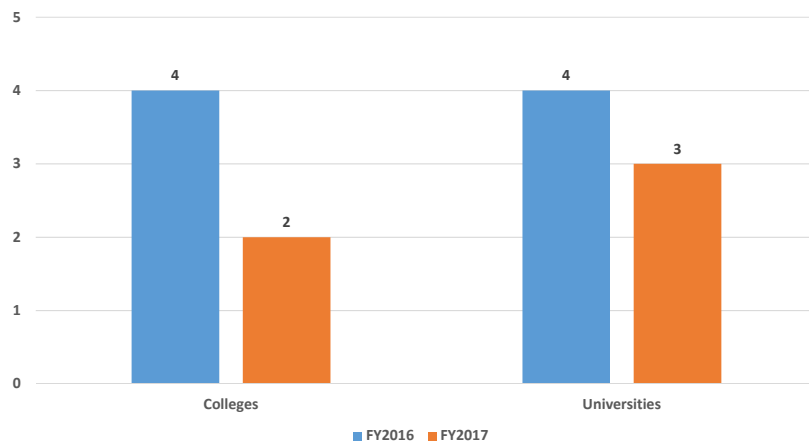
Half of institutions that triggered fund balance levels (B1) also triggered fund balance use (B2)
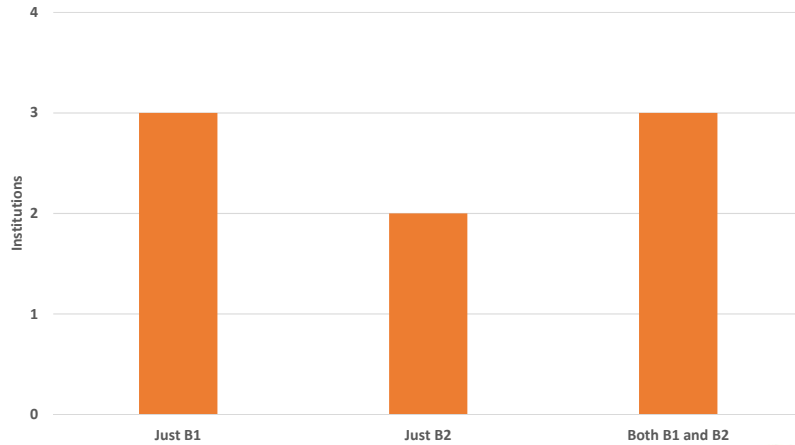
15

C1. No change in the number of colleges and universities that triggered the CFI score indicator in FY2017
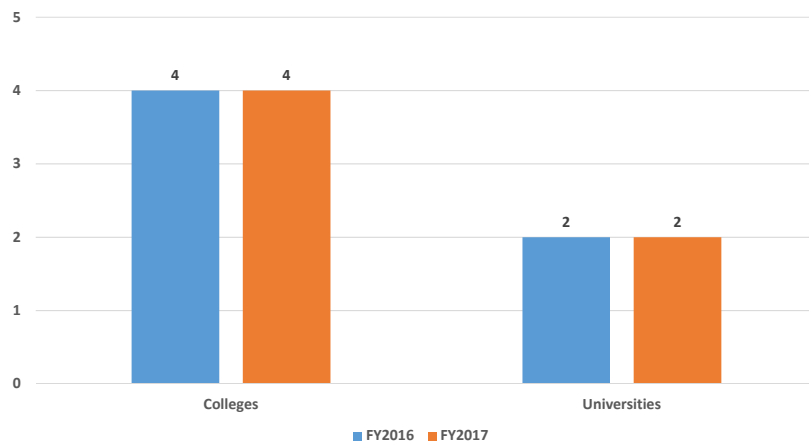
16

Financial Health Reporting and Monitoring

- Nine institutions have submitted financial plans or updates
- Four meetings were held with presidents and their CFO to review their plans
- 13 revised FY18 operating budgets were submitted
- 13 enrollment plans or updates to enrollment plans were submitted resulting in colleges and universities developing specific strategies and measures related to enrollment

17

MINNESOTA STATE

Colleges and Universities
Financial Health Summary

- Colleges and universities continue to face financial and enrollment challenges that they are working hard to solve
- State funding pattern continues to create structural issues that must be addressed
- Most institutions doing an excellent job, some addressing significant challenges
- Financial health indicators are working – timely identification of issues and responses

18

MINNESOTA STATE

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

Name: Finance and Facilities Committee   **Date:** January 24, 2018

Title: FY2020 Capital Program Guidelines for 2020 Capital Program and 2019 Revenue Bond Sale (First Reading)

Purpose (check one):

	Proposed New Policy or Amendment to Existing Policy		Approvals Required by Policy		Other Approvals
☐		[X]		☐	

	Monitoring / Compliance		Information
☐		☐	

Brief Description:

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

Scheduled Presenter(s):
Laura M. King, Vice Chancellor – Chief Financial Officer
Brian Yolitz, Associate Vice Chancellor for Facilities

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

ACTION ITEM
FY2020 CAPITAL PROGRAM GUIDELINES FOR 2020 CAPITAL PROGRAM AND 2019 REVENUE BOND SALE (FIRST READING)

PURPOSE

Board Policy 6.9, *Capital Planning*, provides, the chancellor, shall "develop and recommend for board approval capital funding guidelines for system facilities and real property." The following details are for the Board of Trustees review of capital program guidelines for preparation of the 2020 capital budget and any 2019 Revenue Fund bond sale.

CAPITAL PROGRAMMING – GENERAL

Capital program guidelines establish the goals the system seeks to achieve when obtaining funding for major capital projects. The guidelines serve a two-fold purpose:

1. A foundation for creating a prioritized capital bonding list that is submitted to the board for approval and then forwarded to the state's capital bonding process and
2. Providing guidance on investment priorities in our revenue bond program.

Each college or university that wishes to participate in a capital budget cycle will base their request on their current comprehensive facility plan and prepare a full predesign consistent with established guidelines that describes the project's scope, anticipated costs and schedule.

RECOMMENDED CAPITAL PROGRAM GUIDELINES

The capital program guidelines will be used to establish the major criteria for prioritizing the 2020 capital budget request. Capital program guidelines are grounded in the Minnesota State Strategic Framework principles of ensuring access to an extraordinary education, being the partner of choice to meet Minnesota's workforce and community needs, and delivery to students, communities, and taxpayers the highest value, most affordable option.

Since the 2018 capital program guidelines were approved, the Report of the Workgroup on Long-term Financial Sustainability recommended the system adjust the size of 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 recognized that the system is overbuilt in some parts of the state and there

Date Presented to the Board of Trustees: January 23-24, 2018

is a high cost to the system due to this imbalance. Through effective capital planning, space allocation and utilization can significantly reduce operating costs and increase revenues.

In addition, the Board approved the [Strategic Roadmap for Long Term Financial Sustainability 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.

In preparing the proposed FY2020 capital program guidelines for Board consideration, the staff also took into consideration regional planning efforts to accommodate more efficient academic planning and their long term impact on academic facilities. Staff also consulted with the Leadership Council and solicited discussion during the Board's November 2017 meeting to develop recommended capital program guidelines to prioritize 2020 capital bonding requests.

Based on the considerations above, the Board is asked to consider the following capital program guidelines for development of the FY2020 capital investment program:

1. **Update Academic Spaces.** The Board seeks strategic improvements and modernization of existing campus spaces to support current and emerging academic and student needs of a region and the state of Minnesota. The system's number one priority remains asset preservation to best support long term facility stewardship and financial sustainability.
2. **Ease Barriers to Student Success.** Improve opportunities for student success by updating support services, academic advising, and tutoring spaces and prioritize space that improves transferability between our colleges and universities and access to baccalaureate programming.
3. **Prioritize Energy Efficiency and Renewable Energy Infrastructure.** Build for the future with flexible and adaptable spaces that prioritize energy efficiency and integrate renewable energy sources as a long-term strategy to enhance environmental and financial sustainability.
4. **Limit New Square Footage.** 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. **$250 million request.** The total FY2020 capital investment program target should be $250 million with approximately $130 million prioritized to address asset preservation needs and $120 million for major projects to meet programmatic updates.

2

OTHER CAPITAL PROGRAM CONSIDERATIONS

Should opportunities arise for capital bonding in off-years, the Board historically supported the completion of unfunded priorities from the bonding session immediately prior to the off-year session. That strategy is recommended for the 2020 capital request as well. At the conclusion of the 2019 legislative session, staff will provide an update of the final bonding bill and prepare a new capital bonding list of unfunded 2020 projects for consideration by the governor and the legislature in the following legislative session. .

The state requires Minnesota State to pay one-third of the total debt service obligation attributable to the individual capital projects funded for the benefit of the system (excluding Higher Education Asset Preservation and Replacement (HEAPR) projects). Starting with the 2018 legislative session and concerning only projects recommended for the first time, the Board endorsed a change to internal capital project debt management practice such that the one-third debt charge is exclusively the responsibility of the college or university that is the recipient of the project.

2019 REVENUE FUND BOND GUIDELINES

The 2019 Revenue Fund bond guidelines will be used as guidance as the system prepares for its 2019 revenue bond sale, which is expected to be brought for Board consideration in the fall of 2018. The revenue bond process is distinguishable from the capital budget process by two primary differences:

1) Minnesota State has statutory authority to issue revenue bond debt, and

2) Each campus is responsible for the full debt service and must levy student/user fees and charges sufficient to financing the full debt service and operating requirements for their particular project and program.

To that end, the board is asked to consider the following proposed guidelines for the revenue fund capital program to include:

1. Evidence of strong student involvement and support for a project
2. Balance student affordability with required reinvestment in the buildings
3. Reduction of deferred maintenance backlog
4. Addresses long-term demographic forecasts in planned project
5. Leverages partnership or private industry to generate additional income

3

RECOMMENDED COMMITTEE ACTION:

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

The Board of Trustees approves the 2020 Capital Program Guidelines and 2019 Revenue Fund bond sale guidelines as presented.

RECOMMENDED BOARD MOTION:

The Board of Trustees approves the 2020 Capital Program Guidelines and 2019 Revenue Fund bond sale guidelines as presented.

Date of Adoption: *03/21/18*
Date of Implementation: *03/21/18*

4

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

Name: Finance and Facilities Committee   **Date:** January 24, 2018

Title: Proposed Amendment to Policy 8.3 College, University and System-Related Foundations (First Reading)

Purpose (check one):

| [X] | Proposed New Policy or Amendment to Existing Policy | [ ] | Approvals Required by Policy | [ ] | Other Approvals |

| [ ] | Monitoring / Compliance | [ ] | Information |

Brief Description:

Board Policy 8.3 College, University and System related foundations was adopted by the Board of Trustees effective March 21, 1995. The policy was last before the board November, 2009 at which time language was amended concerning required contracts between the institution and the related foundation and other technical changes made. The policy once again went through the full review process in the spring/ summer 2017. The proposed amendments alters the audit requirement and clarifies the board's expectations when real estate transactions contemplated.

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

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD ACTION
PROPOSED AMENDMENT TO POLICY 8.3 COLLEGE, UNIVERSITY AND SYSTEM-RELATED FOUNDATIONS (FIRST READING)

1 **BACKGROUND**
2 Board Policy 1A.1, Part 6, Minnesota State Colleges and Universities Organization and
3 Administration, requires periodic review of all board policies and procedures to "determine
4 whether it is needed, that it is current and complete, not duplicative of other policies, does
5 not contain unnecessary reporting requirements or approval processes, and is consistent with
6 style and format requirements". Board Policy 8.3 College, University and System related
7 foundations was adopted by the Board of Trustees effective March 21, 1995. The policy was
8 last before the board November, 2009 at which time language was amended concerning
9 required contracts between the institution and the related foundation and other technical
10 changes made. The policy once again went through the full review process in the spring/
11 summer 2017.
12
13 **PROPOSED AMENDMENTS**
14 The proposed amendments include both technical, style related changes and several material
15 amendments. The proposed policy would provide the chancellor the authority to waive the
16 requirement for an audit every three years where the foundation has assets of less than
17 $75,000. The waiver is sought to ease the financial burden on the smallest foundations. The
18 proposed policy would also add language expressly linking any real estate transactions to
19 board policies concerning board approval and required due diligence.
20
21 **RECOMMENDED COMMITTEE MOTION**
22 The Facilities/Finance Policy Committee recommends the Board of Trustees adopt the
23 following motion:
24 The Board of Trustees approves the changes to Board Policy 8.3 College, University and
25 System Related Foundations
26
27 **RECOMMENDED BOARD MOTION**
28 The Board of Trustees approves the changes to Board Policy 8.3 College, University and System
29 Related Foundations
30
31 *Date of Adoption:*   *03/21/18*
32 *Date of Implementation:*   *03/21/18*

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD POLICY – FIRST READING	
Chapter 8.	College & University Relations
Section 3.	College and University Related Foundations

1 **8.3 College and University Related Foundations**
2
3 **Part 1. Purpose**
4 To establish the standards to be met in order to help ensure that the relationships between
5 colleges, universities, and their supporting foundations are stable, long-term, productive, and
6 efficient; and that those relationships foster the maximum support possible for the system and its
7 colleges and universities. To also establish the standards to be met when a foundation supports
8 the college or university in other activities, such as serving as a vehicle for acquiring,
9 developing, or managing real or intangible property.
10
11 Foundations and their board members play an important role in providing needed resources for
12 Minnesota State colleges and universities and their students, as well as in creating public
13 awareness of the important contributions our colleges and universities make to students, their
14 communities, and the state. Colleges and universities shall ensure that any public resources,
15 including employee time, which support the activities of a related foundation are used prudently
16 and in a manner consistent with their respective missions, board policies, and system procedures.
17
18 **Part 2. Definitions**
19
20 **Related foundation**
21 A private, non-profit organization whose purpose is to support a college or university through
22 fundraising and other activities and is officially recognized by the president or chancellor
23 through a written contract. An organization whose primary purpose is other than fundraising
24 for a college or university is not a related foundation under this policy.
25
26 **Administrative support**
27 The use of college or university employees, equipment, and facilities that are needed to carry
28 out related foundation policies and authorizations. The related foundation board is
29 responsible for managing its financial resources, including authorizing fundraising strategies,
30 budgeting the use of funds, and establishing investment policies.
31
32 **Fundraising**
33 Direct solicitations, receipt of gifts, management of endowed funds, and other activities
34 directed at raising foundation funding on behalf of the college, university, or its students.
35
36

37 **Part 3. Organization of Related Foundations**
38 A related foundation must be legally incorporated as a nonprofit corporation under Minnesota
39 law, in good standing, and must be qualified as a tax-exempt charitable organization under 26
40 U.S.C. 501(c)(3). The governance of a related foundation is the sole responsibility of its board of
41 directors and the related foundation must be maintained as a legal entity separate from Minnesota
42 State Colleges and Universities. Board policy and system procedure establish standards to be met
43 by foundations seeking to serve as related foundations to receive support services and
44 recognition from colleges and universities.
45
46 **Part 4. Contracts with Related Foundations**
47 A president or the chancellor may enter into a written contract with a related foundation to
48 provide administrative support to the related foundation in accordance with board policy and
49 system procedure and to allow the related foundation to use the name of the college or
50 university.
51
52   **Subpart A. Return of value**
53   The chancellor may establish the return of value ratio required for each contract with a
54   related foundation. Before establishing the ratio for the related foundation of a college or
55   university, the chancellor shall consult with the college or university president.
56
57   **Subpart B. Contract term and approval**
58   The term of the contract must not exceed three years and may be renewed at the chancellor's
59   or president's discretion. The contract is subject to review and approval by the system office.
60   A copy of the contract must be kept on file in the system office.
61
62   **Subpart C. Access to information**
63   The contract must provide that the Office of the Legislative Auditor and Minnesota State
64   Colleges and Universities shall have complete access to the financial records of the related
65   foundation.
66
67   **Subpart D. Foundation reports**
68   The contract must require that the related foundation annually provide to the college or
69   university and the system office a report as set forth below. The chancellor shall establish the
70   deadline for filing the report and any provision for filing extensions in system procedure. The
71   annual report must include the following information:
72
73   1. A copy of the annual report required to be filed with the attorney general pursuant to
74   Minn. Stat. § 309.53. A related foundation that is not required to file audited financial
75   statements with the attorney general pursuant to Minn. Stat. § 309.53, Subd. 3, shall
76   submit an audited financial statement and the information in Subpart D(2) at least
77   once every three years. The chancellor, or the chancellor's designee, may waive the
78   audit requirement if the foundation has less than $75,000 in assets at the end of the
79   current fiscal year. The request for waiver must be sent, in writing, to the Minnesota

80   State Director of Financial Reporting and approved by the chancellor, or the
81   chancellor's designee, prior to the deadline for filing.
82   2. Any written communication from an independent auditor that discloses any material
83   weakness in internal controls identified in conjunction with the audit of financial
84   statements. For any material weakness reported, the related foundation shall provide a
85   written response that includes its explanation for accepting the risks associated with
86   the weakness or its plans to implement corrective action.
87   3. A report on return of value for the prior fiscal year, including the value of
88   administrative support received and the value returned to the college, university, or
89   system and its students.
90
91   **Subpart E. Ex-officio member**
92   The contract must provide that the president or chancellor, or their designee, serve as an ex-
93   officio, non-voting member of the respective related foundation's governing board and of
94   any executive or similar committee empowered to act for the governing board.
95
96   **Subpart F. Additional conditions**
97   The chancellor may identify additional conditions that must be met by a related foundation in
98   order to contract with a college or university for administrative support, if the chancellor
99   determines that the conditions are needed to improve effectiveness, legal compliance, or
100 other factors affecting the operational viability or integrity of the related foundation. Before
101 making the determination for the related foundation of a college or university, the chancellor
102 shall consult with the college or university president.
103
104 **Part 5. Annual Report**
105 The chancellor shall report annually to the board information for each related foundation
106 including the dollar value of administrative support provided; the dollar value of returns to the
107 college, university, or its students; information on any waiver granted under System Procedure
108 8.3.2; and any other information the chancellor deems appropriate.
109
110 **Part 6. Other Developmental Support**
111
112 **Subpart A. Real property supporting a college or university**
113 The president is responsible for communicating the college or university goals and priorities
114 to its Related Foundation regarding its comprehensive facilities plans. Any agreement
115 between the Related Foundation and the president for real property shall be in writing and
116 shall adhere to board policies related to real estate and contracts, including Board policy 6.7
117 and related procedures.
118 **Subpart B. Conveying property to a college or university**
119 Before accepting any real property from a Related Foundation, the board shall require its
120 own due diligence under current system real estate policy and procedure.
121
122 _____
123 **Policy History:**

124
125 *Date of Adoption: 03/21/95*
126 *Date of Implementation: 03/21/95*
127
128 *Date and Subject of Revision:*
129   *Proposed January 2018 – Removed references to system office as related foundations will*
130   *contract with a college or university. Added language allowing the audit requirement in Part*
131   *4, sub D #1 to be waived for foundations with less than $75,000 in assets. Added Part 6*
132   *establishing expectations when using a related foundation as vehicle for real property.*
133   *Applied new formatting and writing styles resulting in technical edits.*
134
135   *11/16/11 - Effective 1/1/12, the Board of Trustees amends all board policies to change the*
136   *term "Office of the Chancellor" to "system office," and to make necessary related*
137   *grammatical changes.*
138   *11/18/09 - policy was rewritten, new part 1, Purpose was added, part 2, Definitions were*
139   *expanded, language in parts 3, 4, and 5 were added or amended from former part 2. These*
140   *amendments apply to any new contract with a related foundation. An existing contract with a*
141   *related foundation shall be amended in accordance with these amendments at the time of any*
142   *amendment to the contract or July 1, 2010, whichever is earlier.*
143   *12/17/03 - Changed Name to include "system-related." Also amends Part 2, Subpart B, to*
144   *temporarily waive the requirement to contribute an amount equal to the administrative*
145   *support, for new foundations or those undergoing changes to the foundation's mission,*
146   *purpose or structure.*
147   *1/19/00 - Revised Part 1 and Part 2, Subpart A.*
148   *2/17/99 - Revised Subparts C and D, and added Subpart E.*
149   *2/21/96 - Subpart D was added and technical amendments were made.*

**MINNESOTA STATE
BOARD OF TRUSTEES**

| **BOARD POLICY – FIRST READING** |
| Chapter 8. College & University Relations |
| Section 3. ~~College , University and System~~ College and University Related Foundations |

1 **8.3 ~~College-, University- and System~~ College and University Related Foundations**
2
3 **Part 1. Purpose**
4 To establish the standards to be met in order to help ensure that the relationships between
5 colleges, universities, and their supporting foundations are stable, long-term, productive, and
6 efficient; and that those relationships foster the maximum support possible for the system and its
7 colleges and universities. To also establish the standards to be met when a foundation supports
8 the college or university in other activities, such as serving as a vehicle for acquiring,
9 developing, or managing real or intangible property.
10
11 Foundations and their board members play an important role in providing needed resources for
12 ~~the~~ Minnesota State ~~Colleges~~ colleges and ~~Universities~~ universities and their students, as well as
13 in creating public awareness of the important contributions ~~made by~~ our colleges and universities
14 make to students, their communities, and the state. ~~This policy establishes the standards to be~~
15 ~~met in order to help ensure that the relationships between colleges, universities, the system and~~
16 ~~their supporting foundations are stable and long-term, productive and efficient, and foster the~~
17 ~~maximum support possible for the system and its colleges and universities. Colleges,~~
18 ~~universities, and the system office~~ Colleges and universities ~~must~~ shall ensure that any public
19 resources, including employee time, which support the activities of a related foundation are used
20 prudently and in a manner consistent with their respective missions, board policies, and system
21 procedures.
22
23 **Part 2. Definitions**
24
25   **Related foundation**
26   ~~A related foundation is a~~ A private, non-profit organization whose purpose is to support a
27   ~~college, university, or the system~~ college or university through fundraising and other activities
28   and is officially recognized by the president or chancellor through a written contract. An
29   organization whose primary purpose is other than fundraising for a ~~college, university, or the~~
30   ~~system~~ college or university is not a related foundation under this policy.
31
32   **Administrative support**
33   ~~Administrative support means the~~ The use of ~~college, university, or system~~ college or
34   university employees, equipment, and facilities that are needed to carry out related
35   foundation policies and authorizations. The related foundation board is responsible for

36   managing its financial resources, including authorizing fundraising strategies, budgeting the
37   use of funds, and establishing investment policies.
38
39   **Fundraising**
40   ~~Fundraising means direct~~ Direct solicitations, receipt of gifts, management of endowed
41   funds, and other activities directed at raising foundation funding on behalf of the college,
42   university, or its students.
43
44

45   **Part 3. Organization of Related Foundations**
46   A related foundation must be legally incorporated as a nonprofit corporation under Minnesota
47   law, in good standing, and must be qualified as a tax-exempt charitable organization under 26
48   U.S.C. 501(c)(3). The governance of a related foundation is the sole responsibility of its board of
49   directors and the related foundation must be maintained as a legal entity separate from Minnesota
50   State Colleges and Universities. ~~System~~ Board policy and system procedure establish standards
51   to be met by foundations seeking to serve as related foundations to receive support services and
52   recognition from ~~colleges, universities, or the system~~colleges and universities.
53

54   **Part 4. Contracts with Related Foundations**
55   A president or the chancellor may enter into a written contract with a related foundation to
56   provide administrative support to the related foundation in accordance with board policy and
57   system procedure and to allow the related foundation to use the name of the ~~college, university,~~
58   ~~or system~~college or university.
59

60   **Subpart A. Return of value**
61   The chancellor may establish the return of value ratio required for each contract with a
62   related foundation. Before establishing the ratio for the related foundation of a college or
63   university, the chancellor shall consult with the college or university president.
64

65   **Subpart B. Contract term~~,~~ and approval**
66   The term of the contract ~~shall~~ must not exceed three years and may be renewed at the
67   ~~chancellor's~~ chancellor's or ~~president's~~ president's discretion. The contract is subject to
68   review and approval by the system office. A copy of the contract ~~shall~~ must be kept on file in
69   the system office.
70

71   **Subpart C. Access to information**
72   The contract ~~shall~~ must provide that the Office of the Legislative Auditor and Minnesota
73   State Colleges and Universities shall have complete access to the financial records of the
74   related foundation.
75

76   **Subpart D. Foundation reports**
77   The contract ~~shall~~ must require that the related foundation annually provide to the college or
78   university and the system office a report as set forth below. The chancellor shall establish the
79   deadline for filing the report and any provision for filing extensions in system procedure. The
80   annual report ~~shall~~ must include the following information:
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83   Minn. Stat. § 309.53Minnesota Statutes 309.53. A related foundation that is not
84   required to file audited financial statements with the attorney general pursuant to
85   Minn. Stat. § 309.53Minnesota Statutes 309.53, Subd. 3, shall submit an audited
86   financial statement and the information in Subpart D(2) at least once every three
87   years. The chancellor, or the chancellor's designee, may waive the audit requirement
88   if the foundation has less than $75,000 in assets at the end of the current fiscal year.
89   The request for waiver must be sent, in writing, to the Minnesota State Director of
90   Financial Reporting and approved by the chancellor, or the chancellor's designee,
91   prior to the deadline for filing.
92   2. Any written communication from an independent auditor that discloses any material
93   weakness in internal controls identified in conjunction with the audit of financial
94   statements. For any material weakness reported, the related foundation shall provide a
95   written response which that includes its explanation for accepting the risks associated
96   with the weakness or its plans to implement corrective action.
97   3. A report on return of value for the prior fiscal year, including the value of
98   administrative support received and the value returned to the college, university, or
99   system and its students.
100

Subpart E. Ex-officio member

101
102   The contract must provide that the president or chancellor, or their designee, serve as an ex-
103   officio, non-voting member of the respective related foundation's foundation's governing
104   board and of any executive or similar committee empowered to act for the governing board.
105

Subpart F. Additional conditions

106
107   The chancellor may identify additional conditions that must be met by a related foundation in
108   order to contract with a college, university, or the systemcollege or university for
109   administrative support, if the chancellor determines that the conditions are needed to improve
110   effectiveness, legal compliance, or other factors affecting the operational viability or integrity
111   of the related foundation. Before making the determination for the related foundation of a
112   college or university, the chancellor shall consult with the college or university president.
113

Part 5. Annual Report

114
115   The chancellor annually shall report annually to the board information for each related
116   foundation including the dollar value of administrative support provided,; the dollar value of
117   returns to the college, university, or system or its students,; information on any waiver granted
118   under system System procedure Procedure 8.3.2,; and any other information the chancellor
119   deems appropriate.
120

Part 6. Other Developmental Support

121
122

Subpart A. Real property supporting a college or university

123
124   The president is responsible for communicating the college or university goals and priorities
125   to its Related Foundation regarding its comprehensive facilities plans. Any agreement
126   between the Related Foundation and the president for real property shall be in writing and

127   shall adhere to board policies related to real estate and contracts, including Board policy 6.7
128   and related procedures.

129

130   **Subpart B. Conveying property to a college or university**
131   Before accepting any real property from a Related Foundation, the board shall require its
132   own due diligence under current system real estate policy and procedure.

133

134

135   **Policy History:**

136

137   *Date of Adoption: 03/21/95*
138   *Date of Implementation: 03/21/95*

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161   *2/21/96 - Subpart D was added and technical amendments were made.*

Diversity, Equity, and Inclusion Committee
January 24, 2018
10:00 A.M.
McCormick Room
30 7th Street East
Saint, Paul, 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 Joint Meeting: Diversity, Equity, and Inclusion and Academic and Student Affairs 06/20/2017 (pp. 2-10)**
2. Strategic Equity Agenda (pp. 12-31)

Diversity, Equity and Inclusion Committee
Ann Anaya, Chair
Cheryl Tefer, Vice Chair
AbdulRahmane Abdul-Aziz
Basil Ajuo
Jay Cowles
George Soule
Louise Sundin
President Liaisons:
Scott Olson
Sharon Pierce

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
JOINT DIVERSITY, EQUITY AND INCLUSION COMMITTEE
AND ACADEMIC AND STUDENT AFFAIRS COMMITTEE
MEETING MINUTES
JUNE 20, 2017**

Diversity, Equity, and Inclusion Committee Members Present: Ann Anaya, Chair; Rudy Rodriguez, Vice Chair; Trustees Basil Ajuo, Louise Sundin and Cheryl Tefer

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

Diversity, Equity and Inclusion Committee Members and Academic and Student Affairs Committee members Absent: Trustee Roger Moe

Other Board Members Present: Trustees Elise Bourdeau, Jay Cowles, Bob Hoffman, George Soule, Michael Vekich

Leadership Council Committee Members Present: Steven Rosenstone, Chancellor, Nickyia Cogshell, Interim Chief Diversity Officer and Kim, Craig

The Minnesota State Colleges and Universities Joint Diversity, Equity, and Inclusion Committee and Human Resources Committee held its meeting on June 20, 2017, at Wells Fargo Place, 4th Floor, Board Room, 30 East 7th Street in St. Paul. Vice Chair Anaya called the meeting to order at 1:03 p.m.

1. **Approval of the Diversity, Equity and Inclusion Committee Meeting Minutes**

   Chair Ann Anaya stated the minutes of the Academic and Student Affairs Committee Meeting and the Joint Meeting of the Diversity, Equity, and Inclusion and Human Resources Committees, May 17, 2017, will stand as submitted.

2. **Joint Meeting of the Academic and Student Affairs Committee and the Diversity, Equity, and Inclusion Committee Closing the Opportunity Gap**

   Presenters:
   Nickyia Cogshell – Interim Chief Diversity Officer
   President Scott Olson – President, Winona State University
   President Sharon Pierce – President, Minneapolis Community and Technical College
   Kim Lynch – Interim Associate Vice Chancellor for Academic Affairs
   Craig Schneider – Senior System Director for Research

Committee Chair Ann Anaya introduced the topic of the presentation: Closing the Opportunity Gap.

This presentation provided an overview and an update on the efforts to close the opportunity gap between students of color, American Indian students, and their white non-Hispanic counterparts. The presentation is an opportunity to reset strategies to close the opportunity gap; with a greater focus on structural inequities that enable the gap to persist. The strategies colleges and universities have been employing are not yielding the results as we had hoped. The opportunity gap is a challenge facing higher education and K-12 systems throughout the nation. Over the past 40 years researchers and policy makers have written about the opportunity gap more than any other topic in education. Studies show the opportunity gap exists prior to students even entering formal schooling.

Tremendous progress has been made over the past four years with respect to **diversity** and **inclusion**:

- Our colleges and universities serve over **63,000 students of color and American Indian students**, which is an increase of 24,000 or 62% between 2007 and 2016
- Over the past decade, the total number of employees dropped by 9%, as the percentage of employees of color and American Indian employees rose over the same time period by nearly 30%
- More recently, over the past **5 years**, **student diversity is up 19%** and **employee diversity is up 23%**
- Last year, every college and university developed and began implementing strategic diversity and inclusion plans
- The search processes was redesigned to improve the quality and diversity of our candidate pools
- The chancellor created an enterprise-wide taskforce last winter to help address issues of campus climate

On many fronts, we have made great progress. When it comes to closing the opportunity gap, we haven't made the progress we would have liked to have made.

Opportunity gap is referred to as the achievement gap or student success gap. This definition is used because the language speaks to their assets rather than their deficits. Essentially, the opportunity gap stems from differences in exposure, experiences, and resources. These disparities occur prior to a student entering into a formal school setting. The opportunity gap challenges us to think about systems, structures, policies, practices, and procedures that enable the gap to persist.

Craig Schoenecker, Senior System Director for Research, shared that the financial need and academic preparation are the most significant determinants of student success. Students with low academic preparedness and high financial need have low completion rates. Most of our students do not have a high ACT or Accuplacer score nor do they come from families that can easily afford the cost of a post-secondary education. In fact, Students of Color and American Indian students have higher financial need and are less academically prepared for college-level course work than their white non-Hispanic counterparts. Although incomes for all groups have increased since the Great Recession, the income gaps have also increased between Students of Color and American Indian and

their white non-Hispanic counterparts. The increasing income gap is important because gaps in income drive gaps in student success. There are substantial gaps in college readiness between students of color and American Indian as compared to white non-Hispanic students. Echoing the gaps that exist as they enter and exit K-12, Students of Color and American Indian students typically arrive at our doors with a lower level of college readiness. Gaps in academic preparation lead to gaps in student success. At our colleges, the second fall persistence gap between Students of Color and American Indian students as compared to white non-Hispanic students and the third spring completion gap have not narrowed. The size of the gaps bounce around from year to year, but there is no clear sign of improvement.

The term "persistence" measures the degree to which students stay enrolled or persist in their studies. The persistence rates reported are for the second fall semester after the students first enrolled at a college and include students who are retained, who have transferred, or who have graduated (all success stories). The college completion rates represent the proportion of fall entering students who have graduated, transferred or graduated from the transfer institution by the third spring after entering. At our universities the second fall persistence gap between Students of Color and American Indian students as compared to white non-Hispanic students have not narrowed. The completion gap at our universities has increased a bit from 9.5 percent for students who entered in Fall 2005 to 12.7 percent for students who entered in Fall 2010. Completion at the universities includes graduation by the sixth spring after entry.

Approximately two-thirds of the opportunity gap at both our colleges and universities is attributable to gaps in academic preparation and gaps in financial resources. All other factors account for about one-third of the gap.

- Although the gap has not gotten smaller over time, our colleges and universities reduce the gap in completion from what it would have been given our students preparation and income gaps at the time of enrollment.
- A comparison of the gaps in developmental course-taking and financial resources when students entered to the gap in completion rates indicates that we had some modest success in closing the preparation and income gaps among students at our colleges, and some success in closing the income gap, but not the preparation gap at our universities.

Minnesota State Colleges and Universities completion rate gaps between Students of Color and American Indian students as compared to white non-Hispanic students are larger than the average gap at similar colleges and universities across the U. S.

- The Minnesota State college completion rate for Students of Color and American Indian students is three points above the national average.
- The state college completion rate for white students is nine points above the national average.
- The state college gap is six points above the national average and ranks fourth highest among the fifty states.

- The Minnesota state university completion rate for Students of Color and American Indian students is seven points below the national average for similar universities.
- The state university completion rate for white students is five points below the national average.
- The state university gap is three points above the national average and ranks 20th highest among the fifty states.

Kym Lynch, Interim Associate Vice Chancellor of Academic Affairs, stated that although we have not yet made the progress needed, we must keep in mind that our students possess an amazing set of strengths and assets that they apply to their studies. It is critical that we leverage these strengths and assets as we work to eliminate the opportunity gap in Minnesota State.

- *Aspirational capital* of our students is the ability of our students to maintain hopes and dreams for their future, despite perceived barriers.
- *Linguistic capital* of our students is that many of our students arrive to our colleges and universities speaking multiple languages and with a range of communication skills.
- *Familial capital*. This form of cultural capital underscores the sense of commitment our students have to the well-being of their communities. Many see post-secondary education as an opportunity to gain the skills necessary to contribute to family and community prosperity.
- *Social capital,* is our students' connections to networks of people and community resources, both inside our colleges and universities and in their respective communities.
- *Navigational capital,* is the ability of our students to navigate unfamiliar spaces and experiences, despite the presence of stressful events and conditions that impact their education

One compelling reason for the daunting challenge of the narrowing of the opportunity gap are the large disparities that exist in Minnesota, compared to other states. The income of people of color and American Indians is 38% lower than that of white, Non-Hispanic Minnesotans. Housing, security, poverty, employment, and home ownership—Minnesota has among the largest racial gaps in the nation. As Nickyia Cogshell shared, strategies our colleges and universities have been employing are not yielding the results we desire, but that does not change the call to action or the need for persistence. To address the growing financial need of our students, Chancellor Rosenstone launched the access to excellence scholarship campaign. In **FY 14 and 15**, over **$39** million was raised and over **28,000** scholarships awarded. Phase 2 of the campaign launched last June is to raise **$50 million** in new scholarship funds by 2019. Halfway through this campaign, and over **$43 million** and awarded close to **22,000** scholarships has been raised.

- **Increased use of OER:** Increasing the use of open educational resources makes education more affordable, saving students up to $1,000 a year if they have full

access to these materials. Faculty are key to making that change happen. To date, Minnesota State has reached nearly 300 faculty through awareness campaigns, professional development and partnership with Open Textbook Network (OTN). Of those who reviewed textbooks in the Open Textbook Library, 60% have adopted open sources or plan to adopt them in the near future. Campus grants are supporting local open textbook initiatives, and Distance Minnesota is on pace to offer a fully online AA degree with zero textbook costs. Emphasis on open textbooks in *transfer pathway courses* as well as engagement of the college and university librarians in this effort for this next year's goals.

- **Board commitment to affordability:** Minnesota State serves more low income students than all of the other higher education providers in Minnesota combined. The commitment to affordability is not a "nice to have" option; it is a necessity for the students we serve.

Our colleges and universities have worked hard to address academic preparedness.

- **Redesign of developmental education**: Minnesota State is now finalizing its strategic roadmap for developmental education, this will guide the vision and action steps of our system for the next 3-5 years. The goals are to accelerate and improve completion and entry into college-level courses; improve alignment of secondary and post-secondary assessment; expand and strengthen professional development for faculty teaching in developmental education programs, and improve the evaluation of these efforts.
- **Summer bridge programs to ensure academic preparedness**: During the March Board of Trustees meeting, Chancellor Rosenstone announced the generous donation by Beverly and Richard Fink to create the Summer Scholars Academy. This program makes it possible for students to complete their developmental education courses in the summer before their first year of college, so they can move into college level courses in the fall. Summer Scholars Academy will reduce student debt and increase student persistence and degree completion. The first year of the program will serve 200 students. If this proves successful, our hope is to expand this program statewide.
- **K-12 partnerships to ensure more students graduate college-ready**: One goal of the developmental strategic roadmap is to improve the alignment of secondary and post-secondary curricula in reading, writing, and mathematics. The plan would establish local processes for convening high school and college or university faculty to review college and career readiness standards, secondary curricula, and post-secondary developmental education curricula. Other readiness partnerships include multicultural enrollment advisors embedded in high schools, summer bridge programs offered during the junior year of high school, and access to college-level courses while enrolled concurrently in high school.

In addition, other strategies are being employed.

- **Predictive Analytics:** We have implemented the Predictive Analytics Reporting (PAR) Framework at fifteen colleges and five universities. Predictive Analytic

Reporting provides tools and services to inventory student success interventions, benchmark students' success, and predict which students are likely to be at-risk. The information is used to target interventions and support services to at-risk students to improve their likelihood of success.

- **Revisions to Curriculum and Pedagogy**: Minnesota State faculty development has focused on cultural competence and pedagogy for the last year with specific emphasis on adult learners, postsecondary English language learners, and supporting faculty in creating inclusive classrooms.
- **Campus climate**: Minnesota State is committed to ensuring a welcoming and supportive campus environment. This is expressed in our systemwide equity and inclusion goals and is an integral part of our core values. An unhealthy campus climate negatively impacts students of color achievement and involvement in campus activities.
- **Non-academic support services**: As shared during the March Academic and Student Affairs committee meeting, research on how to improve student success, especially among populations traditionally underrepresented and underserved in higher education, demonstrates the necessity of non-academic student support services. Many of our students experience situational barriers such as: inaccessible transportation, housing and food insecurity, financial hardship, lack of affordable child care, and inadequate medical and mental health care. Despite the wide array of student services that our campuses provide, gaps exist between student needs and resources available. We are currently working with our colleges and universities to find creative solutions and fostering partnerships with community and/or governmental agencies to offer non-academic student support.

Nickyia Cogshell, Interim Chief Diversity Officer, added colleges and universities are also implementing strategies to eliminate the opportunity gap in the college and university diversity and inclusion plans. June 2016 our colleges and universities developed diversity and inclusion plans to guide diversity and inclusion efforts. Assessment of strategies is critical to learning about the impact the plans have on student learning, and its impact on the opportunity gap. As we know, two-thirds of the opportunity gap is attributable to gaps in academic preparation and financial resources, additional strategies moving forward must address these structural inequities. For students to thrive their basic needs must be met. Strategies to increase the **academic preparedness** enable students to enter our colleges and universities college-ready, therefore able to bypass developmental courses. Lastly, strategies aimed at other structural barriers press us to think deeply about **other structural inequities** that get in the way of student learning which can include: the cultural competency of faculty and staff, capacity of academic leaders to understand and act on the issue, large classroom sizes, and campus climate.

We offer some strategic questions for discussion:
- Are there additional suggestions for strategies to eliminate the opportunity gap?
- How should we better partner with organizations to address the systemic challenges undergirding the opportunity gap in in Minnesota?

Scott Olson, President, Winona State University stated that it is a complex challenge. He shared that he had not seen a presentation that had leadership more concerned or trying to work together as Closing the Opportunity Gap. What is great is that nobody has passed the buck to the structural data that has been shared. We all own this process of closing the opportunity gap and none of us will rest until it's closed. There is no magic bullet given the complexity of the students that we choose to serve. Winona State University has a Student Resource Center and the KEAP Diversity Resource Center to assist students with their needs. These resources are a way for students to find a home away from home. The HOPE Academy is one of our summer bridge programs and is high school students come in and have a10 day program to get a jump on their college start. Success coaches are in place to help with barriers. There is an ethnic studies program and many campuses have Trio programs. There is a Student Parent programs to assist our student parents. One unique program at Winona is the eWarrior program which equips students with a fully configured and supported laptop computer. This allows each student to start their college career on the same digital platform. This closes the digital divide and eliminates the advantage of those that can afford better devices. Diversity mapping is another approach. Winona is also working on the fall campus survey. Winona's leadership has decided to upgrade the Chief Diversity Officer to a Vice President position. The Para to Professional program has special funding to get those from Para to professional. Winona State University also has set up special funding to help in emergency situations for students in need such as a car repair. We need to have our programs in place long enough to measure the data to validate that the programs are working.

Sharon Pierce, President, Minneapolis Community and Technical College shared that their diversity plan is integrated into all of their other plans. Every one of the plans is aligned to include diversity and equity. It is the foundation of the key performance indicators. Minneapolis Community and Technical College has programs such as Star Scholars, Power of You, and financial aid to help with the fees to help them return to school. Students African American and, Xicanos Latinos Unidos (XLU), most important is that each program has an underlying foundation that is the same but what is needed from the students is very different. Minneapolis Community and Technical College does not impose on students but ask what is needed from them. Student support services, health care clinic, mental health, and government programs to assist those in need. There are also partnerships with K-12 to get those in need ready for and into college. The more stem grant has increased 25%. We will not be satisfied until we are meeting the needs of our students.

Chari Anaya expressed her appreciation in the improvements that we have made. Chair Anaya stated that to ask a first generation student what they need is unfair. If they do not have a mentor or a family member that has been through the college process, they will not know what they need. What was helpful to Chair Anaya was to have a resource center to help navigate and model how to be successful in a class. Language in a college setting is new to you as a new student. It is not spoken in the home nor with friends. Resource centers should not only be culturally sensitive but also be able to get the knowledge of those that have already gone through the system. Chair Anaya asked how we are addressing the academic side of navigating and studying. President Pierce shared that

Minneapolis Community and Technical College has the academic support center which allows for cultural support, tutoring, as well as culturally fluent academic advising. There is a program called No Regret Semester, this is where students start in stem or liberal arts and still have academic choices. They do not lose momentum or credits. President Olson shared that Winona State University has great availability in the academic support and feels that's an area that they can work on. President Olson thanks the board for the suggestion.

Trustee Hoffman stated that he was impressed with what is being done to work to closing the gap. Trustee Hoffman feels that there is a significant role of K-12. Trustee Hoffman would like to know what is being done to overcome the K-12 challenges. President Olson is working with K-12 to do a lot of professional development as part of the reform. There is work being done to prepare future teacher as well as the teachers that are there now to better prepare those K-12 students to be better prepared for college.

Chancellor ~~Steven~~ Rosenstone stated that the K-12 and college readiness have worked on benchmarks for MCA and the translation of scores that show college readiness. Chancellor Rosenstone suggested that there was a missed opportunity to not think about what we are doing on campus by putting all the resources on the one-thirds. If we could imagine all graduates coming out of high school ready to do the work. The structural side one-third is gap in resources. We really need to find a way to work with community to get resource funding that is needed to help fund our student resource needs.

President Olson suggested that the report of school readiness is a great tool to assist with k-12 preparation. This could possibly be a report that the board could review. Craig Schoenecker stated that the report is still available ~~but is now ran~~ at the Department of Education. It is a report that is shared with the schools to show how they are doing. The district can also get student level data and is used extensively at the high school level only.

Trustee Cirillo asked if it was possible that students of color are possibly coming out of K-12 less prepared than they once were. Craig Schoenecker replied that there is some decrease in the readiness.

Chair Anaya asked if any of the bridge programs were available to students prior to their senior year, such as 9th, 10th or 11th grade. President Olson and President Pierce both exclaimed that yes, there are earlier bridging programs. Chair Anaya also suggested that we be mindful of which are the best utilization of our resources and multiplying those across the system. Chancellor Rosenstone replied that the difficulty of teasing out the data is the mapping of an individual, and their success. We can tease that data at the institutional level but the discipline is when presidents receive data that their program is not as productive as it needs to be to continue the program and will they have the discipline to close down the program.

Chair Anaya suggested that a motivator might be that the diversity and inclusion plan be a part of the performance evaluation. Chancellor Rosenstone replied the yes, he hoped that will continue to be a measure of the performance evaluation.

Trustee Sundin expressed her concern regarding the 30 million word gap and agrees with and believes strongly that it's a great barrier. When pre-K children do not have extended family to speak with or read to them to increase their vocabulary that it is a great barrier. Trustee Sundin says yes that as Trustee Hoffman spoke about K-12 readiness and its issues, but that 0-5 year olds and their language barrier is harder. Trustee Sundin suggested that language, speaking with children under 5, or reading to them should always be a part of parenting. Trustee Sundin shared that there is now a program that has other people speak or read to babies. They also make audio tapes for parents to show the books but have them read on audio. Trustee Sundin also suggested that we get the social work programs and pre-K programs to read to or talk to babies and model talking to babies. Need for housing.

Trustee Rudy Rodriguez expressed his appreciation of the efforts and successes on closing the opportunity gap. Trustee Rodriguez asked how we make them inclusive all that we do. When we talk about key stakeholders being geared toward people of color we have to be welcome in ways other than the multicultural center. Trustee Rodrigues suggests cultural agility and a shift in conversation to cultural agility for all. Trustee Rodriguez also would like to know how we make it all go forward. Leveraging trustees and corporate partners to help fund and drive the programs is one of our best options. Trustee Rodriguez shared that The Brown Lab a nonprofit is increasing diversity in the marketing area.

Trustee Tefer expressed concern that no one has spoken about English language learners. Teaching that group of students in particular is very disadvantaged especially in testing multiple choice and time limits. Some of the students translate from English to their language answer the question in their language and translate it back to English. It takes a long time for that process. Those that have high IQ's in their language cannot show it in testing. Trustee Tefer suggests that we look at that process and then it can be repaired. Interim Chief Diversity Officer Cogshell stated that we as a system are paying attention to the structural inequities for people of color and early childhood. She shared that one of the things we have to confront is the way our K-12 schools are funded and that we need to worry less about the abilities and more about the structures, and that we need to work on doing a better job at eliminating the opportunity gap.

The meeting adjourned at 2:17 p.m.

Respectfully submitted,
Sonya Castillo, Recorder

Name: Diversity, Equity, and Inclusion Committee   **Date:** January 24, 2018

Title: Strategic Equity Agenda

Purpose (check one):

☐ Proposed New Policy or Amendment to Existing Policy

☐ Approvals Required by Policy

☐ Other Approvals

☐ Monitoring / Compliance

☒ Information

Brief Description:

The committee will receive an update on the work of the Diversity, Equity, and Inclusion office.

Scheduled Presenter(s):
Clyde Pickett, Chief Diversity Officer
Josefina Landrieu, System Director for Equity and Assessment

January 2018

Office of Equity and Inclusion

Strategic Equity Agenda

Board of Trustees

Diversity, Equity, and Inclusion Committee

AGENDA OVERVIEW

- Equity by Design Workgroup (Student Success project)

- Campus Climate Frameworks & Metrics

13

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EQUITY BY DESIGN WORKGROUP (STUDENT SUCCESS PROJECT)

14

EQUITY BY DESIGN WORKGROUP

Strategic collaborative effort between the Offices of Equity & Inclusion and Academic and Student Affairs

- 14 campus teams across the system
  - Support from CDOs, faculty, and staff
- Spring 2018 implementation start with a progressive work plan
- Initial report and recommendations by July 2018.

15

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EQUITY IN STUDENT OUTCOMES

- Will equity-focused policy translate into equitable outcomes for Black, Latino, American Indian students?

- How can we bridge the gap between equity as a policy intent and institutional readiness for implementation?

USC, Center for Urban Education

16

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EQUITY BY DESIGN STRATEGY PRINCIPLES

Reducing inequities in educational attainment by race and ethnicity through deliberate and explicit effort through the following principles:

Principle 1: Clarity in language, goals, and measures is vital to effective equitable practices.

Principle 2: 'Equity-mindedness' should be the guiding paradigm for language and action.

Principle 3: Equitable practice and policies are designed to accommodate differences in the contexts of student's learning—not to treat all students the same.

Principle 4: Enacting equity requires a continual process of learning, disaggregating data, and questioning assumptions about relevance and effectiveness.

Principle 5: Equity must be enacted as a pervasive institution- and system-wide principle

17

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Fig. 20. Population Age 25 to 44 with a Certificate or Higher Credential, Minnesota 2008-2012 by Basic Race and Ethnicity Categories.

USC, Center for Urban Education

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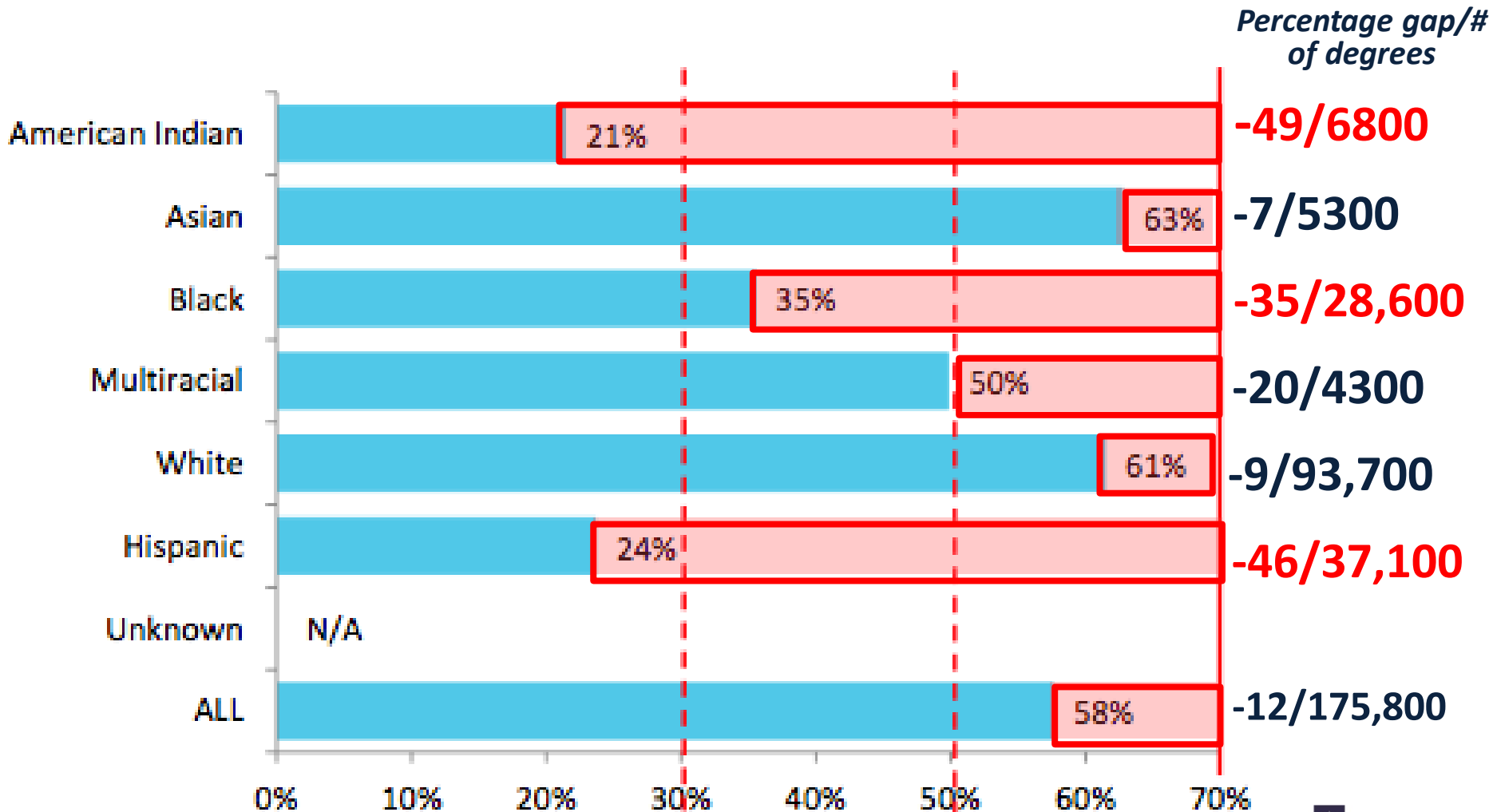
EQUITY BY DESIGN WORK GROUP RATIONALE

Key IDEA

A favorable policy environment alone cannot create equitable outcomes.

- Navigating from best practices to also include "best" **practitioners.**

- To assist campuses in making sense of their degree completion and success data in equity-minded ways that influence change.

19

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EQUITY BY DESIGN WORK GROUP RATIONALE

Racial equity in outcomes **requires** new institutional:

- Structures
- Cultures
- Practices
- Routines

20

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CAMPUS CLIMATE FRAMEWORKS

21

CAMPUS CLIMATE

- Climate refers to the ***experience of individuals and groups*** on a campus and the ***quality and extent*** of the interaction ***between*** those various groups and individuals.

  (Hurtado, 2005)

- The current ***attitudes, behaviors and standards*** of faculty, staff, administrators and students concerning the ***level of respect*** for ***individual needs, abilities and potential***.

  (Rankin, 2014)

22

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WHY EXAMINE CAMPUS CLIMATE

- Allows us to investigate a problem, be proactive, reverse institutional norms/images/outcomes

- Improve recruitment, teaching, and learning

- Evaluate diversity initiatives

- Use evidence in decision-making

- Understand the experiences of members of traditionally under-represented, under-served groups.

23

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FRAMEWORKS FOR CONSIDERATION

- Diverse Learning Environment Framework

- Transformative Tapestry Model

- Culturally Engaging Campus Model

24

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USING FRAMEWORKS

- Help us coordinate or organize action
- Conveys to others how it all fits together, provides a roadmap
  - Strategic plans
  - Campus inventories
  - Specific programs, departments, that will be accountable

25

KEY QUESTIONS FOR CONSIDERATION

- What would be the pros and cons of implementing a campus climate framework across our system?

- What else would you like to see as part of a campus climate strategy?

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THANK YOU

30 East 7th Street
St. Paul, MN 55101

651-201-1800
888-667-2848

27

DIVERSE LEARNING ENVIRONMENT FRAMEWORK

Government/Policy Forces

Sociohistorical Forces

Historical Legacy of Inclusion/ Exclusion
- Resistance to Desegregation
- Mission

Compositional Diversity
- Diverse Student Enrollments
- Diverse Faculty and Staff Hires

Organizational/Structural Dimension
- Diversity of Curriculum
- Tenure Policies
- Organizational Decision-Making Policies
- Budget Allocations
- Policies

Psychological Dimension
- Perceptions of Racial/Ethnic Tension
- Perceptions of Discrimination
- Attitudes and Prejudice Reduction

Behavioral Dimension
- Social Interaction across Race/Ethnicity
- Degree of Intra-Racial and Cross-Racial Campus Involvements
- Classroom Diversity
- Pedagogical Approaches

Hurtado, Milem, Clayton Pederson, & Allen 1999. Modification Milem, Chang, & Antonio (2005).

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DIVERSE LEARNING ENVIRONMENT

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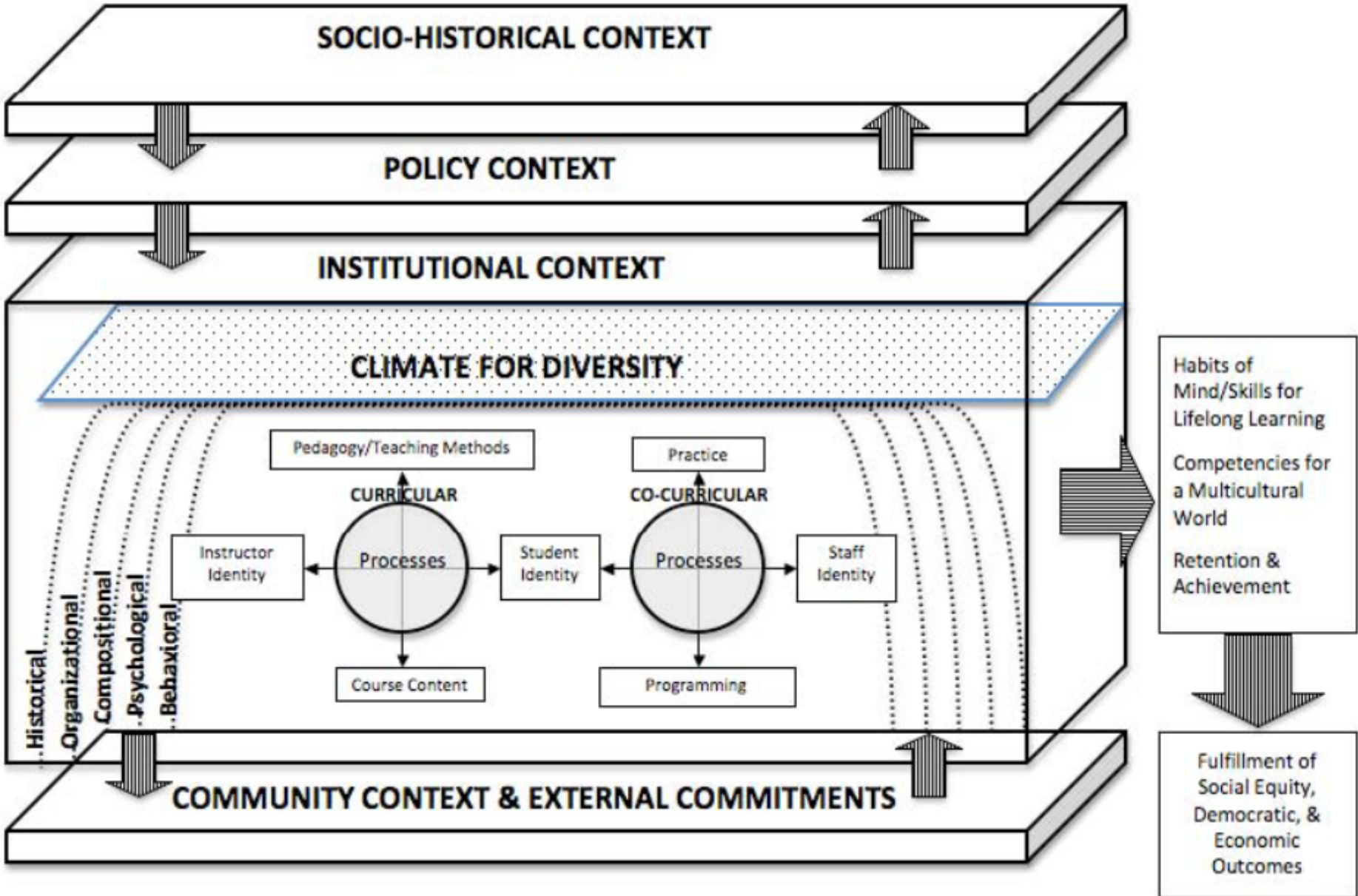
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Transformational Tapestry Model©

Circle 1 (Current Campus Climate):
- Access Retention
- Research Scholarship
- University Policies/Service
- Current Campus Climate
- Curriculum Pedagogy
- Intergroup & Intragroup Relations
- External Relations

Assessment (box):
- Baseline Organizational Challenges ↔ Systems Analysis ↔ Local / Sate / Regional Environments
- Contextualized Campus Wide Assessment
- Advanced Organizational Challenges ↔ Consultant Recommendations

Transformation via Intervention (diamond):
- Symbolic Actions
- Educational Actions
- Transformation via Intervention
- Fiscal Actions
- Administrative Actions

Circle 2 (Transformed Campus Climate):
- Access Retention
- Research Scholarship
- University Policies/Service
- Transformed Campus Climate
- Curriculum Pedagogy
- Intergroup & Intragroup Relations
- External Relations

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19

30

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CULTURALLY ENGAGING CAMPUS ENVIRONMENTS

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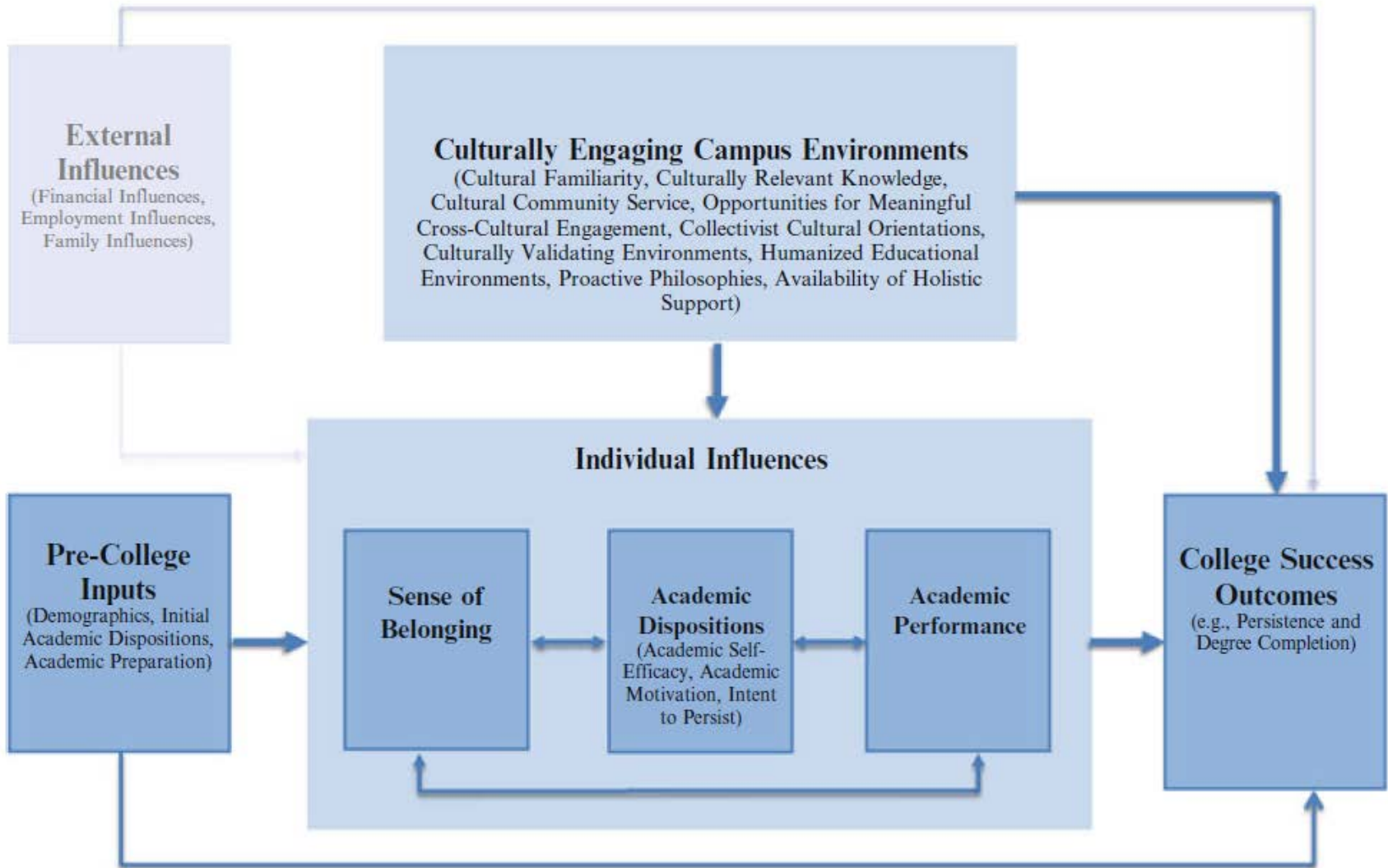
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Human Resources Committee
January 24, 2018
11:00 AM
McCormick Room, Fourth Floor

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 November 15, 2017**
2. **Appointment of Interim President of Minnesota State College Southeast**
3. **Appointment of Interim President of Fond du Lac Tribal Community College**

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
HUMAN RESOURCES COMMITTEE
MEETING MINUTES
November 15, 2017

Human Resources Committee Members Present: Dawn Erlandson, Chair; Trustees Alexander *Cirillo, Robert Hoffman, Roger Moe, and Cheryl Tefer.*

Human Resources Committee Members Absent: Trustees Basil Ajuo and Rudy Rodriquez

Other Board Members Present: AbdulRahmane Abdul-Aziz, Jay Cowles, Amanda Fredlund, Jerry Janezich, George Soule, Louise Sundin, and Michael Vekich.

Leadership Council Members Present: Devinder Malhotra, Chancellor; Mark Carlson, Vice *Chancellor for Human Resources.*

The Minnesota State Colleges and Universities Human Resources Committee held its meeting on November 15, 2017, at Southwest Minnesota State University, 1501 State Street, Marshall. Chair Erlandson called the meeting to order at 10:25 a.m.

1.   **Appointment of Interim Vice Chancellor for Human Resources**
     Chancellor Malhotra stated that Vice Chancellor Mark Carlson will retire at the end of December, 2017. Chancellor Malhotra expressed his deep gratitude for Vice Chancellor Carlson's five years of distinguished service. The search for a successor is underway. After consultation with Vice Chancellor Carlson and others, Chancellor Malhotra recommended Sue Appelquist to serve as the next interim vice chancellor for human resources.

     The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoints Sue Appelquist as interim vice chancellor for human resources effective January 1, 2018, subject to the completion of an employment agreement. The board authorizes the chancellor, in consultation with the chair of the board and chair of the Human Resources Committee, to negotiate and execute an employment agreement in accordance with the terms and conditions of the MnSCU Personnel Plan for Administrators.

     The motion passed without dissent.

2.   Executive Searches Update
     Vice Chancellor Carlson stated that this is the most aggressive executive search schedule in the history of the system:

          Chancellor
          Vice Chancellor for Human Resources
          Executive Director for Internal Audit
          Interim President of Fond du Lac Tribal and Community College

President of St. Cloud Technical and Community College
President of Rochester Community and Technical College
President of Ridgewater College
President of Minnesota State Community and Technical College
President of St. Cloud State University

Vice Chancellor Carlson said search firms are all hired. Search advisory committees are built or being built and a few search advisory committees have met. Vice Chancellor Carlson stated that all searches are on track and scheduled to come to the board as follow:

-Three appointments in March, 2018
-Three appointments in April, 2018
-One in May, 2018
-Chancellor search will be announced when ready

The meeting adjourned at 11:00 a.m.
Respectfully submitted,
Pa Yang, Recorder

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

Name: Human Resources Committee   **Date:** January 24, 2018

Appointment of Interim President of Minnesota State College Southeast

Purpose (check one):

☐ Proposed New Policy or Amendment to Existing Policy

☒ Approvals Required by Policy

☐ Other Approvals

☐ Monitoring / Compliance

☐ Information

Brief Description:

It is anticipated that Chancellor Malhotra will recommend an individual for interim president of Minnesota State College Southeast.

Scheduled Presenter(s):

Devinder Malhotra, Chancellor

3

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD ACTION
APPOINTMENT OF INTERIM PRESIDENT OF MINNESOTA STATE COLLEGE SOUTHEAST

BACKGROUND
It is anticipated that Chancellor Malhotra will recommend an individual for interim president of Minnesota State College Southeast.

RECOMMENDED COMMITTEE MOTION
The Human Resources Committee recommends that the Board of Trustees adopt the following motion.

RECOMMENDED BOARD MOTION
The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoints _____ as interim president of Minnesota State College Southeast effective _____, 2018, subject to the completion of an employment agreement. The board authorizes the chancellor, in consultation with the chair of the board and chair of the Human Resources Committee, to negotiate and execute an employment agreement in accordance with the terms and conditions of the Minnesota State Colleges and Universities Personnel Plan for Administrators.

Date of Adoption: January 24, 2018
Date of Implementation:

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

Name: Human Resources Committee   **Date:** January 24, 2018

Appointment of Interim President of Fond du Lac Tribal Community College

Purpose (check one):

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

Brief Description:

It is anticipated that Chancellor Malhotra will recommend an individual for interim president of Fond du Lac Tribal Community College.

Scheduled Presenter(s):

Devinder Malhotra, Chancellor

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

<table>
<tr><td>BOARD ACTION</td></tr>
<tr><td>APPOINTMENT OF INTERIM PRESIDENT OF
FOND DU LAC TRIBAL AND COMMUNITY COLLEGE</td></tr>
</table>

1 **BACKGROUND**
2 It is anticipated that Chancellor Malhotra will recommend an individual for the interim
3 presidency at Fond du Lac Tribal and Community College.
4
5 **RECOMMENDED COMMITTEE MOTION**
6 The Human Resources Committee recommends that the Board of Trustees adopt the following
7 motion.
8
9 **RECOMMENDED BOARD MOTION**
10 The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoints
11 _____ as interim president of Fond du Lac Tribal and Community College
12 effective _____, 2018, subject to the completion of an employment agreement. The board
13 authorizes the chancellor, in consultation with the chair of the board and chair of the Human
14 Resources Committee, to negotiate and execute an employment agreement in accordance with the
15 terms and conditions of the Minnesota State Colleges and Universities Personnel Plan for
16 Administrators.
17
18 *Date of Adoption: January 24, 2018*
19 *Date of Implementation:*
20

Board of Trustees Meeting
Wednesday, January 24, 2018
1:00 PM

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, November 15, 2017**
2. **Mission Statement: Pine Technical and Community College**
3. **Mission Statement: Lake Superior College**
4. **Developmental Education Strategic Roadmap**
5. **Contracts Exceeding $1 Million**
   a. **Winona State University Digital Life and Learning Program FY2019-FY2024**
   b. **Increase in Contract Value for IT Hardware and Software Master Contracts with CDW-G and Now Micro**
   c. **Tutoring Services Contract**
6. **Surplus and Sale of Real Estate, St. Cloud State University**
7. **Non-resident Tuition Waiver for Students from Puerto Rico and U.S. Virgin Islands Impacted by Hurricanes Maria and Irma**

Board Policy Decisions (Second Reading)
- **Proposed New Policy 3.41 Education Abroad Programs**

Board Standing Committee Reports
1. Human Resources Committee, Dawn Erlandson, Chair
   a. **Appointment of Interim President of Minnesota State College Southeast**
   b. **Appointment of Interim President of Fond du Lac Tribal and Community College**

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 (continued)
2. Academic and Student Affairs Committee, Alex Cirillo, Chair
    a. Proposed Amendment to Policy 2.8, Student Life (First Reading)
    b. Proposed Amendment to Policy 3.7, Statewide Student Association (First Reading)
    c. Proposed Amendment to Policy 3.24, Institution Type and Mission, and System Mission (First Reading)
    d. Developmental Education Strategic Roadmap

3. Audit Committee, Michael Vekich, Chair
    • Federal Student Financial Aid Audit Results

4. Closed Session: Joint Meeting of the Audit and Finance and Facilities Committees, Michael Vekich and Jay Cowles, Co-chairs
    • Information Security Report: Payment Card Industry Data Security Standards Risk Assessment

5. Finance and Facilities Committee, Jay Cowles, Chair
    a. College and University Financial Performance Update
    b. FY2020 Capital Program Guidelines for 2020 Capital Program and 2019 Revenue Bond Sale (First Reading)
    c. Proposed Amendment to Policy 8.3 College, University and System Related Foundations (First Reading)

6. Diversity, Equity, and Inclusion Committee, Ann Anaya, Chair
    • Strategic Equity Update

Trustee Reports

Other Business

Adjournment

Bolded items indicate action is required

Board of Trustees Meeting
Wednesday, January 24, 2018
1:00 PM

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, November 15, 2017 (pp. 2-7)**
2. **Mission Statement: Pine Technical and Community College (p. 11 of the Academic and Student Affairs Committee meeting materials)**
3. **Mission Statement: Lake Superior College (p. 15 of the Academic and Student Affairs Committee meeting materials)**
4. **Developmental Education Strategic Roadmap (p. 29 of the Academic and Student Affairs Committee meeting materials)**
5. **Contracts Exceeding $1 Million (pp. 21-22 of the Finance and Facilities Committee meeting materials)**
    a. **Winona State University Digital Life and Learning Program FY2019-FY2024**
    b. **Increase in Contract Value for IT Hardware and Software Master Contracts with CDW-G and Now Micro**
    c. **Tutoring Services Contract**
6.   **Surplus and Sale of Real Estate, St. Cloud State University (p. 37 of the Finance and Facilities Committee meeting materials)**
7. **Non-resident Tuition Waiver for Students from Puerto Rico and U.S. Virgin Islands Impacted by Hurricanes Maria and Irma (p. 42 of the Finance and Facilities Committee meeting materials)**

Bolded items indicate action is required

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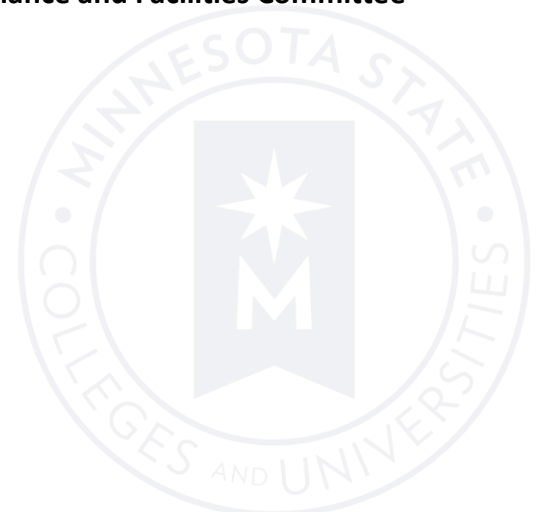
Minnesota State Colleges and Universities
Board of Trustees Meeting Minutes
Southwest Minnesota State University
Marshall, Minnesota
November 15, 2017

Present: Chair Michael Vekich, Treasurer Jay Cowles, and Trustees AbdulRahmane Abdul-Aziz, Alex Cirillo, Amanda Fredlund, Bob Hoffman, Jerry Janezich, Roger Moe, George Soule, Louise Sundin, Cheryl Tefer, and Interim Chancellor Devinder Malhotra

Absent: Trustees Basil Ajuo, Ann Anaya, and Dawn Erlandson

Call to Order
Chair Michael Vekich called the meeting to order at 12:30 pm at Southwest Minnesota State University in Marshall, Minnesota. He acknowledged Trustees Alex Cirillo and Rudy Rodriguez who were participating by telephone.

Chair's Report, Michael Vekich
Chair Vekich introduced Trustee AbdulRahmane Abdul-Aziz who was appointed to the Board of Trustees by Governor Mark Dayton on October 24, 2017. Trustee Abdul-Aziz is a junior at Minnesota State University, Mankato.

Chair Vekich thanked President Connie Gores for hosting the meetings. He also thanked the students, faculty, and staff for their hospitality and for making sure that all of the logistics worked well. He added that the university is celebrating its 50th anniversary this year. The trustees learned about the university's academic programs and were very impressed with the knowledge of the students who led the campus tours. President Gores thanked the board for coming to Southwest Minnesota State University. She spoke of the university's essential vitality for the region and that it is made possible by the support and good work of all of the people.

Chancellor's Report, Interim Chancellor Devinder Malhotra
Interim Chancellor Devinder Malhotra reported that the presidents and cabinet have reaffirmed the three priorities that he mentioned at the board's retreat in September. The special focus is on student success. With Dr. Clyde Wilson Pickett joining our team as the chief diversity officer, the approach to student success and financial sustainability will be built on the foundation of our diversity, equity, and inclusion work. George Mehaffey, vice president for academic leadership and change, American Association of State Colleges and Universities, will join us in January for the joint meeting of the Board of Trustees and the Leadership Council to continue the discussion on the changing context of higher education and the alignment of the changing needs of our learners and alignment with the emerging needs of the knowledge-based economy.

Related to that alignment, Dr. Malhotra gave a recent example of how our presidents are responding to the changing needs of the economy. President Bill Maki, Northeast Higher

Education District, and others have been working on a community and regional response to serve 150 workers who will be dislocated with the pending shutdown of the UPM Blandin Paper Mill in Grand Rapids.

Dr. Malhotra commented that he recently concluded listening sessions at six colleges and universities that are in the process of searching for new presidents. Throughout October and November, he met with members of various organizations and informed them of our priorities, goals, and work plans. He attended LeadMN's fall student summit, met with the Minnesota Business Partnership, and attended the key communicators' conference. Along with Vice Chancellor Laura King and others, he presented the 2018 Capital request to staff at the governor's office and at Minnesota Management and Budget. Last week, 59 colleagues in the system office were recognized for reaching milestones in their careers.

The chancellor and Senior Vice Chancellor Ron Anderson met with the Minnesota State College Faculty leadership for informal conversations. They also met with the leadership of the Inter Faculty Organization. There will be more of these conversations in the future.

The chancellor also met with the members of the Nellie Stone Johnson Scholarship Board. Trustees Basil Ajuo and Louise Sundin are members of the board and he thanked them for their service. We sent letters to the five Minnesota ethnic councils sharing our story and inviting them to meet with us to start an ongoing dialog. The chancellor, Senior Vice Chancellor Ron Anderson, and Chief Diversity Officer Clyde Pickett met recently with the Council on Asian Pacific Minnesotans.

Dr. Malhotra introduced Chief Diversity Office Pickett. Dr. Pickett first met the trustees at their September retreat, but he did not officially begin his duties until mid-October.

Chief Diversity Officer Pickett reported that since arriving last month, he has worked aggressively to connect with constituents both inside and outside of the system to further connect our relationships and equity and inclusion initiatives. Equity and inclusion impacts every aspect of our organization and we need to be intentional and proactive in making sure we address, interact, and engage in the issues of diversity, equity, and inclusion. He hosted several listening sessions with the students at the LeadMN conference, met with a student diversity taskforce, and had a retreat with the chief diversity officers in the system. He presented the strategic framework for diversity, equity, and inclusion that will be the guiding principles to help advance our initiatives. The inclusive intentional excellence model called transformative inclusion has three primary characteristics:
- Intentionality on an opening and welcoming climate;
- Intentional focus on student success and completion; and
- Equity based policy and review.

With these priority areas, we believe that we can aggressively move the needle on diversity,

equity, and inclusion. He has identified strategic priorities and is putting a work plan in place to examine our work and advance our initiatives over the next three to six months. The strategic priorities for the short term and the long term include the following:

- a comprehensive review of diversity strategic plans;
- internal and external stakeholder visits to make sure we are listening proactively to concerns;
- review of climate tools and strategies to examine how we advance equity as a system.

We have discussed the Office of Equity and Inclusion and model strategies for what the system office should look like in terms of staffing and how we prioritize what we want to accomplish. As we think about this work long term, we want to think about models for strategy in terms of metrics and how we can continue to advance the work. In addition to his work locally, Chief Diversity Officer Pickett will participate in a national summit of chief diversity officers for the American Association of Community Colleges (AACC). He will join the group, along with Dr. Walter Bumphus, the president of AACC, to talk about our work at Minnesota State and how it can advance the work of chief diversity officers across the country.

Consent Agenda
Chair Vekich called for a motion to approve the Consent Agenda. The motion carried unanimously.

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)
Chair Vekich called for a motion to approve the amendment to Policies 3.32 College Faculty Credentialing and new Policy 6.11 Facility Management and Operations. The motion carried unanimously.
1. **Proposed Amendment to Policy 3.32 College Faculty Credentialing**
2. **Proposed New Policy 6.11 Facility Management and Operations**

Student Associations
LeadMN
Isaac Jahraus, president, addressed the Board of Trustees.

Students United
Faical Rayani, state chair, and Ashanti Payne, a student at Southwest Minnesota State University, addressed the Board of Trustees.

Minnesota State Colleges and Universities' Bargaining Units
Jim Grabowska, president, Inter Faculty Organization, addressed the Board of Trustees.

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

Board Standing Committee Reports
 1. Human Resources Committee, Dawn Erlandson, Vice Chair
     a. **Appointment of Interim Vice Chancellor for Human Resources**
        Interim Chancellor Malhotra explained that Vice Chancellor Mark Carlson, is retiring at the end of December. He thanked him for his service. The chancellor recommended Sue Appelquist, who is currently serving as the associate vice chancellor for human resources, as the interim vice chancellor for Human Resources.

        The following motion was approved unanimously:
        The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoints Sue Appelquist as interim vice chancellor for human resources effective January 1, 2018, subject to the completion of an employment agreement. The board authorizes the chancellor, in consultation with the chair of the board and chair of the Human Resources Committee, to negotiate and execute an employment agreement in accordance with the terms and conditions of the Minnesota State Colleges and Universities Personnel Plan for Administrators.

        Associate Vice Chancellor Appelquist thanked the board and the chancellor for the opportunity to serve in this role.

     b. Recognition of Vice Chancellor Mark Carlson
        Chair Vekich recognized Vice Chancellor Mark Carlson. He thanked him for his outstanding service, servant leadership, integrity, and sense of humor.

     c. Executive Searches Update
        Vice Chancellor Carlson provided an update on nine executive searches:
        - Chancellor
        - President, Fond du Lac Tribal and Community College
        - President, Minnesota State Community and Technical College
        - President, Ridgewater Community College
        - President, Rochester Community and Technical College
        - President, St. Cloud State University
        - President, St. Cloud Technical and Community College
        - Vice Chancellor for Human Resources,
        - Executive Director for Internal Audit

        Vice Chancellor Carlson commented that with the current demographics, the board can

expect this level of searches as a norm over the next five years. All of the searches have search firms on contract. It is anticipated that there will be three appointments in March, three in April, and three in May.

2. Academic and Student Affairs Committee, Louise Sundin, Vice Chair
   a. Teacher Education Follow-up
      Committee Vice Chair Louise Sundin reported that the 2017 legislature passed provisions in the budget bill that will have implications for teacher education in Minnesota. In addition, there are new requirements for teacher licensing.

      Leaders of education programs at Fond du Lac Tribal and Community College, Winona State University, Southwest Minnesota State University, and Minnesota State University, Mankato made a presentation highlighting their teacher education programs.

   b. Proposed New Policy 3.41 – Education Abroad Programs
      The committee reviewed a proposed new policy that was created in response to an internal audit that recommended the need for a policy and system procedure for education abroad programs. It is a first reading and it will be presented for approval in January.

   c. Student Demographics
      The committee received a presentation on trends in college and university enrollments and student characteristics that will provide context and background for deliberations throughout the year.

3. Audit Committee, Michael Vekich, Chair
   Committee Chair Vekich reported that representatives of CliftonLarsonAllen presented the revenue fund and the FY2017 and FY2016 audited financials. There were no material adjustments, no material weaknesses, no significant deficiencies, and an unmodified opinion. Unfunded pension liabilities are a new requirement by GASB 68. The FY2017 and FY2016 audited financial statements were approved in the Consent Agenda.

4. Joint Meeting: Academic and Student Affairs and Finance and Facilities Committees, Alex Cirillo and Jay Cowles, Co-chairs
   a. Collaborative Campus and Regional Planning
      Committee Co-chair Jay Cowles reported that the collaborative campus and regional planning presentation was made by Senior Vice Chancellor Anderson and Vice Chancellor King. They reviewed the project planning assumptions, design principles, and outcomes and deliverables. The advisory group is comprised of Interim Chancellor Malhotra and Presidents Joyce Ester, Connie Gores, Faith Hensrud, and Barbara

McDonald. The work will take several years to fully implement. Southwest Minnesota region is one of the pilots.

5. Finance and Facilities Committee, Jay Cowles, Chair
   a. FY2020-2024 Capital Budget Guidelines Framing Discussion
   Committee Chair Cowles said that the committee discussed the FY2020-FY2024 capital budget guidelines. A proposal for bonding guidelines will come forward in the spring.

   b. Enterprise Wide Administrative Services and Related Financing Project Report
   Committee Chair Cowles reported that this project is in reference to developing enterprise wide services that will benefit campuses. The committee viewed it as an ongoing effort for ideas to be proposed and initiated at the campus level.

Adjournment
Chair Vekich thanked President Gores for hosting the meeting. He also thanked President Terry Gaalswyk, Minnesota West Community and Technical College, for co-hosting today's luncheon with regional legislators.

The next meeting of the Board of Trustees is January 23-24, 2018.

The meeting was adjourned at 1:51 pm.

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Ingeborg K. Chapin, Secretary to the Board

Board of Trustees Meeting
Wednesday, January 24, 2018
1:00 PM

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 Reading)
- **Proposed New Policy 3.41 Education Abroad Programs (p. 7 of the Academic and Student Affairs 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