



MINNESOTA STATE

Board of Trustees

30 East 7th Street
St. Paul, MN 55101

651-201-1705

Board of Trustees Meetings May 21-22, 2019



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



REVISED, May 10, 2019

Board of Trustees Meeting

May 21-22, 2019

Minnesota State

30 East 7th Street

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, May 21, 2019

1:00 pm Facilities Committee, Jerry Janezich, Chair

1. Minutes of April 16, 2019

2. FY2020 Capital Program Recommendations (First Reading)

1:30 pm Finance Committee, Roger Moe, Chair

1. Minutes of April 16, 2019

2. Contracts Exceeding \$1 Million:

a. Lease Agreement: Lake Superior College

b. Construction Agreement, Richards Hall Updating, Winona State University

c. Lease Agreement: Minnesota State University, Mankato

d. Purchasing Card Agreement

e. Zoom for Education Video Conferencing System

3. 2019 Session Results Update

4. FY2020 Operating Budget (First Reading)

5. NextGen Phase 2 Including Finance Plan

6. FY2020 Capital Program Recommendations (First Reading)

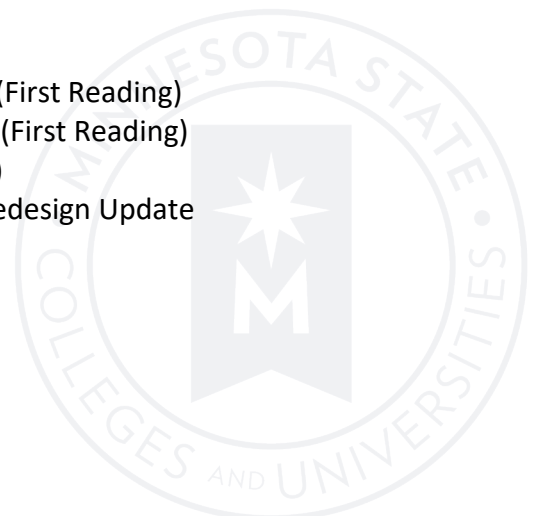
7. Revenue Fund Current Refunding Bond Sale (First Reading)

8. Students United Fee Renewal (First Reading)

9. Procurement Program Annual Report and Redesign Update

5:00 pm Meeting Ends

5:30 pm Dinner (Social event, not a meeting)



Wednesday, May 22, 2019

- 9:15 am Closed Session: Human Resources Committee, Jay Cowles, Chair
McCormick Room 4th Floor
Pursuant to Minn. Stat. § 13D.03, Closed Meetings for Labor Negotiations Strategy and Minn. Stat. § 13D.05, (2018) Data Classified as Not Public (Minnesota Open Meeting Law)
1. Inter Faculty Organization
 2. Minnesota State College Faculty
 3. Minnesota State University Association of Administrative and Service Faculty
- 10:00 am Academic and Student Affairs Committee, Alex Cirillo, Chair
- 1. Minutes of March 19, 2019**
 - 2. Minutes of Joint Meeting of Academic and Student Affairs and Finance Committees of April 17, 2019**
 - 3. Proposed Amendments to Policies (Second Readings)**
 - a. **3.18 Honorary Degrees**
 - b. **3.31 Graduate Follow-up System**
 - c. **3.40 Recognition of Veteran Status**
 4. Proposed Amendment to Policies (First Reading)
 - a. 2.3 Student Involvement in Decision-Making
 - b. 3.8 Student Complaints and Grievances
 - c. 3.36 Academic Programs
 5. Student Experience and Engagement Through the Lens of Strategic Enrollment Management
- 11:30 am Human Resources Committee, Jay Cowles, Chair
- 1. Minutes of Joint Meeting of the Audit and Human Resources Committees of April 16, 2019**
 - 2. Minutes of April 17, 2019**
 - 3. Appointment of Vice Chancellor for Finance and Facilities**
- 12:00 pm Luncheon, Rooms 3304/3306
- 1:00 pm Board of Trustees, Michael Vekich, Chair
- 2:30 pm Meeting Ends

Bolded items indicate action is required



Committee Roster
2018-2019

Executive

Michael Vekich, Chair
Jay Cowles, Vice Chair
Roger Moe, Treasurer
Alex Cirillo
Dawn Erlandson
Louise Sundin
Cheryl Tefer

Academic and Student Affairs

Alex Cirillo, Chair
Cheryl Tefer, Vice Chair
Ashlyn Anderson
Dawn Erlandson
Jerry Janezich
Rudy Rodriguez
Louise Sundin

President Liaisons:

*Hara Charlier
Connie Gores*

Audit

Michael Vekich, Chair
April Nishimura, Vice Chair
Bob Hoffman
Jerry Janezich
George Soule

President Liaisons:

*Richard Davenport
Pat Johns*

Diversity, Equity, and Inclusion

Rudy Rodriguez, Chair
Louise Sundin, Vice Chair
AbdulRahmane Abdul-Aziz
Ashlyn Anderson
Jay Cowles
April Nishimura
George Soule

President Liaisons:

*Anne Blackhurst
Sharon Pierce*

Facilities

Jerry Janezich, Chair
George Soule, Vice Chair
Roger Moe
Louise Sundin
Samson Williams

President Liaisons:

*Faith Hensrud
Barbara McDonald*

Finance

Roger Moe, Chair
Bob Hoffman, Vice Chair
AbdulRahmane Abdul-Aziz
Ashlyn Anderson
Jerry Janezich
April Nishimura
Samson Williams

President Liaisons:

*Richard Davenport
Joe Mulford*

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Human Resources

Jay Cowles, Chair
Cheryl Tefer, Vice Chair
Alex Cirillo
Dawn Erlandson
Bob Hoffman
Roger Moe
Samson Williams

President Liaisons:

*Ginny Arthur
Adenuga Atewologun*

Nominating Committee

Members will be named later

Ad Hoc Committee on Outreach and Advocacy

Dawn Erlandson, Chair
Louise Sundin, Vice Chair
AbdulRahmane Abdul-Aziz
George Soule
Rudy Rodriguez

President Liaisons:

*Rassoul Dastmozd
Scott Olson*

Chancellor Review

Michael Vekich, Chair
Jay Cowles, Vice Chair
Dawn Erlandson
Bob Hoffman



Approved FY2019 and FY2020 Board Meeting Dates

The FY2019 and FY2020 meeting dates are listed below. The calendar is subject to change. Changes to the calendar will be publicly noticed.

FY2019 Meeting Calendar

Meeting	Date	If agendas require less time, these dates will be cancelled.
Board Meeting/Joint Meeting with Leadership Council	July 25-26, 2018	July, 26, 2018
Added: Special Meeting - Executive Committee	August 21, 2018	
Added: Special Meeting – Board Meeting	August 31, 2018	
Orientation and Board Retreat	September 18-19, 2018	
Cancelled: Executive Committee	October 3, 2018	
Committee / Board Meetings	October 16-17, 2018	October 16, 2018
Cancelled: Executive Committee	November 7, 2018	
Committee / Board Meetings	November 13-14, 2018	November 13, 2018
Added: Special Meeting – Chancellor Performance Review Committee (Closed Session)	November 19, 2018	
Cancelled: Executive Committee	January 2, 2019	
Rescheduled: Executive Committee	January 9, 2019	
Committee / Board Meetings Joint Meeting with Leadership Council	January 29-30, 2019	January 29, 2019

Meeting	Date	If agendas require less time, these dates will be cancelled.
Cancelled: Committee/Board Meetings due to weather	January 30, 2019	
Rescheduled: Executive Committee	March 6, 2019 <u>March 5, 2019</u>	
Committee / Board Meetings	March 19-20, 2019	March 19, 2019
Cancelled: Executive Committee	April 3, 2019	
Committee / Board Meetings/ 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

FY2020 Meeting Calendar

Meeting	Date	If agendas require less time, these dates will be cancelled.
Board Meeting/Joint Meeting with Leadership Council	July 23-24, 2019	
Orientation and Board Retreat	September 17-18, 2019	
Executive Committee	October 2, 2019	
Committee / Board Meetings	October 15-16, 2019	October 15, 2019
Executive Committee	November 6, 2019	
Committee / Board Meetings	November 19-20, 2019	November 19, 2019
Executive Committee	January 8, 2020	
Committee / Board Meetings Joint Meeting with Leadership Council	January 28-29, 2020	

Meeting	Date	If agendas require less time, these dates will be cancelled.
Executive Committee	March 4, 2020	
Committee / Board Meetings	March 17-18, 2020	March 17, 2020
Executive Committee	April 1, 2020	
Committee / Board Meetings Awards for Excellence in Teaching	April 21-22, 2020	
Executive Committee	May 6, 2020	
Committee / Board Meetings	May 19-20, 2020	May 19, 2020
Executive Committee	June 3, 2020	
Committee / Annual Board Meetings	June 16-17, 2020	June 16, 2020



MINNESOTA STATE

Facilities Committee

May 21, 2019

1:00 PM

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 April 16, 2019 (pp. 1-3)**
2. FY2020 Capital Program Recommendations (First Reading) (pp. 4-11)

Committee Members:

Jerry Janezich, Chair

George Soule, Vice Chair

Roger Moe

Louise Sundin

Samson Williams

President Liaisons:

Faith Hensrud

Barbara McDonald



Bolded items indicate action is required.

**Minnesota State Board of Trustees
Facilities Committee Meeting Minutes
April 16, 2019**

Facilities Committee members present: *Jerry Janezich, Chair; George Soule, Vice Chair; Trustees Roger Moe, Louise Sundin, Samson Williams, Chancellor Devinder Malhotra*

Facilities Committee members absent: *None*

Other board members present: *Trustees Ashlyn Anderson, Alex Cirillo, Jay Cowles, Bob Hoffman, April Nishimura, Cheryl Tefer, and Dawn Erlandson.*

Cabinet members present: *None.*

Others present: *Brian Yolitz, Associate Vice Chancellor for Facilities; Greg Ewig, System Director for Capital Development; Scott Olson, President, Winona State University; Scott Ellinghuysen, Vice President/Chief Financial Officer, Winona State University; James Goblirsch, Assistant Vice President of Facilities, Winona State University.*

Committee Chair Janezich called the meeting of the Facilities Committee to order at 12:30 PM.

1. Approval of the Facilities Committee Meeting Minutes

Committee Chair Janezich called for a motion to approve the Facilities Committee Meeting Minutes. A motion to approve was made by Trustee Hoffman and seconded by Trustee Soule. The minutes were approved as written.

Facilities Updates: Brian Yolitz

Associate Vice Chancellor Yolitz went over updates before turning to the formal agenda.

- A. Legislative session: While not technically a bonding year, there has been a fair amount of activity on Minnesota State's request of \$150 million for HEAPR. There has been engagement with the Governor, his staff, the Minnesota Management and Budget and the legislative branch. The Governor has supported the entire \$150 million request. Legislative testimonies have been made to the Senate Higher Education Finance and Policy Committee, the House Higher Education Finance and Policy Division, and the House Capital Investment Division. The House Capital Investment Division passed their Omnibus Capital Investment bill that includes \$150 million for asset preservation for Minnesota State. The bill is on its way to the Ways and Means Committee for action. The Senate Capital Investment Committee has not held hearings. We will stay engaged with the Committees and see where that bill goes.
- B. The Chancellor is finalizing his recommendation for the 2020 capital request. The draft will go to the Leadership Council in early May. The first reading will be in May with Board approval

in June. From there the request will be submitted Minnesota Management and Budget, the Governor and the legislature by the end of June. A bonding book will be prepared in late summer as part of the marketing campaign followed by campus tours by legislative committees and the executive branch late summer and early next fall.

- C. Facilities hosted its annual conference April 11-12, 2019 for Facilities officers across the state. Sixty brave souls weathered the snowstorm to travel to St. Paul and participate. Associate Vice Chancellor Yolitz thanked Chancellor Malhotra for kicking off the conference. The Chancellor challenged the group to think as ‘Cathedral Builders’ in our day to day activities rather than housekeepers and wrench turners and to ‘reimagine’ Minnesota State facilities as we plan for the future.
- D. Associate Vice Chancellor Yolitz recognized two retiring personnel. Cyndi Holm is retiring after 39+ years as the Southwest Minnesota State University’s Facilities Director. Don Beckering has served 40+ years in Minnesota post-secondary/higher education most recently transforming the system office Fire EMS Center to a college and university staff extension. His wealth of knowledge and information on compliance, OSHA, environmental protection and safety and security has assisted our colleges and universities, students, faculty and staff. Both will be dearly missed.

2. Contracts Exceeding \$1 Million with impacts to Minnesota State owned facilities

Associate Vice Chancellor Yolitz presented the two committee items, both donor funded projects for Winona State University: Laird Norton Renovations and Football Stadium Upgrades. He noted the items would be shared with the Finance Committee immediately following the Facilities Committee.

Request – Laird Norton Renovations

Winona State University seeks Board authority to enter into a construction contract in excess of \$1.0 million, which requires Board approval, to begin updating the Laird Norton Building. The university intends to fund this undertaking using donated and execute the renovations through a multi-phase, multi-year approach. Pending Board approval, the university will proceed with contracting for the initial phase of work, which would deliver health, life and safety upgrades to the first floor. The university will update the Board periodically on the progress it makes on fundraising and seek appropriate contractual authority for the project prior to commencing each phase.

Request – Football Stadium Upgrades

Winona State University seeks Board authority to enter into a construction contract to begin updating its on campus stadium (Maxwell Field). The university intends to fund this undertaking using donated funds for a multiple phase renovation and update of the stadium. Pending Board approval, the university will proceed with contracting for the initial phase of work involving

installation of a new digital scoreboard and construction of athletic equipment storage space and terraced seating in the south end of the stadium at a cost of \$1.25 million. The university will update the Board periodically seeking contract approval prior to commencing each phase.

Trustee Moe asked for an explanation on the construction manager at risk delivery method for the first project. Associate Vice Chancellor Yolitz explained that with this method the general contractor selection occurs very early in the project during the design process to provide a different set of eyes looking at the project. Overall, during the life of the project, there are fewer change orders by using this method, less cost, and better delivery, especially when doing renovations.

Trustee Soule asked if the project would be paid for with donated funded projects and whether the system or Winona State would be liable for expenditures. Associate Vice Chancellor Yolitz stated both project are to be funded through donations through their foundation and other fund raising campaigns.

Trustee Tefer asked if the entire building and the basement would be renovated. Associate Vice Chancellor Yolitz shared the initial phase will include renovation on the first floor, the entryway, exterior work, and accessibility improvements. Overtime, all floors to include the basement will be renovated. In addition, unique fire suppression and special lighting will be installed because of the planned artwork display. The university will update the Board periodically on the progress it makes on fundraising and seek appropriate contractual authority for the project prior to commencing each phase.

Recommended motion:

- A. The Board of Trustees authorizes the chancellor or the chancellor's designee to enter into contracts not to exceed \$1.2 million for purposes of preparing the Laird Norton Center for the Arts and Design for university use, including updating building accessibility. The total cost of the initial construction contract expected not to exceed \$1.2 million. The university will return to the Board for approval in advance of subsequent phases of work.
- B. The Board of Trustees authorizes the Chancellor or the chancellor's designee to enter into a construction contract not to exceed \$1.25 million for purposes of constructing Phase 1 and 2 of the Stadium upgrades. Final award is contingent on fundraising the amount necessary to complete the improvements. The university will return to the Board for approval in advance of subsequent phases of work.

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

The meeting adjourned at 12:50 PM. Respectfully submitted: Kathy Kirchoff, Recorder

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Facilities Committee

Date: May 21, 2019

Title: FY2020 Capital Program Recommendations (First Reading)

Purpose (check one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input checked="" type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input type="checkbox"/> Information | |

Brief Description:

The Board of Trustees is asked to consider and approve a recommended \$251.2 million capital budget request for the 2020 legislative session. This recommendation includes \$130 million for Higher Education Asset Preservation and Replacement (HEAPR) and \$121.2 million for major capital projects at 15 colleges and universities

Scheduled Presenter(s):

Brian Yolitz, Associate Vice Chancellor for Facilities

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION – FIRST READING

2020 CAPITAL PROGRAM RECOMMENDATION
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RECOMMENDATION

The chancellor recommends a \$251.2 million capital bonding request for the 2020 legislative session. This recommendation includes \$130 million for Higher Education Asset Preservation and Replacement (HEAPR) and \$121.2 million for major capital projects at 15 colleges and universities. The program advances nine (9) projects that were part of earlier board requests, including four (4) projects that received \$14.5 million in 2018 for design and early phases of construction. There are six (6) new projects within the recommendation.

If fully funded, the recommended project priorities would renovate and renew nearly 550,000 square feet of academic space, demolish over 280,000 square feet of obsolete space, and construct nearly 310,000 of new space creating a net gain of 29,000 square feet of academic space, an increase of 0.1%.

BACKGROUND

Over 80% of Minnesota State’s 28.6 million total square feet of owned facility space is eligible for general obligation bonding through the State of Minnesota’s capital bonding process. Minnesota State has established a highly regarded capital process for soliciting, vetting, presenting, and executing capital projects for state funding.

The process starts with Comprehensive Facilities Plans (CFPs) maintained by each college and university. The CFPs support academic plans and programming while taking into account regional demographic and workforce trends, enrollment forecasts, campus financial position and facility conditions, space utilization and energy consumption data. The plans identify and prioritize college and university facility investment needs and highlight campus real estate development and disposal opportunities.

A call for candidate projects was initiated shortly after the Board of Trustees approved the 2020 capital budget guidelines in March 2018. Key elements of these guidelines included:

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 space for support services, academic advising, and tutoring 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.

In addition, the guidelines called for a total capital bonding program target of \$250 million with approximately \$130 million prioritized to address asset preservation needs and \$120 million for major projects.

Additional details related to the Board's capital budget guidelines can be found at <https://www.minnstate.edu/board/materials/2018/march-packet.pdf> page 41.

Responding to the Board's guidance, colleges and universities reviewed their individual CFPs, prioritized their major capital needs, and developed predesign documents for candidate projects to be considered as part of the Board's 2020 capital program request. A total of 22 candidate projects were submitted for consideration from 20 colleges and universities. These candidate projects represented \$171 million in major design and construction projects requested for 2020 and represented over \$440 million, if fully funded over the next three bonding cycles (2020-2024).

In early January 2019, nearly 100 academic, finance, facilities, and technology faculty and staff from our colleges, universities and system office reviewed and scored the candidate projects against the Board guidelines and scoring rubric. The scoring results informed and guided development of this recommendation.

HIGHER EDUCATION ASSET PRESERVATION AND REPLACEMENT (HEAPR)

Funding of Higher Education Asset Preservation and Replacement (HEAPR) continues as the top capital investment priority of the Board and our colleges and universities. During the bonding years of 2012, 2014, 2016, and 2018, Minnesota State requested a total of \$460 million for HEAPR as the number one (1) priority of our colleges and universities. HEAPR requests seek to address the most urgent college and university needs for campus building systems that have lasted beyond their expected useful life. The HEAPR projects include exterior repairs to roofs, windows, doors and exterior brickwork; heating and cooling system upgrades; and updates to utility and energy management systems. These requests were built on a capital investment strategy created nearly a decade ago when the system and legislative leaders sought to bring campus facilities to an overall 'good condition' through a combination of state and campus

funding. This strategy called for colleges and universities to invest at least \$1 per square foot in their academic buildings, which would be coupled with state investment of at least \$110 million every biennium as a shared stewardship responsibility. Colleges and universities have done well in investing their operating funds in the physical plant, collectively averaging more than \$1 per square foot.

In terms of state funding, Minnesota State has received a total of \$132.5 million in HEAPR funding through five (5) bonding bills adopted between 2012 and 2018, less than 30% (28.8%) of the requested amount needed to address the urgent preservation needs of the college and university buildings we already have. As a result, the backlog of facility maintenance, the cost of those major building systems and components that have exceeded their useful lives, has grown by more than 40%, to nearly \$1.0 billion. In addition, aging campus buildings and infrastructure add to the problem, with the estimated preservation needs over the next 10 years totaling \$1.2 billion.

The total current and future asset preservation need of Minnesota State colleges and universities is over \$2.0 billion. This is the basis for the recommended request of \$130 million in 2020 as the number one priority.

MAJOR CAPITAL PROJECTS - SECTOR AND REGIONAL ANALYSIS

The Minnesota State capital investment strategy is based on meeting the needs of system colleges and universities and striking a balance in terms of investments across institutional sectors and regions. The following is a breakout of individual major capital projects within the Chancellor’s 2020 recommendation.

	Chancellor’s 2020 Recommendation	Associated Future Construction (2022 and beyond)	Program Totals
Colleges	\$90,049,000	\$85,744,000	\$175,793,000
Universities	\$31,122,000	\$126,389,000	\$157,511,000
Greater Minnesota	\$41,890,000	\$152,235,000	\$194,125,000
Metropolitan Area	\$79,281,000	\$59,898,000	\$139,179,000

The breakout of individual major capital project funding over the last 10 years (2008-2018) is as follows:

	Major Capital Project Funding 2008-2018 (millions)
Total Major Capital Project Funding	\$747.5
Colleges	\$423.2
Universities	\$324.3
Greater Minnesota	\$470.9
Metropolitan Area	\$276.6

CAPITAL DEBT AND DEBT SERVICE PLANNING

Minnesota State is responsible for 1/3 of the cost or debt associated with major capital projects funded by the state. This debt is serviced by annual payments to the state over a 20 year period. As of FY2018 financial statements, the total general obligation principal outstanding for system capital bonding projects was \$235.5 million and the total annual debt service paid in FY2018 was \$30.9 million. Minnesota State incurs no debt service responsibility for HEAPR.

For the recommended 2020 capital program, Minnesota State colleges and universities would be responsible for 1/3 or \$40.4 million of the debt associated with the 15 major capital projects in the request, requiring a total average annual debt service payment of \$2.2 million payable during the 20 years. Funding for contemplated future work would incur an additional system debt responsibility of \$70.7 million with an average annual debt service payment of \$3.9 million.

This debt responsibility is shared equally, one-half coming from state appropriations to Minnesota State and all colleges and universities and one-half coming from the college or university with the individual project.

Debt Service Summary Totals	Chancellors 2020 Recommendation	Associated Future Construction (2022 and beyond)	Program Totals
Capital Project Amount	\$121,171,000	\$212,133,000	\$333,304,000
Total Debt Responsibility (1/3 Project Amount)	\$40,390,333	\$70,711,000	\$111,101,333
Total Average Annual Debt Service (20 years @ 3%) (1/3)	\$2,213,000	\$3,874,000	\$6,087,000
System Responsibility (Shared Debt Burden) (20 years) (1/6)	\$1,106,500	\$1,937,200	\$3,043,700
Individual College and University Responsibility (20 years) (1/6)	\$1,106,500	\$1,937,200	\$3,043,700

NEXT STEPS

After Board consideration and action in June, staff will submit details of Minnesota State's 2020 capital program request to Minnesota Management and Budget (MMB) through the state's electronic capital budget system. Submissions are due to MMB upon Board approval.

In preparation for the 2020 legislative session, staff will develop a Minnesota State bonding book to highlight details of the approved capital program and impacts the investments will have on system colleges and universities and their students. The bonding book will be distributed to system colleges and universities and key stakeholders.

Later this summer and fall, legislators and their staff will conduct site visits to candidate capital project locations around the state to become familiar with capital requests from all state entities, including Minnesota State. During these visits, legislators will use the Minnesota State bonding book and the information submitted to MMB to learn and understand the details of Minnesota State's bonding request.

Given the volatility in the construction market, specific project cost estimates on **Attachment A** may change over the coming months. MMB regularly publishes additional guidance on project inflation rates closer to the production dates. Final adjustments to the requested projects must occur no later than October 2019 for preparation of the Governor's capital program recommendation for the 2020 legislative session.

The Board will be asked to adopt the motion below at its June meeting, after consideration of the 2020 capital program recommendation.

RECOMMENDED COMMITTEE MOTION

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

The Board of Trustees approves the 2020 capital program request as presented in **Attachment A**, specifically the projects and priorities for the 2020 legislative session. The chancellor is authorized to make cost and related adjustments to the request as required, and to forward the request through Minnesota Management and Budget to the governor and legislature for consideration in the state's 2020 capital budget. The chancellor shall advise the board of any subsequent changes in the approved capital program prior to the 2020 legislative session. In addition, as funding is authorized and appropriated by the legislature and approved by the governor, the chancellor or the chancellor's designee is authorized to execute contracting actions necessary to deliver on the project scope and intent.

Date Presented to the Board of Trustees: 05/21/2019

ATTACHMENT A

2020 Capital Program Recommendation

2020 Priority	Institution	Title	2020 Request	2022 Estimate	2024 Estimate
1	System-wide	HEAPR	\$130,000,000		
2	Anoka-Ramsey -- Coon Rapids	Business and Nursing Renovation (2018 – Funded \$569,000)	\$16,282,000	-	
3	Normandale Community College	College Services Phase II (2018 – Funded \$12,636,000)	\$26,634,000	-	
4	Minnesota State University Moorhead	Weld Hall Renovation and Addition (2018 – Funded \$628,000)	\$17,290,000	-	
5	Inver Hills Community College	Technology and Business Center (2018 – Funded \$698,000)	\$14,653,000	-	
6	Saint Paul College	Academic Excellence Renovation and Renewal (2018)	\$937,000	\$17,016,000	
7	Minneapolis College	Management Education Center Metro Baccalaureate Initiative (2018)	\$10,254,000	\$8,562,000	
8	NHED - Vermilion Community College	Classroom Building Renovation (2018)	\$2,576,000	-	
9	Central Lakes College	Brainerd Student Services Renovation (2018)	\$8,275,000	-	
10	Northland Community and Technical College	Effective Teaching and Learning Labs (2018)	\$2,220,000	-	
11	Minnesota State University, Mankato	Armstrong Hall Replacement	\$6,691,000	\$56,462,000	\$28,722,000
12	Winona State University	Center for Interdisciplinary Collaboration, Engagement, & Learning	\$3,218,000	\$41,205,000	
13	Lake Superior College	Integrated Manufacturing Workforce Labs	\$985,000	\$11,408,000	
14	North Hennepin Community College*	Center for Innovation & the Arts @ Brooklyn Park	\$6,598,000	\$34,320,000	
15	Metropolitan State University	Cyber Security Program	\$3,923,000	-	
16	Pine Technical and Community College	Technical/Trades Lab Addition and Renovation	\$635,000	\$14,438,000	
		Total	\$251,171,000		
		Projects only	\$121,171,000	\$183,411,000	\$28,722,000
		GO – State Financed (incl HEAPR)	\$210,780,667		
		UF – User Financed	\$40,390,333		
	* Requires Community Match of \$39.5million				



MINNESOTA STATE

Finance Committee
May 21, 2019
1:30PM
McCormick Room
30 7th Street East
St. 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.

Finance Committee, Roger Moe, Chair

- 1. Minutes of April 16, 2019 (pp. 1-7)**
- 2. Contracts Exceeding \$1 Million: (pp. 8-13)**
 - a. Lease agreement: Lake Superior College**
 - b. Construction Agreement, Richards Hall Updating, Winona State University**
 - c. Lease Agreement: Minnesota State University, Mankato**
 - d. Purchasing Card Agreement**
 - e. Zoom for Education Video Conferencing System**
3. 2019 Session results – update (pp. 14)
4. FY2020 Operating budget (First Reading) (pp. 15-19)
5. Next Gen Phase 2 Including Finance Plan (First Reading) (pp. 20-27)
6. FY2020 Capital Program Recommendations (First Reading) (pp. 28-29)
7. Revenue Fund Current Refunding Bond Sale (First Reading) (pp. 30-69)
8. Students United Fee Renewal (First Reading) (pp. 70-97)
9. Procurement Program Annual Report and Redesign update (pp. 98-109)

Committee Members:

Roger Moe, Chair
Robert Hoffman, Vice Chair
AbdulRahmane Abdul-Aziz
Ashlyn Anderson
Jerry Janezich
April Nishimura
Samson Williams

President Liaisons:

Richard Davenport
Joe Mulford

Bolded items indicate action is required.



**Minnesota State Board of Trustees
Finance Committee Meeting Minutes
April 16, 2019
McCormick Room
30 7th Street East
St. Paul, MN**

Finance Committee members present: Roger Moe, Chair; Bob Hoffman, Vice Chair; Trustees: AbdulRahmane Abdul-Aziz, Ashlyn Anderson, Jerry Janezich, April Nishimura, Samson Williams, and Chancellor Devinder Malhotra.

Present by Telephone: None

Finance Committee members absent: None

Other board members present: Trustees Alex Cirillo, Dawn Erlandson, George Soule, Louise Sundin, and Cheryl Tefer, Board Chair Michael Vekich, and Board Vice Chair Jay Cowles.

Cabinet Members Present: Vice Chancellor Ramon Padilla and Senior Vice Chancellor Ron Anderson.

Committee Chair Moe called the meeting to order at 12:49pm.

Associate Vice Chancellor Brian Yolitz, sitting in for Vice Chancellor Laura M. King, offered the following updates:

- Legislators are currently on break but will return next week. Updates are pending.
- The Financial Planning & Analysis team is working with campuses on FY2020 budget planning. Detailed budget recommendations will be brought to the committee in June.
- The Financial Reporting group is gearing up for the FY2019 Financial Statement Audit work.
- Payment Card Industry (PCI) Security Specialist Duane Faber has joined Minnesota State and will provide expertise on PCI compliance for campuses.
- Supply Diversity Manager Robert Harper is now on board with the Procurement team and is responsible for managing and supporting efforts in our relationships with small minority-owned businesses.

1. Approval of the Finance Committee Meeting Minutes

Committee Chair Moe called for a motion to approve the Finance Committee Meeting Minutes from March 20, 2019. Trustee Janezich made the motion. Trustee Hoffman seconded. The minutes were approved as written.

2. Contracts Exceeding \$1 Million:

Associate Vice Chancellor Yolitz provided brief summaries of the contracts and leases before the committee:

- a. CollegeSource uAchieve Planner**
- b. Lease Agreement: Minnesota West Community and Technical College, Pipestone Campus to Southwest West Central (SWWC) Service**
- c. Lease Agreement: Amendment to Metropolitan State University Lease at 1450 Energy Park, St. Paul**
- d. Safety & Security Services at Metropolitan State University**
- e. Computer Lease Agreement for Minneapolis College**

Committee Chair Moe called for questions on any of the items presented.

Trustee Abdul-Aziz asked what the difference is between the proposed uAchieve Planner and the current DARS system. What will uAchieve be able to do that the DARS won't? Associate Vice Chancellor Yolitz called on Associate Vice Chancellor Brent Glass to address this question. Associate Vice Chancellor Glass stated that the uAchieve Planner would assist our students in defining their path to graduation by creating roadmaps to build their own academic/career plans. It will provide advisors with notifications if the student varies from their grad plan so that there will be interactions and interventions as needed. It will also assist with scheduling of courses and determine how many courses are needed. There will also be a scheduling tool that will help students track their own personal obligations while they are searching for courses.

Trustee Soule asked if the work that is done by uAchieve will eventually be done by NextGen and is the proposed contract just needed in the interim until NextGen becomes available. Associate Vice Chancellor Glass responded that it is our expectation that an academic degree planning tool will be part of the NextGen ERP which is why this contract is proposed for five years. uAchieve software is designed to work with the degree audit software we are currently using and as such will serve as a bridge until such time that we are ready to implement the student component of the NextGen ERP.

Trustee Williams asked if an assessment has been done on whether or not NextGen will be able to host all of the programs or activities that come with uAchieve. Secondly, are there things with DARS that will be able to move over to NextGen.

Associate Vice Chancellor Glass replied that in looking at the requirements for NextGen, subject matter experts wrote out the requirements for the RFP and they did include degree audit capabilities as well as academic and degree planning as core requirements.

Trustee Anderson expressed some apprehension about the wording of the contract which calls for a 5 year agreement with an optional 3 year extension. She stated that she would not like to see an 8 year contract but would rather see a reassessment at the 5 year mark.

Vice Chancellor Ramon Padilla responded that we are not signing on for 8 years, we are signing on for 5 years with option for 3 more. This gives us the ability to continue using it should we need to at that point. The project is highly endorsed by the IT division which has been in planning discussions for over a year. The current ISRS does not have this tool and it integrates with the tool that we already have. We have been working on technical issues that allow the two systems to work together and are ready to go forward. We hope and anticipate that the NextGen ERP, whatever it is, will have the components that this has. We cannot stop doing the work we are doing now while we wait for NextGen because the student portion of that software is 4-5 years out. uAchieve gives us the opportunity to “practice” as we build the foundation of the next system. That work can be transferred and nothing will be lost. If the NextGen ERP has this component it will be an easy transition as we will have learned a lot of lessons. If the new ERP does not have it, we can continue to use uAchieve.

Trustee Erlandson stated that she really liked these kinds of tools to help students be more successful. Five years is a very long time in technology. Additionally, a tool used for payroll and HR which may be used by government or corporations, may not be the best system for student-based activities unique to education. Are we expecting one vendor to be able to do all things and that they be the best at each particular thing or are we inviting the backbone people to partner with companies that have particular technologies that are student centered and student focused?

Vice Chancellor Padilla answered that we expect somebody to be able to do it all. The reason for this is that an ERP for a commercial entity usually has three pieces, Finance, HR, and whatever their core business might be (sales, manufacturing, retail, etc.). The same companies that build those also build a higher education version. Our needs are different specifically because of students but also because of financial aid. There is a whole industry focused on ERP needs of higher education and we expect one or more players will have all the pieces.

Trustee Erlandson followed up by focusing in on student technology. There is a tool that helps track where you are towards graduation and transfer. There is a component that helps identify candidates for recruitment. Is there a tool that focuses on meeting students’ particular learning needs (personalized education) and can help faculty teach to a variety of students? Is that part of the uAchieve planner or is that a separate thing that no one is doing yet? Vice Chancellor Padilla stated that that is a separate component.

Trustee Abdul-Aziz asked if the only difference between uAchieve and DARS was the schedule. Associate Vice Chancellor Glass stated that he believed that there other components related to the ability to notify an advisor when a student is off-plan, an ability to look at aggregate data to project core scheduling, as well as the tool that helps students identify which courses fit with their schedule.

Trustee Abdul-Aziz followed up by asking if the resources just listed were not being currently provided for within DARS. Within DARS, advisors do have access to students’ DARS report,

students do have the ability to schedule your own classes. Almost \$2 million seems like a lot for an 8 year schedule. Vice Chancellor Padilla stated that the capabilities in uAchieve are not duplicated in DARS because they are both made by the same company. From that standpoint, uAchieve is a complement or add-on to DARS. This product could be considered as “DARS plus” given its added features.

Trustee Tefer asked how long the DARS system has been in use and has it been tied to student tuition and graduation rates. Is it an improvement in outcomes? What is the value for our students? Vice Chancellor Padilla replied that DARS has been around since 1999. It has a long track record. Having a graduation planner on top of DARS is an important step in the student engagement process in terms of not only facilitating getting a student to understand what their plan is but also to be able to work their plan. We are crossing into the retention and success metric that goes along with that.

Trustee Tefer stated that it looks like this has intrinsic value. It looks like any student would want this platform. Student retention and student graduation rates are some of the most important benchmarks we have. Is the money worth looking at and using? How much are we talking about? Associate Vice Chancellor Glass stated that the amount is \$1.97 million. Taking a look at the student success and advising interaction, focusing on degree maps to completion pathways to success, the return on investment has been shown in other studies that it will help. Associate Vice Chancellor Yolitz added that the \$1.9 million would be if we executed the contract for all eight years but the plan is to be done with this in five years which would dramatically reduce that number.

Trustee Cirillo said that there is an assumption that the students have to be trained on how to use the system and that staff and faculty need to be trained on how to use the results in terms of the mapping. Are we trained by the company to recognize the issues around student success or student failure? Is that part of the training?

Associate Vice Chancellor Glass responded that the training that we have with implementation is focused on using the product but we will also be bringing together our subject areas. We will be looking at doing this in phases and piloting at four locations in the fall which will be followed by additional phases...getting additional colleges and universities to be a part of that. We are looking at this as being a tool that can be used around the work at orientation as well as advising for student success. Training is being provided by CollegeSource with regards to setting up that tool. Advisors as well as our students will be trained so that they can better interact with this platform.

Trustee Cirillo added that in his mind, NextGen is going to be the be-all-and-end-all to how we open the key to student success. We are going to have to be able to gather information from this system and other systems and start to prepare for making decisions as to whether students are going to succeed or not and intervene based on that information. So the training for this system should include that type of thinking. Vice Chancellor Padilla said that the project plan is

robust and that they will be working on those features. As the pilots are implemented, we will learn from the institutions and will probably be reworking the project plan to include the best practices and the training materials that come out of those institutions. Trustee Cirillo stated that those are internally created but that the company providing this should be providing us with external data as well, in terms of how their performance is judged.

Senior Vice Chancellor Ron Anderson added that this is a tool that we are going to be using, it is not the end in-and-of itself. The training aspects that we expect from the vendor will be centered around how we use the tool and how other institutions across the country use the tool and what they have learned. The important component that gets added to that is our internal discussions around how this fits more broadly with our student success work and how we integrate the information from this system with information around some of our early alert systems. We are using technology to support the work, technology is not the work itself. We are mindful of the need for the training to be not only about the mechanics and operational aspects of the tool, but also how it impacts the practice. It is critical to our success in moving forward with guided learning pathways. This gives us a backbone to see those pathways and to help advise students and plan our own scheduling to make sure they can stay on those pathways and have an early view when they start to deviate from those pathways.

Trustee Williams asked for more information on the system security that uAchieve will come with versus what DARS currently provides. Additionally, will this impact student technology fees? Vice Chancellor Padilla stated that uAchieve will be secured the same way DARS is secured today. All the controls will be in place based on the type of data that will be in uAchieve and it will be hosted on site as is DARS currently, so we will use our same control plan that we have been using since 1999 and doing it better. Senior Vice Chancellor Anderson added that funding for this transition period contract will not be charged back to campus. We are using collaboration funds to support projects that cut across all campuses and help our campuses better collaborate in understanding strategy and execution for student success. We do not anticipate that it will impact campus budgets at all.

Trustee Abdul-Aziz asked if there were metrics not being met with DARS that will be met by uAchieve. Additionally, he asked if we will have enough data from uAchieve to say that the investment was good enough over five years that we would want to invest in an additional three years. Senior Vice Chancellor Anderson stated that the two systems do fundamentally different things. DARS looks at course-to-course equivalencies and shows us how courses transfer from one institution to another. The uAchieve product is integrated into DARS so it captures the information used in building out a degree plan. It gives us an opportunity to have a different view of a student record and also articulates what is yet to be completed so that credentials can be earned. They are related pieces but we don't have that functionality currently with DARS. Return on investment comes from increased retention and program completion. To the question of guideposts, we would look at what kind of improvements we are seeing in retention rate and ultimately degree completion. Are students graduating with

fewer extraneous credits or credits that don't apply to their degree? This tool should help students stay on the path.

Trustee Erlandson asked if the concept of equivalencies takes into account non-traditional learning such as learning in the military or other kinds of training a person may have had outside of college, in terms of getting course credit. Senior Vice Chancellor Anderson answered that equivalence for that kind of experience through credit for prior learning or through assessment that has been done through another organization, ends up being a transcribed course so then it does fit into this. This tool itself does not have a different way of accommodating that so we will always translate that into some equated course or credit level based on other guidelines. So it would accommodate those and fully feed that into the degree pathway.

Committee Chair Moe called to adopt the following recommended motion:

- a. The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a contract for CollegeSource's uAchieve Planner for five years with the option to renew for up to three additional years. The total not to exceed cost for this agreement is \$1,970,000. The board directs the chancellor or designee to execute all necessary documents.
- b. The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a lease with the Southwest/West Central Service Cooperative (SWWC) at the Minnesota West Community and Technical College campus in Pipestone for an initial lease term of five (5) years starting July 1, 2019 with one (1) option to extend the term another five (5) years starting July 1, 2024. The extension shall be expressly conditioned upon mutual agreement of the parties prior to the extension start date. The Board delegates to the chancellor or designee authority to execute all necessary documents to accomplish this lease agreement.
- c. The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a lease with the landlord of 1450 Energy Park Drive, St. Paul, Minnesota for an additional 4,344 square feet under the same terms and conditions as the lease agreement otherwise in effect. The Board delegates to the chancellor or designee authority to execute all necessary documents to accomplish this lease amendment.
- d. The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a contract with the selected vendor for a five-year term beginning July 1, 2019 and ending June 30, 2024. The total contract amount is not to exceed \$4 million. The board directs the chancellor or designee to execute all necessary documents.

- e. The Board of Trustees authorize the Chancellor or the chancellor's designee to execute a master lease agreement for 5 years with the total not to exceed \$3 million. The Board directs the Chancellor or designee to execute all necessary documents.

*Trustee Hoffman made the motion. Trustee Janezich seconded.
The motion was adopted.*

3. Contracts exceeding \$1 Million: Winona State University, Laird Norton Renovation, Football Stadium Upgrades 3

Associate Vice Chancellor Yolitz introduced two contract items previously reviewed and adopted in the Facilities Committee. Committee Chair Moe asked if a motion was needed in this committee. Associate Vice Chancellor Yolitz indicated that after review of the adopted motion, no additional action was needed. There was no further discussion.

Associate Vice Chancellor Yolitz noted some key topics that will be coming up in the May committee meeting:

- Offering an enterprise operating budget recommendation for FY2020-21 based on the outcomes of the legislative session.
- We will consider the Chancellor's recommendation for the 2020 bonding request.
- Seek a revenue fund refunding action.

Committee Chair Moe adjourned the meeting at 1:31pm

Respectfully submitted: Don Haney, Recorder

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Finance Committee

Date: May 21, 2019

Title: Contracts Exceeding \$1 Million:

- a. Lease agreement: Lake Superior College
- b. Construction Agreement, Richards Hall Updating, Winona State University
- c. Lease Agreement: Minnesota State University, Mankato
- d. Purchasing Card Agreement
- e. Zoom for Education Video Conferencing System

Purpose (check one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input checked="" type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input type="checkbox"/> Information | |

Brief Description:

Board Policy 5.14, Procurement of Contracts, requires that contracts, including amendments, with values greater than \$1,000,000, must be approved in advance by the Board of Trustees.

Scheduled Presenter:

Laura M. King, Vice Chancellor – CFO

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION

CONTRACTS EXCEEDING \$1 MILLION:

- a. **LEASE AGREEMENT - LAKE SUPERIOR COLLEGE**
- b. **CONSTRUCTION AGREEMENT, RICHARDS HALL UPDATING, WINONA STATE UNIVERSITY**
- c. **LEASE AGREEMENT – MINNESOTA STATE UNIVERSITY, MANKATO**
- d. **PURCHASING CARD AGREEMENT**
- e. **ZOOM FOR EDUCATION VIDEO CONFENRECING SYSTEM**

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 three items concern campus specific actions and the final two are contracts with system wide benefit.

a. LEASE AGREEMENT - LAKE SUPERIOR COLLEGE

Lake Superior College seeks approval to extend its current lease for an additional five (5) year, 1 month term effective June 1, 2019 at 120 N. 2nd Street W, Duluth, in support of its Integrated Manufacturing programs.

The college has been leasing 32,877 sq. ft of space at the subject location in downtown Duluth since 2014 to host classes in Machine Tool, Welding and Computer-Aided Design (CAD). The original leasing strategy was prompted by a surge in enrollment in the welding program that could not be suitably accommodated on campus. The current lease is scheduled to expire May 31, 2019, and the college seeks to extend the term of the lease an additional five (5) years and one (1) month to continue to pursue a capital bonding request to upgrade manufacturing training space on campus.

When the lease was initially signed in 2014, the total lease amount (\$1.4 million) was less than the Board's approval threshold of \$2 million. To continue programming in the high-demand areas referenced above, the college is seeking Board approval to extend the existing lease agreement for the same space. The lease extension term of five (5) years and one (1) month is meant to ensure alignment with the fiscal year. Total gross rent for the full extension term is expected to be \$2,033,845. Rent reflects yearly two percent (2%) escalations.

b. CONSTRUCTION AGREEMENT RICHARDS HALL UPDATING, WINONA STATE UNIVERSITY

Richards Hall is part of the university's Quad Complex, a residence hall complex comprised of three separate residence halls including Morey-Shepard, Conway and Richards. Approximately 450 students live in the Quad during a typical academic year.

The university is planning on undertaking an approximately \$1.5 million update to the Richards Hall restrooms that will improve their look, accessibility and ventilation / exhaust performance. The Richards Hall restrooms had minor upgrades in 1999, but have not been fully renovated since the building was built in 1957. The project provides for the renovation of six (6) gang restrooms into private-stalled, contemporary layouts, and will bring the restrooms to current accessibility standards. One larger restroom in the basement will be expanded and converted to two gender neutral restrooms. Approximately 3,070 square feet will be renovated within Richards Hall. The university intends to install low water usage plumbing fixtures and mechanical upgrades designed to improve energy and water efficiency.

During preparation for the May board meeting, the university concluded that bidding conditions were not optimal for work this summer, and revised a bid date to occur later in 2019 or early 2020 when the bid climate is expected to improve. The work should be complete prior to student arrivals in fall term 2020. As Richards Hall is part of the revenue fund, the university will be using revenue fund operating dollars to fund the work.

c. LEASE AGREEMENT – MINNESOTA STATE UNIVERSITY, MANKATO

In 2018, Minnesota State University, Mankato, entered into a five (5) year lease with the City of Mankato at the regional airport to operate the university's aviation program. Minnesota State Mankato has had a presence at the airport since 2012, which includes classroom, office and conference room space for their rapidly-growing program. The current lease is for 3,084 usable square feet, and runs through July 31, 2023. Fiscal Year 2019 rent (gross) for the space is \$71,425.44 (\$23.16/SF).

The City of Mankato and Minnesota State Mankato discussed renovating/upgrading the airport building lease, which would require an amendment to the existing lease. Specifically, the city contemplates a renovation/upgrade of the facility allowing for the university to expand its footprint and teaching capacity.

The university anticipates continued growth in the aviation program in the future. Driving this growth is an industry need for pilots due to mandatory, age-specific retirement requirements and substantial scheduled retirements. Bureau of Labor Statistics and Minnesota DEED data have projected up to 34,400 airline pilot job openings in the U.S through 2024.

To meet this expected demand, and to position itself as a regional leader in aviation curriculum, Minnesota State Mankato desires to expand their existing space, and include an option to extend the existing for one (1) term of five (5) years. In light of the past success of the program, as well as anticipated growth, the university views this expansion/extension as a valuable investment.

The proposed Lease Amendment will increase the square footage under contract by 1,627, for a new total of 4,711 sq. ft., as well as restructure the initial term of the agreement to reflect the additional square footage and add an option for an additional five (5) years. Occupancy – and the accompanying commencement date of the amended Lease – will be subject to completion of the City’s renovations. The university’s anticipated lease - including extensions - is expected to cost \$1.23 million in rent.

d. PURCHASING CARD AGREEMENT

Approximately \$50 million in annual spend across the system flows through purchasing cards. In November 2013, the Board of Trustees approved execution of the system’s first master purchasing card program. The program enables colleges and universities to better manage campus purchasing activity with improved pricing, internal controls and audit trails. The current contract used by Minnesota State is expiring and needs to be renewed. A team of representatives from colleges and universities have selected a new contract after an evaluation process. The new contract will be for all colleges, universities and the system office and includes incentives for spend volume and speed of pay that will benefit Minnesota State. The negotiations contemplate a five year contract with one option to renew for five years. All spending is a part of the related college or university budgets.

e. ZOOM FOR EDUCATION VIDEO CONFERENCING SYSTEM

Since May 2017, Minnesota State has piloted the use of a systemwide web/video conferencing system. An evaluation of this pilot was completed in spring 2019. Based on the usage of the service during the pilot and a cost analysis of different licensing models (a per host license model versus a per FTE license model), the Senior Vice Chancellor for Academic and Student Affairs approved the recommendation by the Academic and Student Affairs - Technology Council to sustain a systemwide web/video conferencing service utilizing Zoom Education. The contract will be based on the terms and conditions contained in a RFP undertaken by the University of Minnesota which has also installed this functionality. In addition, all Learning Network of Minnesota sites are now using this vendor. Its adoption by Minnesota State will ensure statewide inter institutional compatibility.

Institutions will use Zoom’s Cloud Room Connector service to make connections between classrooms and conference room spaces that utilize room based video systems (e.g. Cisco Tandberg, Polycom, etc.) that currently exist on the campuses of Minnesota State. Minnesota State students, faculty, and staff who are unable to join class sessions from one of these room based systems, can use Zoom Meeting Rooms to join remotely. The proposed action item is for Board approval of a contract for an initial four-year term and an additional one-year extension

for a total possible term from June 3, 2019 to June 2, 2024. The total value of the potential five-year agreement is \$1,350,000. The cost of this contract will be supported by funds in the Academic and Student Affairs budget.

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

RECOMMENDED COMMITTEE MOTION:

- a. The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a lease amendment to extend the lease with the landlord for the property at 120 N 2nd St. W, Duluth for Lake Superior College. The extension shall commence June 1, 2019 and expire June 30, 2024 in an amount not to exceed \$2.04 million. The Board delegates to the chancellor or chancellor's designee authority to execute all necessary documents to accomplish this lease agreement extension.
- b. The Board of Trustees authorizes the chancellor or the chancellor's designee to enter into a construction contract not to exceed \$1.5 million for purposes of updating Richards Hall restrooms, including updating building accessibility. The Board delegates to the chancellor or chancellor's designee authority to execute all necessary documents.
- c. The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a lease amendment to amend the lease with the landlord for the property at the regional airport in Mankato, Minnesota for Minnesota State University, Mankato. The amendment will increase the square footage to 4,711 sq. ft, and the total rent value is not expected to exceed \$1.23 million. The Board delegates to the chancellor or chancellor's designee authority to execute all necessary documents to accomplish this lease agreement extension.
- d. The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a contract with the selected purchasing card vendor for up to five years with one five year renewal option for a term not to exceed ten years. The Board delegates to the chancellor or chancellor's designee authority to execute all necessary documents.
- e. The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a contract for Zoom for Education for four years with the option to renew for up to one additional year. The total not to exceed cost for this agreement is \$1,350,000. The board delegates to the chancellor or chancellors designee authority to execute all necessary documents.

RECOMMENDED BOARD OF TRUSTEES ACTION:

- a. The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a lease amendment to extend the lease with the landlord for the property at 120 N 2nd St. W, Duluth for Lake Superior College. The extension shall commence June 1, 2019 and expire June 30, 2024 in an amount not to exceed \$2.04 million. The Board delegates to the chancellor or

chancellor's designee authority to execute all necessary documents to accomplish this lease agreement extension.

- b. The Board of Trustees authorizes the chancellor or the chancellor's designee to enter into a construction contract not to exceed \$1.5 million for purposes of updating Richards Hall restrooms, including updating building accessibility. The Board delegates to the chancellor or chancellor's designee authority to execute all necessary documents.
- c. The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a lease amendment to amend the lease with the landlord for the property at the regional airport in Mankato, Minnesota for Minnesota State University, Mankato. The amendment will increase the square footage to 4,711 sq. ft, and the total rent value is not expected to exceed \$1.23 million. The Board delegates to the chancellor or chancellor's designee authority to execute all necessary documents to accomplish this lease agreement extension.
- d. The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a contract with the selected purchasing card vendor for up to five years with one five year renewal option for a term not to exceed ten years. The Board delegates to the chancellor or chancellor's designee authority to execute all necessary documents.
- e. The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a contract for Zoom for Education for four years with the option to renew for up to one additional year. The total not to exceed cost for this agreement is \$1,350,000. The board delegates to the chancellor or chancellors designee authority to execute all necessary documents.

Date Presented to the Board of Trustees: 05/22/19

Date of Implementation: 05/22/19

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Finance Committee

Date: May 21, 2019

Title: 2019 Session results – update

Purpose (check one):

- | | | |
|---|---|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input checked="" type="checkbox"/> Information | |

Brief Description:

Details will be provided during the meeting.

Scheduled Presenter:

Laura M. King, Vice Chancellor – CFO

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Finance Committee

Date May 21, 2019

Title: FY2020 Operating Budget (First Reading)

Purpose (check one):

Proposed
New Policy or
Amendment to
Existing Policy

Approvals
Required by
Policy

Other
Approvals

Monitoring /
Compliance

Information

Brief Description:

Board Policy 5.9, Biennial and Annual Operating Budget Planning and Approval, requires the Board of Trustees of approve the system-wide annual all-funds operating budget plans for colleges, universities, and the system office. Board Policy 5.11, Tuition and Fees, requires the Board of Trustees to approve the tuition and fee structure for all colleges and universities.

The FY 2020 operating budget will largely be determined by legislative budget and policy decisions that have not yet been finalized. An update on the legislative session, including higher education funding decisions, will be distributed at the Finance and Facilities Committee meeting.

Scheduled Presenters:

Laura M. King, Vice Chancellor – CFO

Steve Ernest, System Director, Financial Planning and Analysis

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION -- FIRST READING
FY 2020 ANNUAL OPERATING BUDGET

BACKGROUND

Each year the Board of Trustees reviews and approves the annual operating budget for Minnesota State for the fiscal year, which begins on July 1. Typically, this agenda item is scheduled for the May and June board meetings so that colleges and universities can begin the fiscal year with an approved operating budget.

Minnesota State has two primary sources of revenue: state appropriation and tuition. Final results of the 2019 legislative session are not known until the Legislature completes the Higher Education omnibus bill and it is signed by the Governor.

Because the legislative session has not yet concluded, effects of state funding levels and legislatively-mandated policy direction are not yet incorporated into Minnesota State budgets. Consequently, the enterprise level operating budget, college and university operating budgets, and tuition and fee rates are not yet finalized. Detailed college and university operating budgets, proposed tuition and fee rates, enrollment projections, and other budget information and analysis will be prepared for the June board meeting based on the work being done.

This report focuses on two issues: 1) emerging conference committee recommendations; and 2) the results of the FY2020 allocation framework. A summary of student consultation letters is also included.

EXECUTIVE SUMMARY – SESSION STATUS

The FY2020-21 higher education omnibus budget bill has not been signed into law. The activity to date is summarized below.

- Minnesota State requested \$246 million in additional state appropriation for the FY2020-FY2021 biennium for two change items: \$206 million for campus investments, including \$37 million for ISRS Next Generation; and \$40 million for strategic investments, including college and university grant programs and workforce development partnerships.
- The Governor recommended \$57 million for campus investments and \$8 million for the ISRS Next Generation project, or 26 percent of our request, without a tuition recommendation. If tuition were increased 3 percent in FY2020 and 3 percent in FY2021, campus support would be funded at \$124M of the \$149 million in our request.

- The Senate recommended \$4 million for campus support, \$22 million for the ISRS Next Generation project, and \$3 million for workforce partnerships plus \$15 million for workforce scholarships, and \$3 million for specific campus program support, totaling 19 percent of our request. The bill also requires a reduction in online tuition rates creating a \$65M biennial loss of revenue. Senate language directs the Board to limit tuition at colleges to 2% and 1% growth for the two years of the biennium, and 2% each year for universities. The Senate bill represents a net revenue gap of \$104M in campus support and \$65M in declining tuition revenue for a total of \$169M.
- The House fully-funded the core \$149 million of the campus investment initiative, allowing them to pay for a tuition freeze provision in their bill. The House also included \$10 million for the ISRS Next Generation project and \$600,000 for other legislative priorities, for a total of 65 percent of our request.

It is likely that the final committee report signed by the governor will have different impacts than those outlined above. Results will be communicated to the Board of Trustees at the conclusion of the session and incorporated into the committee's June materials, if available.

Student consultation on proposed fees and tuition and the operating budget has taken place over the past several months. Students reported a high level of satisfaction with the consultation process this year. The student consultation letters may be found by [here](#).

JUNE COMMITTEE MATERIALS

If the legislative session concludes on time, the June committee report will include the following information:

- Enterprise-level all funds and general fund operating budgets
- Tuition and fee tables
- College and university FY2020 operating budgets
- Revenue fund financing information and proposed charges
- Enrollment projections
- Net cost of tuition analysis
- Budget reserves by college and university
- Health service fee budgets
- Updated tuition consultation letters (if necessary)

These materials will be provided to the committee as soon as they are available prior to the June meeting.

Below is a draft of the motion expected to be presented at the June committee meeting at the conclusion of the legislative session. The attachments referenced will be provided at that time.

If the session does not conclude in advance of the June Board of Trustees meeting, staff will return with recommendations for next steps.

Presuming session conclusion, at the June Board of Trustees meeting, the Finance committee will be asked to adopt the following motion:

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

RECOMMENDED FINANCE COMMITTEE MOTION:

- Adopt the annual total all funds operating budget for fiscal year 2020 as shown in Attachment x-x. The chancellor is authorized, after consultation with the board chair and treasurer, to adjust the budget approved in Attachment x-x to reflect any additional state appropriations received as a result of a special legislative session.
- Approve the proposed tuition structure recommendations for fiscal year 2020 as detailed in Attachments xx through xx.
- Tuition rates are effective summer term or fall term 2019 at the discretion of the president. The chancellor or designee is authorized to approve any required technical adjustments, and is requested to incorporate any approvals at the time fiscal year 2021 tuition recommendations are presented to the Board of Trustees.
- Continue the policy of market-driven tuition for closed enrollment courses, customized training, and non-credit instruction, continuing education, and contract postsecondary enrollment option programs.
- Approve the Revenue Fund and related fiscal year 2020 fees for room and board, student union, wellness and recreation facilities, and parking ramps/surface lots as detailed in Attachments xx through xx, including any housing fees that the campuses may charge for occupancy outside the academic year.
- Approve Bell Engineering pilot program for Minnesota State University, Mankato.

RECOMMENDED BOARD OF TRUSTEES MOTION:

- Adopt the annual total all funds operating budget for fiscal year 2020 as shown in Attachment x-x. The chancellor is authorized, after consultation with the board chair and treasurer, to adjust the budget approved in Attachment x-x to reflect any additional state appropriations received as a result of a special legislative session.
- Approve the proposed tuition structure recommendations for fiscal year 2020 as detailed in Attachments xx through xx.

- Tuition rates are effective summer term or fall term 2019 at the discretion of the president. The chancellor or designee is authorized to approve any required technical adjustments, and is requested to incorporate any approvals at the time fiscal year 2021 tuition recommendations are presented to the Board of Trustees.
- Continue the policy of market-driven tuition for closed enrollment courses, customized training, and non-credit instruction, continuing education, and contract postsecondary enrollment option programs.
- Approve the Revenue Fund and related fiscal year 2020 fees for room and board, student union, wellness and recreation facilities, and parking ramps/surface lots as detailed in Attachments xx through xx, including any housing fees that the campuses may charge for occupancy outside the academic year.
- Approve Bell Engineering pilot program for Minnesota State University, Mankato.

Date Presented to the Board of Trustees: 06/19/19

Date Approved: 06/19/19

Date of Implementation: 07/01/19

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Finance Committee

Date: May 21, 2019

Title: Next Gen Phase 2 Including Finance Plan (First Reading)

Purpose (check one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input checked="" type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input type="checkbox"/> Information | |

Brief Description:

Minnesota State launched the Next Gen ERP replacement project in March 2016 with the endorsement of the business case. Phase 1 is nearing completion. Business process reviews are complete and the project is prepared to issue an RFP for several vendor engagements. Staff will provide a review of progress to date, introduce the options for the finance plan, summarize legislative and Leadership Council engagement and outline the project's next steps.

Scheduled Presenters:

Laura M. King, Vice Chancellor – CFO
Ramon Padilla, Jr., Vice Chancellor – CIO
Angelia Millender, President, Century College
Scott Wilson, Vice President, Finance and Operations, St. Paul College

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION – FIRST READING

NEXT GEN PHASE 2 INCLUDING FINANCE PLAN

BACKGROUND

Minnesota State launched the Next Gen ERP replacement project in March 2016 with the endorsement of the business case. Phase 1 is nearing completion. Business process reviews are complete and the project is prepared to issue an RFP for several vendor engagements. Staff will provide a review of progress to date, introduce the options for the finance plan, summarize legislative and Leadership Council engagement and outline the project's next steps.

PAST BOARD AND COMMUNITY ENGAGEMENTS

Replacement of the system's ERP first emerged as a priority in strategic listening sessions held across the system in 2013-2014. There was widespread support expressed for the wholesale replacement of ISRS with functionality that was more student centric and mobile friendly. A business case for the effort was reviewed and endorsed by the Leadership Council and Board of Trustees in March 2016. A funding request was subsequently included in the system's 2018-2019 legislative request and supported in part by the Governor and the legislature. Funding for the project was then included in the system's 2018 supplemental budget request and was not supported. Funding was once again included in the system's 2020-2021 legislative request and supported in part by the Governor and the legislature.

The Board authorized the launch of Phase 1 in June 2017. The ERP Steering Committee and the Phase 1 vendor were introduced to the Leadership Council and Board in January 2018. At that time the board approved the overall project design and the Phase 1 timeline. The project organization structure, dashboard, communication plan and change management strategy were reviewed with the Leadership Council and endorsed by the board at meetings in March and June 2018.

PROJECT TIMELINE AND DELIVERABLES

Phase 1

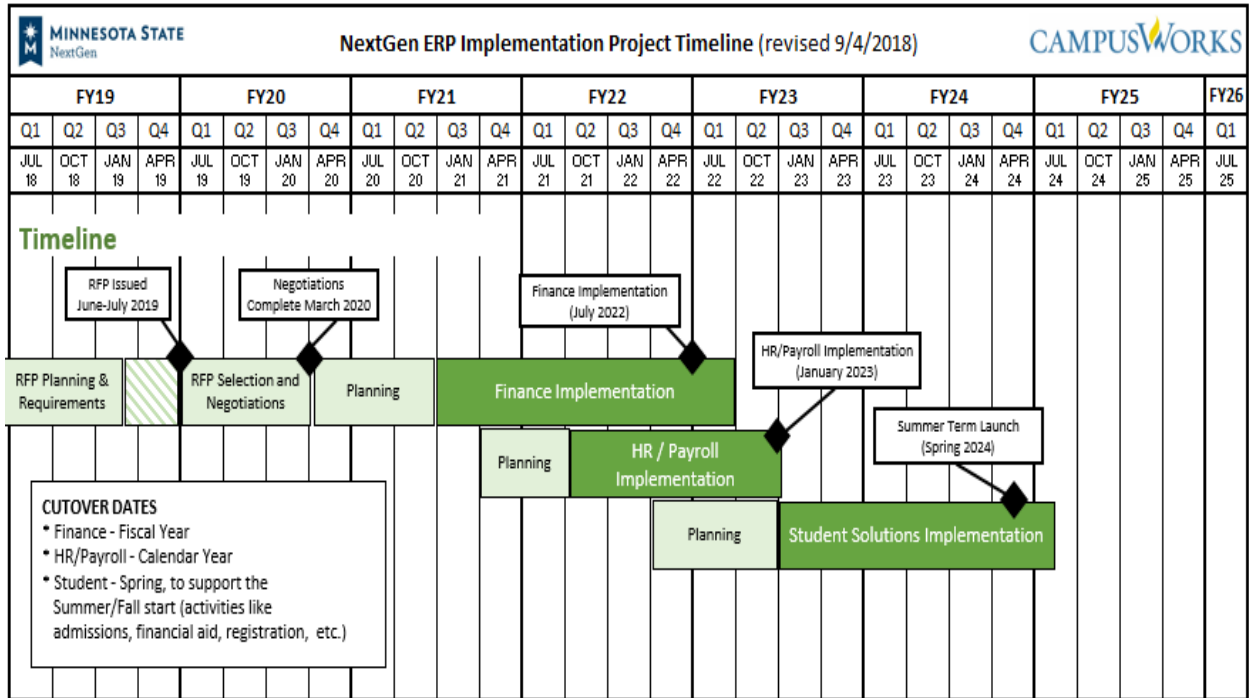
Business process reviews for HR, Finance and Student functionality began in January 2018 and were completed in January 2019. Planning for the RFP requirements and drafting of the RFP began in July 2018, to be completed in June 2019.

The RFP will be released to the market in June 2019 pending authorization from the Board of Trustees. Vendor selection and board review is planned for December 2019 /January 2020 and execution of the contract is intended by the end of March 2020.

Phase 2

Phase 2 (Implementation) will begin with implementation planning in April 2020 once a contract is in place with the selected vendor. The current phasing plan contemplates the following dates for implementation of each component.

Finance July 2022
 Human Resources/Payroll January 2023
 Student Solutions Spring 2024



PROJECT FINANCE PLAN (Phase 1 and phase 2)

All amounts are approximate pending the advice of the implementation vendor and the bids on the software solution. A revised budget is expected in the spring of 2020.

Internal requirements – Internal work includes working team expenses, change management, communications, training teams, and support of implementation teams.

Period: FY2018-FY2025
Estimated costs over the term: \$32M

External requirements – External work includes the Phase 1 contractor (CampusWorks), project manager, owner’s representative, implementation partner, and vendor training, data integrations and technology investments in a data hub. External requirements also include software license costs. The project budget includes an annual license cost for the software with the assumption that the cost begins in 2020. The start date, and the annual cost will be negotiated when the vendor is selected. For project planning purposes, the project budget

assumes the license cost during the period of implementation. Upon implementation, the license cost will be assumed by the ITS base budget.

Period: FY2018-FY2025
Estimated costs over the term: \$111.5M

Data hub/ISRS refresh and overall project coordination

Period: FY2018-FY2025
Estimated costs over the term: \$7.6M

Total estimated Project costs **\$151.1M**

The project plan includes spending actual and estimated amounts that range from \$1.4M in 2018 to a high of \$35M in 2022.

OVERVIEW OF EXTERNAL VENDORS/RFPs

2015 CONTRACT -

Phase 1 Program Manager

In 2015, Minnesota State contracted with KMH Consulting to provide project management resource(s) for strategic IT initiatives, responsibilities include:

- Provide services related to specific project initiatives identified by Minnesota State in all of the enterprise areas: development, infrastructure, network, security and business process management.
- Facilitate meetings, manage communications, address resource issues, manage change, assess risk, escalate issues to project sponsor, project owner and other stakeholders, as needed, and ensure project is meeting all documented milestones and overall project timeline.

2018 CONTRACTS –

Phase 1 Vendor

In January 2018, Minnesota State contracted with CampusWorks to work with the project team and cross-functional working teams to complete the following:

- Business process reviews of current and future state for Academic and Student Services, HR and Finance.
- Draft the RFP and evaluation criteria for a software as a service vendor and implementation partner.
- Establish a change management strategy and deploy an enterprise-wide organizational readiness assessment.
- Provide consultation during vendor negotiations.

Exadata Upgrade: Data HUB for data integrations (2018)

- On May 2018, Minnesota State purchased a data hub and professional services from Boomi Incorporated in order to integrate ISRS with the selected software as a service (SaaS) solution. This work will continue as interfaces are designed over the next several years.

2019/2020 CONTRACTS –

Phase 2 Project Manager (2019 – 2024)

Established master contract to provide project management resource(s) for strategic IT initiatives, responsibilities include:

- Provide services related to specific project initiatives identified by Minnesota State in all of the enterprise areas: development, infrastructure, network, security and business process management.
- Facilitate meetings, manage communications, address resource issues, manage change, assess risk, escalate issues to project sponsor, project owner and other stakeholders, as needed, and ensure project is meeting all documented milestones and overall project timeline.

This contract was approved by the Board of Trustees in March 2019.

Phase 2 Software as a Service (SaaS) Vendor and Implementation Vendor (2020 – 2025)

The Board will be asked to authorize the RFP for this vendor in June 2019. By the end of March 2020, Minnesota State will execute one contract for the solution and the implementation partner for implementation services and SaaS technology solution(s) to meet the needs of Academic and Student Services, Finance and Human Resources. The Board will be asked to approve the vendor selection in winter of 2019.

Phase 2 Owners Representative (2020 – 2025)

The Board will be asked to authorize the RFP for this vendor in October 2019. By March 2020, Minnesota State will contract with a vendor to provide planning and implementation advisory services throughout planning and implementation:

- Take part in planning to identify risks, issues and mitigation strategies for addressing each.
- Take part in deliverable reviews to ensure contract compliance with the selected SaaS vendor and ensure deliverables meet the approved scope.
- Ensure plans and deliverables meet industry best practices.

The Board will be asked to approve the vendor selection in fall 2019.

WAY FORWARD IN FINANCE PLANNING

Design of the project finance plan was approached with three goals:

- Maintain project timeline with June 2019 RFPs issuance
- Identify total finance plan with flexibility for future additional state assistance
- Commitment to partnership with campuses to minimize financial impact
- Continue clear and consistent internal communications

The Board has expressed strong and unwavering commitment to this project. There is wide agreement that both for functionality and enterprise risk mitigation, the work must proceed. The finance plan was designed to execute on the Board's commitment while maintaining as much flexibility as possible.

All finance plan modeling is preliminary and subject to change when the results of the RFPs are established. In order to move forward, all modeling assumes a project investment requirement of \$25 million per year from 2020 to 2025. The modeling further assumes a maximum system contribution rate of \$12.5 million per year. The level of state support will dictate the amount and term of system support.

The project plan includes both internal spending and external contractor commitments. Internal spending can be financed with annual commitments. External contractor commitments require all funds secured before contract(s) signed. Under all funding scenarios, the finance plan requires internal system contributions and internal cash flow loans in order to match the revenue pattern with the expected spending pattern. The finance plan should provide a solution for the entire cost of the project and allow for future state support as well.

The finance plan design goals and financing options were reviewed with the Leadership Council at its May 2019 meeting.

Advice from the presidents endorsed the design goals and supported the desire for consistency, transparency and simplicity of messaging around the finance method. Presidents also expressed appreciation for the recognition of the stress this will place on their financial profile.

The question of using headcount versus FYE was raised. Using headcount (Option 2) is consistent with the approach used in the allocation framework when access to a benefit is received regardless of full-time status. Option 2 is also consistent with past practice in Next Gen contributions. Some presidents expressed support for this approach since it was easy to explain on campus – “we are paying based on our number of employee and students”.

The headcount method (Option 2) was viewed as straightforward and does not require discussion of the Green Sheet, the allocation formula, calculations or spreadsheets. There was not strong support for using the Allocation framework as the basis for the assessment method (Option 1 or 3) as a result.

Options for system contributions of financial support

1. Create a new special Priority Allocation on the State funds allocation plan (Master Green Sheet) and direct state funds to the project. The funds would be withheld at the start of each year and not flow through college and university budgets. This option has the effect of reducing state resources available for colleges and universities on the basis of their percent share of the Allocation Framework each year. State funds would also be redirected for the System Office share.

2. Continue 2019 method - cost allocation charge tied to student and staff headcount. This option would “assess” each college and university and funds would pass from the schools and the system office to the project. Colleges and universities can use any appropriate resources to cover the charge.
3. Implement a hybrid of option 1 and option 2 where 25% of the cost is based on a new special Priority Allocation and 75% is based on student and staff headcount. This option would “assess” each college, university and system office and funds would pass to the project. Colleges and universities can use any appropriate resources to cover the charge.

The chancellor intends to solicit feedback from the Finance committee at the May meeting and gather additional feedback at the June Leadership Council meeting before making a final decision.

Cash flow

The finance plan assumes state and system support sufficient to complete the scope of work. The system contribution amount is dependent on state funding levels. System contributions can be reduced in the future as more state support is available. All modeling assumes system contribution amounts will be level over the term, and reduced in the future with any new state support.

The project plan contemplates execution of the Phase 2 contracts outlined above in March 2020 and the created of the related encumbrances. The external contracts will include workplans that are expected to execute between 2020 and 2024. The estimated spending pattern for external and internal work peaks at \$35M in 2022 and concludes with \$3M in 2025.

An internal cash flow loan is required under all current assumed state funding levels to support annual spending rates that exceed annual assumed revenues. It is expected that internal agreements will be negotiated providing the loan of campus fund balances to the project, to be repaid with interest from future project revenues.

Contingency provisions

The finance plan has been built based on the estimated project costs provided in the 2016 business case. It is understood that the total project cost may be revised when the RFPs are completed. The finance plan includes recognition that state and campus/system office funding levels may be adjusted in the fall of 2019.

DECISION TIMELINE

May 2019 - Leadership Council and Board of Trustee discussion of emerging legislative results and its impacts on financing options.

June 2019 - Leadership Council and Board of Trustees discussion and endorsement of finance plan recommendations. Board approval of release of RFPs.

December/January - Leadership Council and Board of Trustees presentation of final vendor selection. Request of the Board to award and authorization to negotiate terms and conditions. March 2020 Leadership Council and Board of Trustees presentation of revised budget and project timeline.

At the June Finance committee meeting, the committee will be asked to adopt the following motion:

The Finance committee recommends that the Board of Trustees approve the following motion:

RECOMMENDED COMMITTEE MOTION:

The Board of Trustees approves the project plan and finance plan as outlined in this report. The chancellor or the chancellor's designee are authorized to issue the RFPs as described above. The Board will be asked to approve final vendor selection prior to negotiation of contract terms and conditions. The chancellor will establish a regular project status reporting program with the board after consultation with the chair of the Board and the chair of Finance committee.

RECOMMENDED BOARD MOTION:

The Board of Trustees approves the project plan and finance plan as outlined in this report. The chancellor or the chancellor's designee are authorized to issue the RFPs as described above. The Board will be asked to approve final vendor selection prior to negotiation of contract terms and conditions. The chancellor will establish a regular project status reporting program with the board after consultation with the chair of the Board and the chair of Finance committee.

Date of Adoption: 06/19/2019

Date of Implementation: 06/19/2019

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Finance Committee
Title: FY2020 Capital Program Recommendations

Date: May 21, 2019

Purpose (check one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input checked="" type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input type="checkbox"/> Information | |

Brief Description:

This item has been reviewed by the Facilities Committee. That committee voted to approve the Recommended Motion included below.

See the Facilities committee board report, pp 4-11 for the full description and materials.

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

Recommended Motion

The Board of Trustees approves the 2020 capital program request as presented in **Attachment A**, specifically the projects and priorities for the 2020 legislative session. The chancellor is authorized to make cost and related adjustments to the request as required, and to forward the request through Minnesota Management and Budget to the governor and legislature for consideration in the state's 2020 capital budget. The chancellor shall advise the board of any subsequent changes in the approved capital program prior to the 2020 legislative session. In addition, as funding is authorized and appropriated by the legislature and approved by the governor, the chancellor or the chancellor's designee is authorized to execute contracting actions necessary to deliver on the project scope and intent.

Scheduled Presenter: Laura M. King, Vice Chancellor and Chief Financial Officer

2020 Capital Program Recommendation

2020 Priority	Institution	Title	2020 Request	2022 Estimate	2024 Estimate
1	System-wide	HEAPR	\$130,000,000		
2	Anoka-Ramsey -- Coon Rapids	Business and Nursing Renovation (2018 – Funded \$569,000)	\$16,282,000	-	
3	Normandale Community College	College Services Phase II (2018 – Funded \$12,636,000)	\$26,634,000	-	
4	Minnesota State University Moorhead	Weld Hall Renovation and Addition (2018 – Funded \$628,000)	\$17,290,000	-	
5	Inver Hills Community College	Technology and Business Center (2018 – Funded \$698,000)	\$14,653,000	-	
6	Saint Paul College	Academic Excellence Renovation and Renewal (2018)	\$937,000	\$17,016,000	
7	Minneapolis College	Management Education Center Metro Baccalaureate Initiative (2018)	\$10,254,000	\$8,562,000	
8	NHED - Vermilion Community College	Classroom Building Renovation (2018)	\$2,576,000	-	
9	Central Lakes College	Brainerd Student Services Renovation (2018)	\$8,275,000	-	
10	Northland Community and Technical College	Effective Teaching and Learning Labs (2018)	\$2,220,000	-	
11	Minnesota State University, Mankato	Armstrong Hall Replacement	\$6,691,000	\$56,462,000	\$28,722,000
12	Winona State University	Center for Interdisciplinary Collaboration, Engagement, & Learning	\$3,218,000	\$41,205,000	
13	Lake Superior College	Integrated Manufacturing Workforce Labs	\$985,000	\$11,408,000	
14	North Hennepin Community College*	Center for Innovation & the Arts @ Brooklyn Park	\$6,598,000	\$34,320,000	
15	Metropolitan State University	Cyber Security Program	\$3,923,000	-	
16	Pine Technical and Community College	Technical/Trades Lab Addition and Renovation	\$635,000	\$14,438,000	
		Total	\$251,171,000		
		Projects only	\$121,171,000	\$183,411,000	\$28,722,000
		GO – State Financed (incl HEAPR)	\$210,780,667		
		UF – User Financed	\$40,390,333		
	* Requires Community Match of \$39.5million				

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Finance Committee

Date: May 21, 2019

Title: 2019 Revenue Fund Current Refunding Bond Sale (First Reading)

Purpose (check one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input checked="" type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input type="checkbox"/> Information | |

Brief Description:

Minnesota State considers revenue fund bond sales every odd-numbered calendar year. For 2019, the Board of Trustees is being asked to consider a refunding of Minnesota State's Series 2009A revenue bonds. The sale is scheduled to occur within 90 days of the October 1, 2019, the current bond redemption date. The net present value savings of the bond refunding is between \$1.6-\$1.9 million over the remaining 10 years.

This the first of two required readings and final approval will be sought at the June board meeting.

Scheduled Presenters:

Laura M. King, Vice Chancellor – Chief Financial Officer
Brian Yolitz, Associate Vice Chancellor for Facilities

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION – FIRST READING
2019 REVENUE FUND CURRENT REFUNDING BOND SALE

SUMMARY

The Board of Trustees is being asked to approve a revenue bond sale to refund the Series 2009A Bonds outstanding in the amount not to exceed \$19.045 million and approve the Second Amendment to the Revenue Bond Indenture. This the first of two required readings and final approval will be sought at the June board meeting.

Minnesota State considers revenue fund bond sales every odd-numbered calendar year to address auxiliary capital project updates, such as improvements to residence halls, student unions, and parking ramps. More detail about the revenue fund program is contained in **Attachment 1** for reference.

BACKGROUND

The 2019 revenue fund bond sale process opened to campuses in May 2018, and two campuses considered projects as part of a 2019 sale. Both campuses initiated predesigns and began discussions with students. Ultimately, both campuses choose to defer a revenue fund project to a future sale.

As part of the regular revenue bond sale process, the system evaluates cost savings that might be achieved by refunding any of its existing revenue bond debt. A bond refunding is similar to refinancing a home loan to achieve interest cost savings. All of Minnesota State’s 20 year, tax-exempt Minnesota State revenue bonds contain a call feature allowing for a bond refunding at year 10. At the call date, the bonds may be refunded with new bonds issued at a lower interest rate to produce debt service savings. To accomplish a bond refunding, the Board must take action.

SAVINGS TO CAMPUSES

The system previously refunded revenue bonds in 2012 (2002 series bonds), 2015 (2005 series), and 2017 (2007 series), saving campuses that participated in those sales over \$21 million in interest costs during the refunding bond term. In preparation for the 2019 effort, the system’s financial advisory firm estimated a net present value savings between \$1.6- \$1.9 million depending on final interest rates. The bond sale parameters are included as **Attachment 2**.

2019 REVENUE FUND BONDS: REFUNDING AMOUNT: APPROX \$19.05 MILLION

The Board of Trustees is being asked to review and approve a 2019 revenue bond sale for the purpose of refunding the outstanding principal of Minnesota State's Revenue Fund Bonds, Series 2009A (the "Series 2009A Bonds"), issued in the original aggregate principal amount of \$31,770,000. The estimated amount to be refunded is approximately \$19.045 million.

Based on current market conditions plus 0.25% to account for interest rate fluctuations, a refunding of the Series 2009A Bonds would be issued (and closed) before October 1, 2019, the Series 2009A Bonds call date. The Series 2009A Bonds financed capital improvements on four campuses: Minnesota State University, Mankato's recreational fields, Normandale Community College's Kopp Student center renovation and addition, Minneapolis College's Student Center renovation, and Century College refurbishment of the west campus parking lots. The benefit of the refunding directly accrues to the campuses retiring the associated debt.

BOND RATING

A bond rating will be required for the refunding, and rating presentations are tentatively scheduled during the week of May 27th with Moody's Investor Service and S&P Global Ratings. Moody's and S&P previously rated Minnesota State Revenue Fund bonds at Aa3 and AA- respectively. Although the revenue fund remains strong and maintains a stable financial profile, both rating agencies have expressed interest in future enrollment trends facing the system.

As a comparison, the State of Minnesota's ratings from Moody's is Aa1, Standard & Poor's, AAA, and Fitch, AAA. The General Obligation state bonds carries the full faith and credit of the State of Minnesota, while Minnesota State Revenue Fund Bonds pledge only the revenue generated by the facilities in the fund.

BOND INDENTURE AMENDMENT

Minnesota State's Revenue Fund is governed by a bond Indenture, a document which establishes the requirements of issuing debt. The current bond indenture had an effective date of June 1, 2009 and has governed the structure and operations of the revenue bond program. From time to time, amendments are required to bring the Indenture current. The Board last approved an amendment to the Indenture at its November 2012 meeting (hereafter "First Amendment to Revenue Bond Indenture," dated March 1, 2013).

As part of the refunding due diligence, the fund's bond counsel has recommended a new amendment ("Second Amendment to Revenue Bond Indenture"), a copy of which is provided in **Attachment 3**. To that end, the board will be asked to approve a motion authorizing the chancellor to enter into the second amendment to the Bond Indenture, which is contained in **Attachment 4**. The Second Amendment will update old brand references from "MnSCU" to "Minnesota State" and add language to meet SEC Rule 15c2-12 regarding continuing disclosure obligations.

BOND SALE RESOLUTION

To accomplish the refunding, the Board of Trustees will be asked to approve the sale consistent with the parameters found in **Attachment 2**; approve the second amendment to the bond indenture via the motion contained in **Attachment 4**; and approve the draft Series Resolution authorizing the bond sale found in **Attachment 5**. The blanks in the Series Resolution will be completed based on the results of a competitive sale of the bonds. The interest rates and other bond details will be determined on the basis of a bid representing the most favorable True Interest Cost ("TIC") received from those submitting offers in a competitive bid, and will be memorialized in the Series Resolution, the bonds themselves, and in a certificate signed by the Minnesota State Vice-Chancellor - Chief Financial Officer.

The system's financial advisor is preparing a Preliminary Official Statement for distribution to the rating agencies and investors and a Series Resolution will also be finalized with the assistance of bond counsel. Pending final Board approval, the sale would be scheduled to occur this summer to allow sufficient time to call the Series 2009A Bonds.

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

RECOMMENDED COMMITTEE ACTION:

- A. The Board of Trustees hereby:
 1. adopts the Series Resolution, a draft of which is contained in **Attachment 5**, as incorporated herein.
 2. adopts the motion titled, *"Board Action Approving And Authorizing The Execution And Delivery Of A Second Amendment To Amended And Restated Master Indenture Of Trust, Pursuant To Which Minnesota State Issues Revenue Fund Bonds,"* in substantially the same form as **Attachment 4**.
- B. The Board of Trustees authorizes a refunding bond sale of its 2009A Series Revenue Bonds sufficient to realize net proceeds which, with available debt service reserve funds and debt service funds from bonds to be refunded, will:
 1. refund up to \$19.045 million of tax exempt bonds maturing from 2020 to 2029 from 2009A Series bonds, and
 2. comply with the bond sale parameters identified in **Attachment 2**, as incorporated herein.
- C. In addition, the board authorizes the chancellor or the chancellor's designee to execute all documents necessary to accomplish the refunding sale including, but not limited to, the Series Resolution, Second Amendment to Amended and Restated Master Indenture of Trust, and all related documents needed for the refunding transaction.

RECOMMENDED BOARD OF TRUSTEES MOTION:

- A. The Board of Trustees hereby:
 - 1. adopts the Series Resolution, a draft of which is contained in **Attachment 5**, as incorporated herein.
 - 2. adopts the motion titled, *“Board Action Approving And Authorizing The Execution And Delivery Of A Second Amendment To Amended And Restated Master Indenture Of Trust, Pursuant To Which Minnesota State Issues Revenue Fund Bonds,”* in substantially the same form as **Attachment 4**.

- B. The Board of Trustees authorizes a refunding bond sale of its 2009A Series Revenue Bonds sufficient to realize net proceeds which, with available debt service reserve funds and debt service funds from bonds to be refunded, will:
 - 1. refund up to \$19.045 million of tax exempt bonds maturing from 2020 to 2029 from 2009A Series bonds, and
 - 2. comply with the bond sale parameters identified in **Attachment 2**, as incorporated herein.

- C. In addition, the board authorizes the chancellor or the chancellor’s designee to execute all documents necessary to accomplish the refunding sale including, but not limited to, the Series Resolution, Second Amendment to Amended and Restated Master Indenture of Trust, and all related documents needed for the refunding transaction.

Date Presented to the Board: 05/22/19
Date approved by the Board: 06/19/19

ATTACHMENT 1 ADDITIONAL REVENUE FUND PROGRAM BACKGROUND

REVENUE BOND AUTHORITY

During the 2012 legislative session, the system successfully obtained an increase in the revenue fund debt authority from \$300 to \$405 million. Revenue bond authority is the maximum amount of outstanding principal the system may incur.

BOND SALE PROCESS

Revenue fund projects follow similar system planning, design, and construction processes as any other system capital project with some variations to accommodate specific revenue bonding requirements. Below are highlights of the revenue fund project process.

- Revenue Fund Sale Cycle. Starting in 2011, the system opted to plan revenue bond sales on a 2 year, odd-numbered year cycle. The 2-year cycle was designed to give campuses ample time to develop the projects and refine the scope, cost, and consult with students. The cycle also provides enough time to increase revenue bond debt authority through the legislative process if it became necessary. During recent years, the bond cycle included an analysis of bonds that may be eligible for refunding to achieve interest cost savings.
- Comprehensive Facilities Plans. Campuses update their Comprehensive Facilities Plans on a five-year cycle, which include revenue-funded capital projects. Some campuses have supplemented their plans with Residential Life Master Plans.
- Debt Capacity Study. Before each revenue bond cycle, the system office commissions a debt capacity study to determine the debt capacity of the revenue fund program as a whole and by individual campuses in the revenue fund. This study sets the basic parameters of what a campus can afford in a given bond sale.
- Predesign and Feasibility. Campus leadership and students define the need for a revenue fund project. The first formal step in the revenue fund project is for campus leadership to initiate a predesign to evaluate the feasibility of the project. The campus also works with system office staff to develop a financial pro forma that meets the financial requirements for a viable project.
- Student Consultation. Since student fees are the primary source of revenue for the repayment of Revenue Fund debt and operating revenues, students are expected to be involved in project planning. At critical stages, student consultation letters are solicited from student leadership.
- Project List. After the predesign process and evaluation of a project's financial viability, a final project list is assembled for Board of Trustees consideration.

Project Terms:

- The Revenue Fund can finance up to 100% of project costs, although many campuses choose to contribute campus revenue funds to reduce the amount of debt carried on a project.
- The estimated project cost includes all sources of funds used to finance the project.
- The portion of a project financed with revenue bonds will include an additional 11% to account for bond sale costs at closing, known as the cost of issuance. Those issuance costs primarily include a debt service reserve equal to one full year of debt service and the cost of document preparations for regulatory compliance, such as publication of the official statement, professional advisor and legal fees and similar costs. The debt service reserve, the largest part of the 11% costs of issuance allowance, is not a lost cost, but is recovered when the bonds mature or are called, or may be applied to the last annual debt service on the bonds.

ATTACHMENT 2
SALE PARAMETERS

Series 2019A Refunding Bonds (Tax Exempt)

1. Maximum Interest Rate (TIC): up to 3.50%
2. Maximum Principal: \$19,045,000
3. Maximum Discount: 1.0 % of par or \$10/\$1,000 Bond. Minimum bid of 99% is required per the Official Statement
4. Earliest Redemption date: Not applicable

In any event, the total principal for Series 2019A shall not exceed \$19,045,000

ATTACHMENT 3 – DRAFT
SECOND AMENDMENT TO AMENDED AND RESTATED INDENTURE

This Second Amendment to Amended and Restated Indenture (the “Second Amendment to Indenture”) is dated as of [_____] 1, 2019 and is entered into by and between the Board of Trustees of the Minnesota State Colleges and Universities (“Minnesota State”) and U.S. Bank National Association (the “Trustee”).

WITNESSETH:

WHEREAS, Minnesota State and the Trustee have previously entered into that Amended and Restated Indenture of Trust, dated as of June 1, 2009, as amended by a First Amendment to Amended and Restated Indenture, dated as of March 1, 2013 (collectively, the “Indenture”), pursuant to which Minnesota State issues its Revenue Fund Bonds to finance the Cost of the Facilities; and

WHEREAS, Section 1.1 of the Indenture includes the definition “MnSCU,” but on or about June 21, 2016, the Board of Trustees of Minnesota State (the “Board”) endorsed an initiative that changed its nickname from MnSCU to Minnesota State; and

WHEREAS, Minnesota State desires to amend and restate Section 1.1 of the Indenture and all uses of the term MnSCU in the Indenture to reflect the change in Minnesota State’s nickname from MnSCU to Minnesota State; and

WHEREAS, Section 4.10(a) of the Indenture provides that in disclosing financial information in connection with Revenue Fund Bonds as required by Rule 15c2-12 promulgated by the Securities and Exchange Commission (“Rule 15c2-12”), “MnSCU shall have no obligation to disclose financial information or statements about any of its assets, revenues or affairs other than the Revenue Fund”; and

WHEREAS, Section 4.10(a) of the Indenture is inconsistent with the amendments to Rule 15c2-12 approved in August 2018 by the Securities and Exchange Commission, which added two reporting events and the defined term “financial obligation”; and

WHEREAS, Minnesota State desires to amend and restate Section 4.10(a) of the Indenture to permit compliance with the additional requirements under Rule 15c2-12; and

WHEREAS, Section 10.2(c) of the Indenture permits amendments to the Indenture for the purpose of making changes in light of changes in Minnesota Statutes, Chapter 136F, as amended, but does not contemplate changes necessitated by changes in other applicable State and federal laws, regulations, rulings, and decisions; and

WHEREAS, Minnesota State desires to amend and restate Section 10.2(c) of the Indenture to permit changes to the Indenture necessitated by changes in all applicable State and federal laws, regulations, rulings, and decisions; and

WHEREAS, Section 10.2(e) of the Indenture permits Minnesota State and the Trustee to enter into supplemental indentures amending the Indenture, without the consent of the Registered Owners of Outstanding Revenue Fund Bonds for the purpose of making any changes that Minnesota State deems necessary or desirable and not inconsistent with the Indenture, and which do not materially adversely affect the interests of the Registered Owners of Revenue Fund Bonds issued under the Indenture; and

WHEREAS, Minnesota State has authorized by Amending Resolution the amendments to the Indenture set forth herein to reflect the change in Minnesota State's nickname and to permit compliance with the additional requirements under Rule 15c2-12 and amendment of the Indenture necessitated by changes in any applicable State and federal laws, regulations, rulings, and decisions;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Minnesota State and the Trustee hereby agree as follows:

1. All capitalized terms used herein, and not otherwise defined, shall have the meaning given them in the Indenture.

2. The definition of "MnSCU" contained in Section 1.1 of the Indenture is hereby amended as follows (strikethrough denotes deleted text; underline denotes inserted text):

~~"MnSCU~~Minnesota State" means Minnesota State Colleges and Universities, or any successor to its functions.

Accordingly, all references to "MnSCU" in the Indenture shall be replaced by "Minnesota State".

3. Section 4.10(a) of the Indenture is hereby amended as follows:

Section 4.10. Continuing Disclosure.

(a) ~~MnSCU~~Minnesota State shall each year issue an annual report concerning the Revenue Fund Bonds, the Revenue Fund and the Facilities, which annual report shall be in such form and shall contain such information as may be necessary to maintain compliance with the "undertaking" entered into by ~~MnSCU~~Minnesota State in connection with each Series of Revenue Fund Bonds in order to satisfy Securities and Exchange Commission Rule 15c2-12. In disclosing financial information, ~~MnSCU~~Minnesota

State shall have no obligation to disclose financial information or statements about any of its assets, revenues or affairs other than the Revenue Fund, unless required by Rule 15c2-12.

4. Section 10.2(c) of the Indenture is hereby amended as follows:

Section 10.2. Amendments Without Consent.

~~MnSCU~~ Minnesota State and the Trustee reserve the right to enter into supplemental indentures amending this Indenture from time to time and at any time, for the purpose of:

...

(c) making a change necessary or desirable in light of changes in the Act or other applicable State and federal laws, regulations, rulings and judicial or other decisions and which are not materially prejudicial to the interests of the Holders of the then Outstanding Revenue Fund Bonds,

....

5. Except as specifically provided by the amendments set forth in paragraphs 2, 3 and 4 above, the Indenture is hereby ratified and affirmed in all respects.

6. The execution and delivery of this Second Amendment to Indenture has been in all respects duly and validly authorized by the Board.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, Minnesota State has caused these presents to be signed in its name and in its behalf by its Vice Chancellor, and to evidence its acceptance of the trusts hereby created the Trustee has caused these presents to be signed in its name and behalf by its duly authorized officers, all as of the date first above written.

MINNESOTA STATE COLLEGES AND UNIVERSITIES

By:

Laura M. King

Its: Vice Chancellor – Chief Financial Officer

**U.S. BANK NATIONAL ASSOCIATION
Trustee**

By

Its Vice President

[Signature page to the Second Amendment to Amended and Restated Indenture]

ATTACHMENT 4

MINNESOTA STATE COLLEGES AND UNIVERSITIES BOARD OF TRUSTEES

BOARD MOTION

BOARD ACTION APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND AMENDMENT TO AMENDED AND RESTATED MASTER INDENTURE OF TRUST, PURSUANT TO WHICH MINNESOTA STATE ISSUES REVENUE FUND BONDS

WHEREAS, Minnesota State Colleges and Universities (“Minnesota State”) is a public higher education system of the State of Minnesota duly created and existing under the laws of the State, including Minnesota Statutes, Chapter 136F, as amended (the “Act”), having the rights, powers, privileges and duties provided in the Act; and

WHEREAS, in accordance with the terms of an Amended and Restated Master Indenture of Trust, dated as of June 1, 2009 (the “Master Indenture”), as amended by a First Amendment to the Amended and Restated Indenture, dated as of March 1, 2013 (the “First Amendment to Indenture,” and together with the Master Indenture, the “Indenture”), Minnesota State and U.S. Bank National Association, a national banking association, as trustee (the “Trustee”), have agreed to the terms and conditions governing the issuance, sale, and delivery of Revenue Fund Bonds; and

WHEREAS, the terms of the Indenture permit Minnesota State and the Trustee to enter into supplemental indentures amending the Indenture, without the consent of the Registered Owners of Outstanding Revenue Fund Bonds (each as defined in the Indenture), for the purpose of making any changes that Minnesota State deems necessary or desirable and not inconsistent with the Indenture, and which do not materially adversely affect the interests of the Registered Owners of Revenue Fund Bonds issued under the Indenture; and

WHEREAS, Section 1.1 of the Indenture includes the definition “MnSCU,” but on or about June 21, 2016, the Board of Trustees of Minnesota State (the “Board”) endorsed an initiative that changed its nickname from MnSCU to Minnesota State; and

WHEREAS, Minnesota State desires to amend and restate Section 1.1 of the Indenture and all uses of the term MnSCU in the Indenture to reflect the change in Minnesota State’s nickname from MnSCU to Minnesota State; and

WHEREAS, Section 4.10(a) of the Indenture is inconsistent with recent amendments to the disclosure requirements with respect to Revenue Fund Bonds under Securities and Exchange Commission Rule 15c2-12 (“Rule 15c2-12”), which added two reporting events and the defined term “financial obligation”; and

WHEREAS, Minnesota State desires to amend and restate Section 4.10(a) of the Indenture to permit compliance with the additional requirements under Rule 15c2-12; and

WHEREAS, Section 10.2(c) of the Indenture contemplates changes necessitated by changes in the Act, but does not contemplate changes necessitated by changes in other applicable State and

federal laws, regulations, rulings, and decisions; and

WHEREAS, Minnesota State desires to amend and restate Section 10.2(c) of the Indenture to permit changes to the Indenture necessitated by changes in all applicable State and federal laws, regulations, rulings, and decisions; and

WHEREAS, there has been presented before the Board a form of Second Amendment to Amended and Restated Indenture (the "Second Amendment to Indenture") proposed to be entered into between Minnesota State and the Trustee, which further amends the Indenture to reflect the change in Minnesota State's nickname and to permit compliance with the additional requirements under Rule 15c2-12 and amendment of the Indenture necessitated by changes in any other applicable State and federal laws, regulations, rulings, and decisions; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of Minnesota State as follows:

1. The Board hereby approves the Second Amendment to Indenture substantially in the form presented to the Board and hereby authorizes and directs the Vice Chancellor (or the official of Minnesota State whose functions are those of a chief financial officer) or his or her designee (the "Vice Chancellor") to execute and deliver the Second Amendment to Indenture on behalf of Minnesota State, and to carry out, on behalf of Minnesota State, Minnesota State's obligations thereunder when all conditions precedent thereto have been satisfied.

2. All of the provisions of the Second Amendment to Indenture, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The approval hereby given to the Second Amendment to Indenture includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as do not materially change the substance thereof, and as the Vice Chancellor, in his or her discretion, shall determine, and the execution thereof by the Vice Chancellor shall be conclusive evidence of such determinations.

3. Upon execution and delivery of the Second Amendment to Indenture, the officers and employees of Minnesota State are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of Minnesota State to implement the Second Amendment to Indenture, when all conditions precedent thereto have been satisfied.

4. The Board hereby determines that the execution, delivery, and performance of the Second Amendment to Indenture will help realize the public purposes of the Act.

Approved by the Board of Trustees of Minnesota State Colleges and Universities this ____ day of _____, 2019.

**ATTACHMENT 5
Fourth Draft
Tuesday, May 7, 2019**

SERIES RESOLUTION

OF

THE BOARD OF TRUSTEES

OF THE

MINNESOTA STATE COLLEGES AND UNIVERSITIES

RELATING TO

**REVENUE FUND BONDS
SERIES 2019A**

**FIRST READING: May [21], 2019
ADOPTED: June [18], 2019**

**Kennedy & Graven, Chartered (SEL)
470 US Bank Plaza
200 South Sixth Street
Minneapolis, Minnesota 55402**

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RESOLUTION

BE IT RESOLVED by the Board of Trustees (the “Board”) of the Minnesota State Colleges and Universities (the “Issuer” or “Minnesota State”) as follows:

WITNESSETH

WHEREAS:

1. Minnesota State is a public higher education system of the State of Minnesota duly created and existing under Minnesota Statutes, Chapter 136F, as amended (the “Act”), having the rights, powers, privileges and duties provided in the Act, including those set forth in the Master Indenture (defined herein).

2. In accordance with the terms of an Amended and Restated Master Indenture of Trust, dated as of June 1, 2009, as amended by a First Amendment to the Amended and Restated Indenture, dated as of March 1, 2013, as further amended by a Second Amendment to Amended and Restated Indenture, dated as of [] 1, 2019 (together, as amended, the “Master Indenture”), Minnesota State and U.S. Bank National Association, a national banking association, as trustee (the “Trustee”), have agreed to the terms and conditions governing the issuance, sale, and delivery of Revenue Fund Bonds.

3. All terms capitalized but not otherwise defined herein have the meanings assigned to those terms in the Master Indenture.

4. The Board has determined that the potential debt service savings with respect to certain outstanding Revenue Fund Bonds of Minnesota State make it necessary and desirable for Minnesota State to issue its Revenue Fund Bonds in an original aggregate principal amount of up to \$19,045,000 consisting of its Revenue Fund Bonds, Series 2019A (the “Series 2019A Bonds”), and to use the proceeds of the Series 2019A Bonds for the following purposes: (i) to the extent that appropriate savings will be realized, fund the current refunding of the outstanding Series 2009A Bonds; (ii) fund the Debt Service Reserve Account in the amount of the Reserve Requirement; and (iii) pay certain costs of issuing the Series 2019A Bonds.

5. The execution and delivery of this Series Resolution and the issuance of the Series 2019A Bonds have been in all respects duly and validly authorized by the Issuer.

6. All things necessary to make the Series 2019A Bonds, when authenticated by the Trustee and issued and secured as provided in the Master Indenture and this Series Resolution, the valid, binding, and legal limited obligations of the Issuer according to the import thereof have been done and performed; and the creation, execution, and delivery of this Series Resolution, and the creation, execution, and issuance of the Series 2019A Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS, THIS SERIES RESOLUTION WITNESSETH:

The Issuer, in consideration of the premises and the purchase and acceptance of the Series 2019A Bonds by the Holders thereof, in order to secure the payment of the principal of, interest on, and premium, if any, on the Series 2019A Bonds according to their tenor and effect, does hereby grant a security interest in and assign to the Holders of the Series 2019A Bonds and all Revenue Fund Bonds (other than Subordinate Bonds) issued pursuant to the Master Indenture and any Series Resolution (including this Series Resolution), and to the beneficiaries of any Senior Guarantees, regardless of when such Senior Bonds or Senior Guarantees were or are issued, on an equal and parity basis, except as expressly stated below, the following:

FIRST

The “Net Revenues” as defined in the Master Indenture as heretofore amended and as amended by this Series Resolution; and

SECOND

All proceeds, earnings, and investment income derived from the foregoing (except Rebate Amounts);

PROVIDED that:

First, the foregoing equal and ratable parity pledge shall not extend to Subordinate Bonds which shall be secured solely by money held in the Surplus Account as provided in the Master Indenture; and

Second, the proceeds of any Credit Enhancement Instrument issued to secure a particular Series of Revenue Fund Bonds shall benefit only that Series of Revenue Fund Bonds and the proceeds of such Credit Enhancement Instrument shall not be applied for the benefit of or payment of any other Series of Revenue Fund Bonds; and

Third, money applied to the payment of Revenue Fund Bonds and Senior Guarantees shall be withdrawn from the funds and accounts created by the Master Indenture strictly in the order of priority set forth therein.

SUCH PLEDGE having been made, upon the terms and trusts herein set forth for the equal and proportionate benefit, security, and protection of all Holders from time to time of the Revenue Fund Bonds, and all Senior Bonds and Senior Guarantees heretofore issued and to be issued under and secured by the Master Indenture and this Series Resolution and other Series Resolutions (but excluding Subordinate Bonds) without privilege, priority, or distinction as to lien or otherwise of any of such bonds or guarantees over any of the others except as otherwise provided therein and herein.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or provide fully for payment as herein provided of the principal of the Series 2019A Bonds and the interest due or to become due thereon (together with premium, if any), at the time and in the manner set forth in the Series 2019A Bonds according to the true intent and meaning thereof, and shall well and truly keep, perform, and observe all the covenants and conditions pursuant to the terms of the Master Indenture and this Series Resolution to be kept, performed, and observed by it, and shall pay to the Registrar and Paying Agent all sums of money due or to become due in accordance with the terms and provisions of the Master Indenture and this Series Resolution as from time to time supplemented, then this Series Resolution and the rights hereby granted shall cease, terminate, and be void except as otherwise provided herein; otherwise, the Master Indenture and this Series Resolution shall be and remain in full force and effect.

UNDER THE PROVISIONS OF THE ACT and the Series Resolution, the Series 2019A Bonds may not be payable from or be a charge upon any funds of the Issuer or the State other than the revenues pledged to the payment thereof nor shall the Issuer or State be subject to any pecuniary liability thereon except from money expressly pledged, and no Holder or Holders of the Series 2019A Bonds shall ever have the right to compel any exercise of the taxing power of the Issuer or the State to pay any Revenue Fund Bond or the interest and premium, if any, thereon, or to enforce payment thereof against any property of the Issuer or the State, except as above provided; the Series 2019A Bonds shall not constitute a charge, lien,

or encumbrance, legal or equitable, upon any property of the Issuer, except as above provided; but nothing in the Act impairs the rights of Holders of Series 2019A Bonds issued under the Master Indenture and this Series Resolution and any other Series Resolutions and the beneficiaries of Senior Guarantees to enforce the covenants made for the security thereof, to the extent specifically provided herein, for the equal and proportionate benefit of all Holders of the Series 2019A Bonds, all other Revenue Fund Bonds, and the beneficiaries of Senior Guarantees, as follows:

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ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions. All terms capitalized but not otherwise defined in this Series Resolution shall have the meanings assigned to such terms in the Master Indenture. In this Series Resolution the following terms have the following respective meanings unless the context hereof clearly requires otherwise.

Authorized Denomination means \$5,000, or any integral multiple thereof.

Board means the Board of Trustees of Minnesota State.

Closing Certificate means a certificate of Minnesota State executed by an Authorized Representative reflecting the final principal amounts, maturity dates, interest rates, and sinking fund redemption dates of the Series 2019A Bonds, based on the winning bid of the Original Purchaser accepted by Minnesota State with respect to the Series 2019A Bonds, as well as the allocation of the proceeds of the Series 2019A Bonds among the various funds, accounts, and subaccounts established by the Master Indenture and this Series Resolution.

Interest Payment Date means, with regard to the Series 2019A Bonds, each April 1 and October 1, commencing April 1, 2020.

Master Indenture means the Amended and Restated Master Indenture of Trust, dated as of June 1, 2009, as amended from time to time, relating to the Revenue Fund Bonds issued by Minnesota State from time to time.

Maturity Date means any date on which principal of or interest and premium, if any, on the Series 2019A Bonds is due, whether at maturity, on a scheduled Interest Payment Date, or upon redemption or acceleration, or otherwise.

Minnesota State or the Issuer means the Board of Trustees of the Minnesota State Colleges and Universities, or any successor to its functions.

Original Purchaser means the original purchaser of the Series 2019A Bonds, as determined after the acceptance of the bids in accordance with a competitive sale of the Series 2019A Bonds, as identified in the Closing Certificate.

Prior Bonds means all bonds issued and secured under the Master Indenture prior to the issuance of the Series 2019A Bonds.

Rating Agency means Moody's Investors Service, Standard & Poor's Global Ratings, or Fitch Ratings, or any other nationally-recognized credit rating agency which has been solicited to issue a rating on, and has issued a rating on, the Series 2019A Bonds; and with respect to the credit rating (claims payment ability rating) of an insurance company, A.M. Best & Company or any other nationally-recognized credit rating agency rating the claims payment ability of insurance companies.

Refunded Bonds means the Series 2009A Bonds.

Registrar and Paying Agent means U.S. Bank National Association, a national banking association.

Revenue Fund Bonds means, collectively, the Prior Bonds and the Series 2019A Bonds.

Series Resolution means this Series Resolution, adopted on June [18], 2019, by the Board.

Series 2009A Bonds means the Revenue Fund Bonds, Series 2009A, issued by Minnesota State on June 18, 2009, in the original principal amount of \$31,770,000 and currently outstanding in the principal amount of \$20,595,000.

Series 2019A Bonds means the Revenue Fund Bonds, dated as of the date of delivery, to be issued by Minnesota State in accordance with the terms and conditions of this Series Resolution in an original aggregate principal amount not to exceed \$19,045,000, consisting of the Revenue Fund Bonds, Series 2019A.

Term Bonds means the Series 2019A Bonds identified as such pursuant to Section 2.3(2) hereof and the Closing Certificate, if any.

Trustee means U.S. Bank National Association, a national banking association, its successors and assigns.

Section 1.2 Effect of this Series Resolution.

(a) Except as expressly supplemented or amended by this Series Resolution, all of the terms and provisions of the Master Indenture, as heretofore amended, shall apply to the Series 2019A Bonds.

(b) To the extent of any inconsistency between the terms and provisions of this Series Resolution and the terms and provisions of the Master Indenture, this Series Resolution shall control. Except as provided in the preceding sentence, the terms and provisions of this Series Resolution shall be construed with the terms and provisions of the Master Indenture so as to give the maximum effect to both.

(c) This Series Resolution shall take effect on the date of issue of the Series 2019A Bonds.

(d) The Rules of Interpretation stated in Section 2.02 of the Master Indenture shall apply to this Series Resolution.

Section 1.3 Exhibits. The following Exhibits are attached to and by reference made a part of this Series Resolution:

- (1) EXHIBIT A — Form of Series 2019A Bonds;
- (2) EXHIBIT B — Annual Report Information; and
- (3) EXHIBIT C — Blanket Issuer Letter of Representation.

(The remainder of this page is intentionally left blank.)

ARTICLE 2

THE SERIES 2019A BONDS

Section 2.1 The Series 2019A Bonds.

- (A) The Series 2019A Bonds shall be issued:
- (1) as Tax-Exempt Revenue Fund Bonds;
 - (2) in Book-Entry Form; and
 - (3) as Revenue Fund Bonds bearing interest at a fixed rate of interest.

The Series 2019A Bonds are to be issued in the aggregate principal amount not to exceed \$19,045,000, with the actual principal amount issued to be identified in the Closing Certificate relating to the Series 2019A Bonds. The total principal amount of Series 2019A Bonds which may be Outstanding hereunder is expressly limited to the amount identified in the Closing Certificate relating to the Series 2019A Bonds unless duplicate Series 2019A Bonds are issued as provided in Section 2.12 of the Master Indenture. The Series 2019A Bonds shall be issued in Authorized Denominations and in substantially the form in EXHIBIT A hereto, with such variations, additions, or deletions as may be appropriate to conform the terms of such Series 2019A Bonds to the terms of this Article 2.

The Vice Chancellor-Chief Financial is hereby authorized to provide for the sale of the Series 2019A Bonds by a competitive sale pursuant to Section 2.18(a) of the Master Indenture. The Vice Chancellor-Chief Financial Officer or another Authorized Representative is authorized to complete the Closing Certificate for the Series 2019A Bonds to establish their specific terms on the basis of the highest and best bid meeting the criteria established herein and in the Master Indenture. The maximum discount at which the Original Purchaser may purchase the Series 2019A Bonds is one and one-half percent (1.5%) of par.

(B) Upon issuance, the net proceeds of the Series 2019A Bonds (the original principal amount thereof, plus any premium or less any discount allowed to the Original Purchaser) shall be deposited into such accounts as shall be determined by the Issuer in the Closing Certificate. A portion of the amount deposited in the Capital Expenditures Account, in the amount stated in said Closing Certificate, shall be applied to pay the costs of issuing the Series 2019A Bonds.

Section 2.2 Initial Issue. The Series 2019A Bonds shall be initially issued in the aggregate principal amount set forth in the Closing Certificate relating to the Series 2019A Bonds and shall include the following terms.

- (1) The Series 2019A Bonds shall be initially dated as of the date of delivery, and thereafter, for any Series 2019A Bonds issued in exchange for any initial Series 2019A Bond or previously exchanged for such initial Series 2019A Bond, shall be dated the date to which interest has been paid on such Series 2019A Bond surrendered for exchange, as provided in Section 2.6(a) of the Master Indenture.
- (2) The Series 2019A Bonds shall be issued in Book-Entry Form and delivered by the Original Purchaser to the Depository as set forth in Section 2.15 of the Master Indenture.

(3) The Series 2019A Bonds shall mature on October 1 in the years and amounts set forth in the Closing Certificate, as provided in the Closing Certificate.

(4) Interest shall accrue on the Series 2019A Bonds from the date of issuance until the principal amount is paid or payment is duly provided for in accordance with this Series Resolution, and shall be payable on each Interest Payment Date. Interest accrued on any Series 2019A Bond or portion thereof redeemed pursuant to Section 2.3(A) and Section 2.4 hereof shall also be payable on the redemption date as to Series 2019A Bonds called for redemption. The Series 2019A Bonds shall mature on October 1 in the years and in the amounts, and bear interest at the rate or rates, set forth in the Closing Certificate. Interest on the Series 2019A Bonds shall be computed at the rates set forth in the Closing Certificate based on a 360-day year of twelve, 30-day months, for the actual number of complete months, and of days less than a complete month, and shall not exceed a true interest cost of three and one-half percent (3.50%) per annum.

(5) The Series 2019A Bonds shall be payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, at the principal trust office of the Trustee, or a duly appointed successor Trustee, except that interest on the Series 2019A Bonds shall be payable by check or draft mailed by the Trustee to the Holders of such Series 2019A Bonds on the applicable Regular Record Date (the "Record Date Holders") at the last addresses thereof as shown in the Bond Register on the applicable Regular Record Date, provided that interest shall be paid to a Holder of \$1,000,000 or more of the principal amount of the Series 2019A Bonds outstanding by electronic funds transfer if such Holder so requests in writing in a form acceptable to the Paying Agent and principal of and any premium on any Series 2019A Bonds shall be payable at the principal office of the Trustee.

(6) The Series 2019A Bonds shall be subject to redemption upon the terms and conditions and at the prices specified in Section 2.3(A) and Section 2.4 hereof.

Notwithstanding the foregoing, if the date for payment of the principal of, premium, if any, or interest on any Series 2019A Bond shall be a day which is not a Business Day, then the date for such payment shall be the next succeeding day which is a Business Day, and payment on such later date shall have the same force and effect as if made on the nominal date of payment. The Series 2019A Bonds shall be delivered by the Trustee to the Original Purchaser thereof upon receipt by the Issuer and, if applicable, the Trustee, of the items listed in Section 2.13 of the Master Indenture, and satisfaction by the Issuer of the conditions stated in Section 2.5 of the Master Indenture.

Section 2.3 Redemption.

(A) Pursuant to the provisions of Section 3.1 of the Master Indenture and 2.4 hereof, the Series 2019A Bonds are subject to redemption prior to maturity as follows:

(1) *Damage or Destruction or Condemnation.* In the event of damage to or destruction of any Facility, in whole or part, the Series 2019A Bonds are subject to redemption in whole or in part at the principal amount thereof plus accrued interest to the date of redemption, without premium, on the first day of any month for which timely notice of redemption can be given, whether or not an Interest Payment Date, from the proceeds of any insurance claim payment or condemnation award or portion thereof not applied to repair, restore, or replace the damaged or taken Facility.

(2) *Scheduled Mandatory Redemption.* The Series 2019A Bonds are subject to mandatory redemption prior to maturity by mandatory sinking fund installments in the amounts and on the dates reflected in the Closing Certificate.

(3) *Optional Redemption.* The Series 2019A Bonds are not subject to optional redemption and prepayment prior to their stated maturity date.

(4) *Excess Proceeds Redemption.* If, upon the earlier of either (i) the payment of all costs of issuing the Series 2019A Bonds, or (ii) the redemption of the Series 2009A Bonds on October 1, 2019, proceeds of the Series 2019A Bonds remain in the related subaccount in the Capital Expenditures Account, such excess shall be transferred to the Escrow Account and applied to the redemption of the Series 2019A Bonds, to the extent of the funds so transferred, at their principal amount, plus interest accrued to the redemption date, without premium, on the first day of the next succeeding month for which timely notice of redemption can be given.

(B) No Other Redemption Prior to Maturity. Except as provided in Section 2.3 herein, the Series 2019A Bonds shall not be subject to redemption prior to their stated maturity date.

Section 2.4 Method of Redemption for the Series 2019A Bonds.

(1) To effect the redemption of the Series 2019A Bonds under Section 2.3(A)(1) or (4), the Issuer, at least forty (40) days before the redemption date, shall notify the Trustee of its intention to effect such redemption. The funds required for such redemptions shall be provided to the Trustee at least three (3) business days before the redemption date.

(2) The Trustee, on or before the thirtieth day preceding any specified redemption date, shall select the Series 2019A Bonds of the applicable series to be redeemed. In the event and to the extent the Series 2019A Bonds are redeemed in part, the outstanding amounts shown on the tables in those Sections and the serial maturities of the applicable series of Series 2019A Bonds shall be reduced as the Issuer shall direct in its notice to the Trustee. In the absence of such direction, the Trustee shall make such selection which may include random selection by lot.

(3) The Trustee shall give notice of redemption of Series 2019A Bonds mailed not less than thirty (30) days prior to the redemption date by mailing a written notice of redemption, first class mail, postage prepaid, to the Holders of the Series 2019A Bonds to be redeemed at the addresses for such Holders shown on the books of the Registrar, and by sending such notice by electronic mail to the Holders of Series 2019A Bonds for whom the Registrar has an electronic mail address, and by sending a notice of such redemption to each Depository in the same manner as an “event notice” under Section 4.5(B)(2) hereof.

(4) To effect the partial redemption of Series 2019A Bonds under Section 2.3(A) after receipt by the Trustee of notice from the Issuer, as provided herein, the Trustee, prior to giving notice of redemption, shall assign to each Series 2019A Bond of the applicable Series then Outstanding a distinctive number for each Authorized Denomination of the principal amount of such Series 2019A Bond. The Trustee shall then, using such method of selection consistent with subsection (2), from the numbers so assigned to such Series 2019A Bonds, select as many numbers as, at the Authorized Denomination for each number, shall equal the principal amount of such Series 2019A Bonds to be redeemed. The Series 2019A Bonds to be redeemed shall be the Series 2019A Bonds to which were assigned numbers so selected; provided that if, as a result of partial redemption there is a Series 2019A Bond outstanding in a principal amount less than the Authorized Denomination, such Series 2019A Bond shall be redeemed first at the next succeeding redemption

date and the Trustee shall provide a written notice to that effect to the affected Holder and the Original Purchaser.

(5) As soon as Series 2019A Bonds are called for redemption pursuant to this Section 2.4, sums in the Escrow Account in the Revenue Fund sufficient to effect such redemption shall be irrevocably set aside for such purpose and applied for no other purpose under this Series Resolution.

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ARTICLE 3

ADDITIONAL PROVISIONS RELATING TO THE SERIES 2019A BONDS – SUBACCOUNTS

Section 3.1 Series 2019A Revenue Receipts Subaccount. Minnesota State is hereby directed to create a Series 2019A Revenue Receipts Subaccount pursuant to the Master Indenture. All payments derived from the Facilities financed or refinanced by the Series 2019A Bonds shall be deposited to the Series 2019A Revenue Receipts Subaccount.

Section 3.2 Series 2019A Debt Service Subaccount. The Trustee is hereby directed to create a Series 2019A Debt Service Subaccount pursuant to the Master Indenture. Net Revenues held in the Series 2019A Revenue Receipts Subaccount shall be transferred by Minnesota State on each March 1 and September 1 to the Trustee for deposit to the Series 2019A Debt Service Subaccount, and there applied prior to the use of any other funds, to pay principal of, interest on, and redemption price of Series 2019A Bonds.

Section 3.3 Series 2019A Capital Expenditure Subaccount. The Trustee is hereby directed to create a Series 2019A Capital Expenditure Subaccount pursuant to the Master Indenture, and therein a Cost of Issuance Subaccount and a Refunding Subaccount, and to deposit proceeds of the Series 2019A Bonds therein as described in Section 2.1 and Section 3.3 hereof and in the Closing Certificate relating to the Series 2019A Bonds.

(A) Cost of Issuance Subaccount. Certain proceeds of the Series 2019A Bonds, along with other available funds of Minnesota State in the amounts to be set forth in the Closing Certificate relating to the Series 2019A Bonds, shall be deposited in the Cost of Issuance Subaccount of the Series 2019A Capital Expenditure Subaccount and applied to pay the costs of issuing the Series 2019A Bonds.

(B) Refunding Subaccount. Certain proceeds of the Series 2019A Bonds, along with the funds on deposit in the Debt Service Reserve Subaccount and the Debt Service Subaccount established for the Series 2009A Bonds, and other available funds of Minnesota State in the amounts to be set forth in the Closing Certificate relating to the Series 2019A Bonds, sufficient to redeem the Series 2009A Bonds on October 1, 2019, shall be deposited in the Refunding Subaccount of the Series 2019A Capital Expenditure Subaccount. The funds in the Refunding Subaccount shall be applied by the Trustee to the redemption and prepayment of the Series 2009A Bonds.

Section 3.4 Establishment of Subaccounts. Minnesota State and the Trustee may, for ease of administration, establish additional subaccounts within any of the accounts held and maintained by them hereunder and under the Master Indenture, and shall establish such subaccounts as are necessary to: (a) separate accounts for debt service on Tax Exempt Revenue Fund Bond and Taxable Revenue Fund Bonds; (b) distinguish funds held for the benefit of different Institutions; (c) hold funds to be paid to a Credit Enhancer; (d) hold funds to be paid pursuant to Senior Guarantees; and (e) comply with Section 136F.94(b) of the Act.

ARTICLE 4

SERIES COVENANTS

Section 4.1 Payment of Principal, Purchase Price, Premium and Interest. Solely from the Net Revenues and sums held in the Accounts in the Revenue Fund, the Issuer will duly and punctually pay the principal of, premium, if any, and interest on the Series 2019A Bonds in accordance with the terms of the Series 2019A Bonds, the Master Indenture and this Series Resolution. Nothing in the Series 2019A Bonds or in this Series Resolution shall be considered as assigning or pledging funds or assets of the Issuer other than those expressly pledged to secure the Series 2019A Bonds (and other Senior Bonds and Senior Guarantees) set forth in the Master Indenture, as supplemented by this Series Resolution.

Section 4.2 Performance of and Authority for Covenants. The Issuer covenants that it will faithfully perform at all times any and all of its covenants, undertakings, stipulations, and provisions contained in the Master Indenture and this Series Resolution, in any and every Series 2019A Bond executed, authenticated, and delivered hereunder, and in all proceedings of Minnesota State pertaining thereto; that it is duly authorized under the Constitution and laws of the State of Minnesota including, particularly and without limitation, the Act to issue the Series 2019A Bonds authorized hereby, to adopt this Series Resolution, to apply a portion of the proceeds of the Series 2019A Bonds to redeem and prepay the Refunded Bonds, and to pledge the Net Revenues and money held in the Revenue Fund and its Accounts equally and ratably to secure the Series 2019A Bonds (and other Senior Bonds and any Senior Guarantees), in the manner and to the extent set forth in the Master Indenture and herein; that all action on its part for the issuance of the Series 2019A Bonds and the execution and delivery of this Series Resolution has been duly and effectively taken; and that the Series 2019A Bonds in the hands of the Holders thereof are and shall be valid and enforceable obligations of the Issuer according to the terms thereof.

Section 4.3 Books and Records. The Registrar and Paying Agent will, so long as any Outstanding Series 2019A Bonds issued hereunder shall be unpaid, keep proper books or records and accounts, in which full, true, and correct entries will be made of all its financial dealings or transactions in relation to the Series 2019A Bonds. At reasonable times and under reasonable regulations established by the Registrar and Paying Agent, such books shall be open to the inspection of the Original Purchaser, the Holders, and such accountants or other agencies as the Registrar and Paying Agent may from time to time designate.

Section 4.4 Bondholders' Access to Bond Register. At reasonable times and under reasonable regulations established by the Registrar and Paying Agent, the Bond Register or a copy thereof may be inspected and copied by Holders (or a designated representative thereof) of twenty-five percent (25%) or more in principal amount of the then Outstanding Series 2019A Bonds, such authority of any such designated representative to be evidenced to the satisfaction of the Registrar and Paying Agent. Except as otherwise may be provided by law, the Bond Register shall not be deemed a public record and shall not be made available for inspection by the public, unless and until notice to the contrary is given to the Registrar and Paying Agent by the Issuer.

Section 4.5 Continuing Disclosure.

(A) Purpose; Definitions. Disclosure of information about the Series 2019A Bonds shall be made as provided in this Section. This Section is intended for the benefit of the Holders of the Series 2019A Bonds.

For the purposes of this Section, the following terms shall have the following meanings:

(1) *EMMA* means the Electronic Municipal Market Access system operated by the MSRB and designated by the SEC as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule (Website: <http://emma.msrb.org/>).

(2) *Financial Obligation* means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a Financial Obligation as described in clause (a) or (b). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(3) *Holder* means the person in whose name a Revenue Fund Bond is registered or a beneficial owner of such a Revenue Fund Bond.

(4) *MSRB* means the Municipal Securities Rulemaking Board.

(5) *Obligated Person* means:

(a) the Issuer; and

(b) any person who provides ten percent (10%) or more of the Net Revenues securing the Revenue Fund Bonds (but an Institution shall not be deemed a person independent of the Issuer); and

provided that “Obligated Person” shall not mean a Credit Enhancer.

(6) *Revenue Fund Bonds* means the Prior Bonds and the Series 2019A Bonds.

(7) *Rule* means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

(8) *SEC* means the Securities and Exchange Commission, and any successor thereto.

(9) *Series 2019A Bonds* means the Revenue Fund Bonds issued pursuant to this Series Resolution.

(B) Periodic and Occurrence Notices. Except to the extent this subsection (B) is modified or otherwise altered in accordance with subsection (F) below, the Registrar and Paying Agent or Financial Advisor on behalf of the Issuer shall make or cause to be made public, as provided in subsection (D) below, the information set forth in subsections (1), (2), and (3) below:

(1) Periodic Reports.

(a) the annual audited financial statements for the Revenue Fund of the Issuer; and

(b) annual financial information as to each Obligated Person (subject to subsection (E)(1) below); and

(c) an Annual Disclosure Report in substantially the form of Exhibit B hereto disclosing financial and operating data of the type disclosed in the Official Statement relating to the Series 2019A Bonds; provided that the form of Annual Disclosure Report shall be amended or changed each year so as to fairly and accurately present financial and operating data required to be disclosed under the Rule.

(2) Occurrence Notices. The Issuer shall give, or shall cause to be given notice of the occurrence of any of the following events within a timely manner, not in excess of ten (10) business days, after the occurrence of the event, and in accordance with the Rule, by filing such notice with the MSRB, in an electronic format prescribed by the MSRB:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Senior Bonds, or other material events affecting the tax status of the Senior Bonds;
- (g) modifications to rights of Holders, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution or sale of property securing repayment of the Senior Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Obligated Person;
- (m) consummation of a merger, consolidation, or acquisition involving an Obligated Person, the or sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect Holders, if material; and

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

(3) Notice of Failure to Provide Information. In the event the information described in (1) or (2) above is not made public as required by this Section, such failure shall itself be made public by a notice filed with the MSRB.

(C) Information Provided to the Public.

(1) The Registrar and Paying Agent on behalf of the Issuer shall make public every communication which the Registrar and Paying Agent is required to make (or is permitted to make and in fact makes) to Holders, in each case in accordance with subsection (D) and on the same day such communication is transmitted to Holders hereunder.

(2) The Registrar and Paying Agent on behalf of the Issuer shall make public in accordance with subsection (D) and within the time frame set forth in subsection (3) below, the following, but only to the extent information is actually known by the Issuer or Registrar and Paying Agent or is within the possession, custody or control of the Issuer or Registrar and Paying Agent:

(a) all information which the Registrar and Paying Agent on behalf of the Issuer has agreed to make public under subsections (1), (2), and (3) of subsection (B); and

(b) such other information which the Issuer shall in writing request to be made public, so long as such information is permitted by law to be made public.

(3) (a) The Registrar and Paying Agent, on behalf of the Issuer, shall make public the periodic information described in subsection (B)(1), within thirty (30) days after receipt by the Registrar and Paying Agent of each annual audited financial statement of the Issuer.

(b) The Registrar and Paying Agent shall, within three (3) business days of obtaining actual knowledge of the occurrence of any of the events described in subsection (B)(2) contact the Issuer, inform the Issuer of the event, and request that the Issuer promptly notify the Dissemination Agent in writing whether or not the event is required to be reported. If the Registrar and Paying Agent has been instructed by the Issuer to report the occurrence, the Registrar and Paying Agent shall file a notice of such occurrence with the MSRB with a copy to the Issuer. Notwithstanding the foregoing, notice of an event described in subsection (B)(2)(d) and (e) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Holders of affected Bonds pursuant to the Master Indenture.

(D) Means of Making Information Public. The SEC has designated the EMMA system operated by the MSRB as the nationally recognized municipal securities information repository and the exclusive portal for complying with continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB or the SEC, the Registrar and Paying Agent and/or Dissemination Agent shall make all filings required under this Section 4.5 solely with EMMA.

(E) Obligated Persons; Financial Information.

(1) In making information about Obligated Persons which file financial information with the SEC or the MSRB public, the Issuer may, for each Obligated Person that has complied or will comply with the next sentence, disclose financial information about such Obligated Person by cross-reference to information on file with, and publicly available from, the SEC or the MSRB. The Issuer shall cause each such Obligated Person to provide an annual notice stating (a) where its annual reports have been filed, and (b) that the annual reports so filed constitute its annual financial information as an Obligated Person hereunder. Annually the Issuer shall provide to each such Obligated Person a form of such notice and shall direct that such notice be executed by the Obligated Person and returned to the Issuer. In the event such Obligated Person fails or refuses to provide the executed notice, the Issuer shall provide to the Registrar and Paying Agent a notice stating (a) the identity of such Obligated Person and the fact that such Obligated Person has failed and refused to provide the annual notice required by this subsection, and (b) if known to the Issuer, the place where annual financial information about such Obligated Person may be found. The Issuer shall then provide all such notices to the Registrar and Paying Agent concurrently with delivery of the Issuer's annual financial statements and shall direct the Registrar and Paying Agent to forward such notices to the MSRB.

(2) In determining whether a specific person is an "Obligated Person" who provides ten percent (10%) or more of the Net Revenues securing the Revenue Fund Bonds, the Institution shall

(a) aggregate all contracts executed by such person;

(b) aggregate all buildings or structures, or portions thereof, owned, leased, or operated by such person; and

(c) aggregate all entities under common control or ownership.

(3) The Issuer shall determine who are Obligated Persons for each fiscal year and disclose in the Annual Disclosure Report the identity of each such Obligated Person; the disclosure relating to the identity of Obligated Persons in each Annual Disclosure Report shall be for the same fiscal year as that covered by the audited financial statement of the Issuer made public concurrently with the Annual Disclosure Report.

(4) Financial information about the Issuer, and about each Obligated Person, shall be prepared in accordance with, as applicable, generally accepted accounting principles, accounting principles applicable to state and local governments and agencies, or for persons whose equity or debt securities are registered with the State, the accounting principles then in effect governing filings of financial information with the SEC. Financial information about Obligated Persons who are public entities shall be prepared in accordance with Financial Accounting Standards Board principles as modified by Government Accounting Standards Board principles and by the accounting principles then applied by the Minnesota State Auditor, if applicable.

(F) Amendment of this Section. This Section shall be subject to modification or amendment as provided in Sections 10.2, 10.3, and 10.4 of the Master Indenture. In addition to the requirements and limitations of the Master Indenture, no modification or amendment of this Section shall be made unless:

(1) the amendment or modification is made in connection with a change of circumstance arising from a change of legal requirements, change in law, or change in the identity, nature, or status of the Obligated Person(s); and

(2) this Section, as amended or modified, would have complied with the Rule on the date of issue of the Series 2019A Bonds, taking into account any subsequent amendments or interpretations of the Rule and any change of circumstances.

The Registrar and Paying Agent and the Issuer may rely in good faith upon an opinion of counsel familiar with the law governing disclosure in connection with municipal securities as to compliance with the requirements of this Section and of the Rule.

Section 4.6 Resignation or Removal of Registrar and Paying Agent. Notwithstanding anything to the contrary contained herein or in the Master Indenture, the Registrar and Paying Agent shall not resign or be removed until a successor Registrar and Paying Agent has been appointed. The Issuer shall promptly (within thirty (30) days) appoint a successor Registrar and Paying Agent upon the resignation or removal of the then serving Registrar and Paying Agent. Any successor Registrar and Paying Agent shall be a financial institution having trust powers and a capital and surplus of not less than \$50,000,000.

Section 4.7 Compliance with DTC Requirements. So long as the Series 2019A Bonds are held in Book-Entry Form at The Depository Trust Company, as Depository, the Registrar and Paying Agent shall comply with the provisions of the Blanket Letter of Representations between the Issuer and The Depository Trust Company, and shall also comply with the letter from the Issuer to The Depository Trust Company dated _____, 2019, and attached hereto as Exhibit C.

Section 4.8 Notices to Rating Agency. Annually, at or about the time that the Issuer provides its Annual Disclosure Report pursuant to Section 4.5 hereof, the Issuer shall provide the same information to each Rating Agency then maintaining a rating in effect for the Series 2019A Bonds. In addition, the Issuer shall provide to such Rating Agencies such other information relating to the Series 2019A Bonds, all other Revenue Fund Bonds issued under the Master Indenture, and the Revenue Fund, as they may reasonably request.

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EXHIBIT A

FORM OF SERIES 2019A BOND

R-_____

\$_____

UNITED STATES OF AMERICA
STATE OF MINNESOTA

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES
REVENUE FUND BOND
SERIES 2019A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	October 1, 20__	August __, 2019	60414F __

Registered owner: Cede & Co.

Stated Principal Amount: _____ DOLLARS

KNOW ALL MEN BY THESE PRESENTS that Board of Trustees, Minnesota State Colleges and Universities (the "Issuer"), for value received, acknowledges itself to be specially indebted and promises to pay to the registered owner named above, or registered assigns, but only from the sources specified herein, the Stated Principal Amount specified above on the maturity date specified above, with interest thereon from the date hereof at the annual rate specified above, payable semiannually on April 1 and October 1 in each year, commencing April 1, 2020, to the person or entity in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) preceding the date on which the interest is payable (all subject to the provisions hereof with respect to the redemption of this Bond prior to the maturity date specified above). The interest hereon and, upon presentation and surrender hereof at maturity or upon earlier redemption, the principal hereof, are payable in lawful money of the United States of America, by check or draft issued on each interest payment date by U.S. Bank National Association, in Saint Paul, Minnesota (the "Trustee"), which has been designated as Registrar and Paying Agent for the Revenue Fund Bonds; or at the office of such successor, if any, to said bank as may be designated by the Issuer in accordance with the Master Indenture.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Master Indenture until the Certificate of Authentication hereon shall have been executed by the Registrar and Paying Agent by the manual signature of one of its authorized representatives.

This Bond is one of a Series in the Stated Principal Amount of \$_____, each of like date and tenor except as to registration number, interest, maturity date, redemption privilege, and denomination, issued for the purpose of redeeming and prepaying certain outstanding obligations of the Issuer. The Revenue Fund Bonds of this Series are issued under authority of, and in strict conformity with, the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapter 136F, as amended (the "Act"), and under and pursuant to an Amended and Restated Master Indenture of Trust, dated as of

June 1, 2009, as amended (the “Master Indenture”), between the Issuer and the Trustee, and a Series Resolution adopted by the Issuer on June [18], 2019 (the “Series Resolution”).

Under the Act and the Master Indenture, the principal of and interest on this Bond are payable solely from and secured by an irrevocable pledge of certain Net Revenues (as defined in the Master Indenture) to be derived by the Issuer from the operation of certain revenue producing Facilities of the System which have been pledged and appropriated to the Debt Service Account in the Issuer’s Revenue Fund, on a parity as to both principal and interest with certain other Senior Bonds heretofore or hereafter issued under and pursuant to the Master Indenture, and are further secured by a Reserve Requirement required to be established and maintained in the Debt Service Reserve Account. All covenants and provisions made for the payment and security of Revenue Fund Bonds payable from the Debt Service Account are set forth in the Master Indenture which is available for inspection by the registered owner of this Bond at the Issuer’s administrative office in Saint Paul, Minnesota, and which is incorporated herein by reference.

This Bond is not a general obligation of the Issuer, and the full faith and credit of the Issuer is not pledged for its payment. The Issuer has no taxing authority. This Bond does not constitute a debt or obligation of the State of Minnesota within the meaning or application of any constitutional or statutory limitation or provision.

Revenue Fund Bonds of this Series are not subject to optional redemption and prepayment.

[Revenue Fund Bonds of this Series maturing on October 1 in the years ____ and ____ are subject to mandatory redemption prior to maturity by mandatory sinking fund installments, and are to be redeemed by lot, at one hundred percent (100%) of the principal amount thereof plus accrued interest to the redemption date, on the following dates and in the following principal amounts:

[to be provided]]

In the event of partial or complete damage to or destruction or condemnation of any Facility, these Revenue Fund Bonds are subject to redemption in whole or in part at the principal amount thereof plus accrued interest to the date of redemption, without premium, on the first day of any month for which timely notice of redemption can be given, whether or not an Interest Payment Date, from the proceeds of any insurance claim payment or condemnation award or portion thereof not applied to repair, restore or replace the damaged or taken Facility.

Notice of redemption shall be given by first class mail, postage prepaid, mailed not less than thirty (30) days prior to the Redemption Date, to each holder of Revenue Fund Bonds to be redeemed at the address of the holder appearing in the Bond Register. No defect in or failure to give notice by mail to any holder shall affect the validity of the proceedings for redemption of any Revenue Fund Bond held by any holder to which proper notice by mail has been given. If notice by publication is required by law, the Paying Agent shall cause publication to be made in the form and at the time provided by law. All notices of redemption shall state: (i) the Redemption Date; (ii) the Redemption Price; (iii) the principal amount of Revenue Fund Bonds to be redeemed and the identification (and, in the case of partial redemption, the respective principal amounts) of the Revenue Fund Bonds to be redeemed, specifying their CUSIP number, their registration number, and Maturity Date; (iv) that on the Redemption Date, the Redemption Price will be due and payable upon each Revenue Fund Bond, and interest will cease to accrue from and after such date (unless, under a redemption conditioned on sufficient funds, such condition is not met); and (v) the place or places where such Revenue Fund Bonds are to be surrendered for payment.

The Revenue Fund Bonds of this Series are issuable only as fully registered Bonds, in Stated Principal Amounts of \$5,000 or any multiple thereof of a single maturity.

As provided in the Master Indenture and subject to certain limitations set forth therein, this Bond is transferable upon the books of the Issuer at the principal corporate trust office of the Trustee, as Registrar and Paying Agent, in Saint Paul, Minnesota, or its successor, by the registered owner hereof, in person or by his attorney, duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar and Paying Agent, duly executed by the registered owner or his duly authorized attorney, and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange, the Issuer will cause to be issued in the name of the transferee or owner a new Bond or Bonds of the same aggregate Stated Principal Amount, Series, type, maturity, interest rate and terms as the surrendered Bond, subject to reimbursement for any tax, fee or governmental charge required to be paid by the Issuer or the Registrar and Paying Agent with respect to such transfer. The Issuer and the Registrar and Paying Agent shall treat the person in whose name this Bond is registered upon the books of the Issuer as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment of or on account of the principal, redemption price or interest and for all other purposes, and all such payments so made to the registered owner or upon his order shall be valid and effectual to satisfy and discharge the Issuer's liability upon this Bond to the extent of the sum or sums so paid, and neither the Issuer nor the Registrar and Paying Agent shall be affected by any notice to the contrary.

IT IS CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to exist, to happen, and to be performed precedent to and in the issuance of this Bond in order to make it a valid and binding special obligation of the Issuer in accordance with its terms, do exist, have happened, and have been performed in due form, time and manner as so required; that prior to the issuance of this Bond, the Issuer has provided for the payment of the principal of and interest on this Bond as described herein; and that the issuance of this Bond does not cause the indebtedness of the State or the Issuer to exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed by the manual or printed facsimile signature and countersignature of its Authorized Representative, and by a manual imprint or printed facsimile of its official seal, and has caused this Bond to be dated as of the date set forth below.

Dated: _____

[Authorized Representative]

CERTIFICATE OF AUTHENTICATION

This is one of the Revenue Fund Bonds delivered pursuant to the Authorizing Resolution described within.

U.S. BANK NATIONAL ASSOCIATION

By _____
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ (Please Print or Typewrite Name and Address of Transferee) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature

Please Insert Social Security Number or Other Identifying Number of Assignee.

Notice: The signature to this assignment must correspond with the name as it appears on the face of this Bond in every particular without alteration or any change whatever.

EXHIBIT B

ANNUAL REPORT INFORMATION

The Annual Report Date will be the date that is 210 days after each fiscal year end, commencing with the fiscal year ending June 30, 2019.

1. The audited financial statements for the Revenue Fund most recent complete fiscal year.
2. The following financial and operating data:
 - a. Revenues
 - Gross Revenues
 - Maintenance and Operations Costs
 - Net Revenues
 - b. Facilities
 - Repair and Replacement Expenditures
 - Costs for New Facilities
 - Debt Financed Capital Expenditures (other than for new facilities)
 - c. Revenue Fund Bonds
 - Principal Amount of Bonds Outstanding
 - Senior Bonds
 - Subordinate Bonds
 - Annual Debt Service
 - Senior Bond Principal
 - Senior Bond Interest
 - Subordinate Bond Principal
 - Subordinate Bond Interest
 - Unscheduled Redemptions
 - Senior Bonds
 - Subordinate Bonds
 - d. Debt Service Coverage Ratio [Net Revenues divided by annual debt service]
 - Senior Bonds
 - Last fiscal year
 - Preceding fiscal year
 - Second preceding fiscal year
 - Subordinate Bonds
 - Last fiscal year
 - Preceding fiscal year
 - Second preceding fiscal year
 - e. Guarantees
 - Maximum exposure
 - Amount paid in the last fiscal year

EXHIBIT C

BLANKET ISSUER LETTER OF REPRESENTATIONS

[insert]

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Finance Committee

Date: May 21, 2019

Title: Students United Fee Renewal (First Reading)

Purpose (check one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input checked="" type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input type="checkbox"/> Information | |

Brief Description:

Board policy 3.7 recognizes Students United (Minnesota State University Student Association) as the designated student association for the universities and establishes the conditions for the association's ability to collect fee revenue to fund association operations.

The association's per-credit fee was increased to \$.61 per credit for fall 2018 and spring 2019 semesters. The association is returning to obtain board agreement to renew the \$.61 per credit rate for summer 2019 and beyond.

Board policy provides that student associations establish their fees and submit changes in the fee to the board.

Scheduled Presenters:

1. Kayla Shelley, State Chair
2. David Shittu, Treasurer
3. Elijah Norris-Holliday, Vice Chair

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION – FIRST READING
STUDENTS UNITED FEE RENEWAL

BACKGROUND

Fee Renewal and Minnesota State Policy

In 2006, Students United received its approved fee of 43 cents, which remained until 2017. In 2017, the Students United board approved and the Board of Trustees passed a 4-cent increase to fund an additional full-time staff member, the Director of Equity and Inclusion.

In June 2018, Students United’s FY18 officers presented on a new fee for the organization. As written in state statute, *each statewide association shall set its fees to be collected by the board and shall submit any changes in its fees to the board [of trustees] for review. The board [of trustees] may revise or reject the fee change.* Last year, Minnesota State Board of Trustees chose to revise the initial motion from “*the approval of the fee increase as recommended by Students United from 47 cents to 61 cents*” to “*the approval of the fee increase as recommended by Students United from 47 cents to 61 cents. for fall semester ‘18 and spring semester ‘19. The Fee will be reviewed by the Board prior to the summer ‘19 term.*”

Table 1 - Student Fee Revenue

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019*
FYE Enrollment	57,872	58,799	57,900	56,255	54,983	53,564	52,904	52,311	51,182	49,802
Revenue	\$746,548	\$758,507	\$746,910	\$725,689	\$709,280	\$690,975	\$682,461	\$674,811	\$721,666	\$911,376

Table 1.2 - Student Fee Comparison Revenue

Revenue at 61 Cent Fee	\$909,941
Revenue at 47 Cent Fee	\$698,020

***Revenue from Projected FY2020 Enrollment*

About Students United

Established in 1967, Students United is an independent, non-profit organization funded and operated by students. Students United serves over 65,000 students attending Minnesota's

seven state universities: Bemidji, Mankato, Metropolitan (St. Paul/Minneapolis), Moorhead, St. Cloud, Southwest (Marshall) and Winona.

The Students United mission is:

Led by Minnesota State University students, we are the inclusive voice for all future, current, and former students. We actively work to represent and support Minnesota State University students and advocate at a campus, state, and federal level for higher education policies that make a positive impact for our students and communities.

Students United has been a strong voice for state university students on the campus, system, state and federal levels for almost 50 years. We are recognized by the Board of Trustees as the sole representative of state university students in Minnesota.

Students United supports the work of the Board of Trustees and System by providing students opportunities to enhance their educations by participating in leadership and advisory roles at the system level, working for accessibility, safety, inclusion and retention of state university students at the campus level, and supporting system legislative efforts including support for funding, bonding and HEAPR requests.

Student Support of the Fee Increase

In February 2018, Students United Board Members began formally discussing a potential fee increase during the February 2018 Delegates Assembly Conference. At that time students discussed the financial status of the organization and various options regarding the Students United fee. In April, several fee increase proposals were discussed, and the position to raise the fee by 14 cents was approved by the Board of Directors.

In April 2019, Students United delegates assembly, composed of over 40 students, passed support of the proposed FY20 budget that included the student fee at 61 cents. The Students United Board Members then passed this budget.

Fee Contributions to 2018-2019 Year

<i>Priorities Presented to Trustees during the 2017-2018 academic year</i>	<i>What Students United Accomplished during the 2018-2019 academic year</i>
Prioritize diversity-themed organizational change as a shared priority for Students United	Hired Director of Equity and Inclusion (strategic plan metric) Equity Audit (internal meetings related to organization process and policies to build cultural awareness + make recommendations with measurable action steps -strategic plan) Internal process improvements relating to the Equity Audit

	Meeting strategic plan metric of creating relationships with all seven university diversity offices
Expand advocacy work at the state legislative level, including increased student presence at the Capitol	<p>Addition of a new conference: Advocacy Conference</p> <p>Students United State Legislative Agenda including Minnesota State’s Request</p> <p>Additional travel funds for students to testify</p>
Work to hold a gubernatorial debate in 2018	Students United worked on a gubernatorial debate in partnership with LeadMN. Although, candidates did not participate in such a debate, this led to a future coalition with LeadMN and Minnesota Youth Collective on the Promise Grant
Grow voter registration numbers on our campuses through voter outreach efforts across all seven universities during 2018	In 2018, Minnesota saw a boost in voting numbers. 43.7 percent of eligible voters under the age of 30 in the state casting ballots. Students United on each university campus provided information for registering to vote polling place information, and how to seek additional information.
Expand federal legislative work	<p>The annual Washington DC Trip doubled in size. The organization had 14 students and two staff members with over 18 meetings</p> <p>Signed on to a letter with over 400 campuses through NCLC which specifies a range of policy issues for lawmakers to consider as the Senate HELP Committee and House Education and Labor Committee began hearings to reauthorize the Higher Education Act (HEA).</p>
Increase campus visits by Students United Officers	<p>20 campus visits by the officers and staff</p> <p>Officers able to be at the St. Paul office at least once per week</p>
Host three 3-day conferences during the academic year with over 90 students	<p>Advocacy Conference - more than 150 registrations</p> <p>Fall Conference - Including Student Delegates Assembly - 90 attendees</p> <p>Spring Conference - Including Student Delegates Assembly - 90 attendees</p>

RECOMMENDED COMMITTEE MOTION

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

The Board of Trustees accepts the renewal of the increase of the Students United fee from \$.47 to \$.61 per credit hour for summer term 2019 and beyond.

RECOMMENDED BOARD MOTION

The Board of Trustees accepts the renewal of the increase of the Students United fee from \$.47 to \$.61 per credit hour for summer term 2019 and beyond.

Date Presented to the Board of Trustees: 05/22/2019

Date of Implementation:

Supplemental Material
for Minnesota State Board of Trustees

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Background on Students United

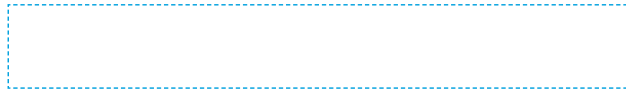
Brief History - Established in 1967, Students United is an independent, non-profit organization funded and operated by students. Students United serves over 65,000 students attending Minnesota's seven state universities: Bemidji, Mankato, Metropolitan (St. Paul/Minneapolis), Moorhead, St. Cloud, Southwest (Marshall) and Winona.

Students United has been a strong voice for state university students on the campus, system, state and federal levels for over 50 years. We are recognized by the Minnesota State Colleges and Universities Board of Trustees as the sole representative of state university students in Minnesota, and work on a variety of issues at several levels.

Mission - Led by Minnesota State University students, we are the inclusive voice for all future, current, and former students. We actively work to represent and support Minnesota State university students and advocate at a campus, state, and federal level for higher education policies that make a positive impact for our students and communities.

Vision - Students United will be the inclusive voice for all future, current and former Minnesota state university students and will advocate for affordability and student success. We believe that students should lead the conversation on higher education because it affects our future.

Structure



Context of Why Students United is Presenting to Minnesota State Board of Trustees

Fee History

In 2006, Students United received its approved fee of 43 cents, which remained until 2017. In 2017, the Students United board approved and the Board of Trustees passed a 4-cent increase to fund an additional full-time staff member, the Director of Equity and Inclusion. In 2018, the Students United board passed a 14-cent increase and the Board of Trustees approved the fee for one year, with the expectation that Students United would come back and present on how the increase has advanced the organization.

Reasoning for 47-cent to 61-cent fee

From 2008 to 2012, Students United planned to buy an office building and began saving money for that large purchase. In 2012, the organization determined that it would be better to use those funds to increase student participation and engagement on each campus. Accumulated funds were then allocated to:

- Creation of seven Students United internship positions at each state university
- Expanded student campus committees that offer stipends
- Increased student attendance and number of Delegate Assembly Conferences
- Additional board meetings during the year
- Increased state advocacy training and participants at Advocacy Day
- Additional student participation in annual federal advocacy trip
- New database utilized to communicate with students, increase scholarship fundraising and advocacy

The 2017-2018 Students United Board felt that as the additional funds saved from 2008-2012 were being depleted they needed to address how the organization was going to be sustainable without cutting the programs that were implemented because of the additional funds. The board chose to pass a new fee of 61 cents and asked the staff to also begin expanding its fundraising and grant efforts, in order to not raise the fee again for several years.

Table 1 - Fee Decade Overview

1980s	1990s	2000s	2010s
Fee started at 3 cents in 1982	Decade started with a 9 cents fee	Decade started with a 33 cents fee	Decade started with a 43 cents fee
3 fee increases during the decade	4 fee increases during the decade	2 fee increases during the decade	2 fee increases

Minnesota Statute 136F.22

Subdivision 1. Statewide.

The board shall recognize one statewide student association for the state universities and one for the community and technical colleges. Each campus student association shall be affiliated with its statewide student association and all students enrolled on those campuses shall be members of their respective statewide association.

Subdivision 2. Fees.

Each statewide association shall set its fees to be collected by the board and shall submit any changes in its fees to the board for review. The board may revise or reject the fee change. Fees must be collected by each state college and university and shall be credited to each association's account to be spent as determined by that association.

Student Letters

The next two pages include letters from 2017-2018 Vice Chair Lexi Byler and Board Member Ben Reimler who provides context of last year's process to the 61-cent fee.

Lexi Byler
lexibylr@gmail.com
(715) 245-0465

May 2, 2019

Board of Trustees
Minnesota State
30 E 7th St, St. Paul
St. Paul, MN 55101

RE: Letter of Recommendation for Students United Fee

Minnesota State Board of Trustees,

As a proud alumna of Minnesota State University Moorhead and the previous Vice Chair of Students United, I'm pleased to write this letter in support of Students United's \$0.61 fee. This fee serves several important purposes. Not only does it amplify the voices of students at all seven state universities, but it creates opportunities for students through internships, employment, volunteering, and makes the organization's conferences accessible by allowing them to attend for free, which particularly creates equal opportunity for students with marginalized identities.

As the Vice Chair of the organization last year, I traveled across the state with the State Chair and Treasurer to present multiple budget options to each university's student associations. The budget options displayed a spectrum of choices, some with fee increases and some without. In addition to executing a statewide budget informational tour, we also created an online feedback submission page on the organization's website and held a budget meeting prior to the student delegates convening to vote on a budget recommendation. Our philosophy was that the budget belonged to the students and therefore, the students should decide what it should be—and they did, by overwhelmingly supporting a fee increase.

Due to the fee increase you granted the organization last year, Students United has been able to impact more students directly by bringing more of them to their elongated advocacy trip to Washington, D.C. and also by the creation of an Advocacy Conference, which provided organizing, advocacy, and messaging trainings for students. I had the pleasure of presenting at this conference on behalf of U.S. Senator Tina Smith's office and was pleasantly overwhelmed by the number of intelligent, insightful, and passionate students who attended.

The Advocacy Conference didn't only serve as a learning opportunity for students, but was a chance for them to participate in advocacy directly by carrying the momentum from the conference into their annual advocacy day at the Capitol. Students advocated for Minnesota State's 2019 legislative biennial budget request, increased funding for the Minnesota's state grant program, and for the legislature to fund 67 percent of the cost of public postsecondary education.

Although this fee may appear to be a conflict of interest—since the organization advocates for affordable education—I believe the student support for Students United and its \$0.61 fee serves as a strong vote of confidence in the organization, its student leaders, and staff. Students are choosing to invest in an organization that is working tirelessly to make their college experience more accessible, affordable, inclusive, and equitable.

Minnesota State is committed to providing accessible high quality and future-oriented education. Students United is a remarkable coalition of your students dedicated to creating a better college experience and investing in the future of the Minnesota State system. I ask each of you to support the current fee. Doing so would reaffirm the partnership between Minnesota State and Students United, who are noticeably stronger together.

Sincerely,



Lexi Byler
Press Assistant/Intern Coordinator
Office of U.S. Senator Tina Smith
Vice Chair, Students United 2017-2018

Benjamin J Reimler

[LinkedIn](#) • Phone: (608)397-6501 • Email: benreimler1@gmail.com

As a former Board Member of Students United, it is my pleasure to write to the Minnesota State Trustees in support of Students United and their request for another fee increase. While any increase to student fees deserves an examination, it is my belief that these funds are necessary for Students United to continue its advocacy on behalf of the students attending Minnesota's State Universities.

During my tenure at Students United, our Board members understood the critical role this organization played in helping address students' needs and advocating for their interests. We believed that a fee increase was an opportunity to invest, both in the organization and students themselves. This investment afforded Students United the opportunity and resources to increase student engagement and bolster lobbying efforts. The ladder was a particular passion of mine. In my current position within state government, I can attest that this presence is especially critical in helping Minnesota's elected officials understand the challenges that students face every day.

Though any decision regarding student fees is difficult, two separate Students United Boards have reached the same conclusion: a fee increase for this organization, is an investment in students. It is my hope that as a Board, each of you will recognize the importance of this investment, too. I thank you for your service and appreciate your consideration.

--

Ben Reimler

Strategic Goals from 2017-2018 Students United Board

Chart 1 - Priorities and Accomplishments

<i>Priorities Presented to Trustees during the 2017-2018 academic year</i>	<i>What Students United Accomplished during the 2018-2019 academic year</i>
<p>Prioritize diversity-themed organizational change as a shared priority for Students United</p>	<p>Hired Director of Equity and Inclusion (strategic plan metric)</p> <p>Equity Audit (internal meetings related to organization process and policies to build cultural awareness + make recommendations with measurable action steps -strategic plan)</p> <p>Internal process improvements relating to the Equity Audit</p> <p>Created relationships with all seven university diversity offices strategic plan metric</p>
<p>Expand advocacy work at the state legislative level, including increased student presence at the Capitol</p>	<p>Addition of a new conference: Advocacy Conference</p> <p>Students United State Legislative Agenda including Minnesota State’s Request</p> <p>Additional travel funds for students to testify</p>
<p>Work to hold a gubernatorial debate in 2018</p>	<p>Students United worked on a gubernatorial debate in partnership with LeadMN. Although, candidates did not participate in such a debate, this led to a future coalition with LeadMN and Minnesota Youth Collective on the Promise Grant</p>
<p>Grow voter registration numbers on our campuses through voter outreach efforts across all seven universities during 2018</p>	<p>In 2018, Minnesota saw a boost in voting numbers. 43.7 percent of eligible voters under the age of 30 in the state casting ballots. Students United on each university campus provided information for registering to vote polling place information, and how to seek additional information.</p>
<p>Expand federal legislative work</p>	<p>The annual Washington DC Trip doubled in size. The organization had 14 students and two staff members with over 18 meetings</p> <p>Signed on to a letter with over 400 campuses</p>

	through NCLC which specifies a range of policy issues for lawmakers to consider as the Senate HELP Committee and House Education and Labor Committee began hearings to reauthorize the Higher Education Act (HEA).
Increase campus visits by Students United Officers	20 campus visits by the officers and staff Officers able to be at the office at least once per week
Host three 3-day conferences during the academic year with over 90 students	Advocacy Conference - more than 150 registrations Fall Conference - Including Student Delegates Assembly - 90 attendees Spring Conference - Including Student Delegates Assembly - 90 attendees

Student Letters

The next page includes a letter from 2017-2018 State Chair Faïçal Rayani providing his support for the 61-cent fee.

May 6, 2019
Board of Trustees
Minnesota State
30 E 7th St, St. Paul
MN 55101

Dear Minnesota State Board of Trustees,

It's my pleasure to write to you in support of Student United and the \$0.61 Students United fee. During my time as a Minnesota State student, I served as a Students United Delegate, Board Director and State Chair. Students United has shown considerable growth from when I started as a delegate in 2016 to this very day.

University students are more aware than ever of the organization representing their voice on all levels. The campus visits we conducted to build relationships and keep students involved have carried on strongly this year. Budget Ambassadors have been assigned from each university campus to facilitate student control over the Students United budget through comprehensive understanding & feedback channels.

The Students United Board, Officers, Delegates and Staff remain coalesced around yearly specific, measurable, time-bound and relatable organizational objectives that are defined by students. This approach continues to unite students and the Minnesota State higher ed community around pressing student issues and has since been adopted by other organizations. Finally, student advocacy efforts have reached a new height through the first-ever Students United advocacy conference which I had the privilege to volunteer in this past March of 2018. During the conference, I observed the students were engaged and excited to have an opportunity to make a difference. Experts were invited from Minnesota State, the IFO and even as far as D.C.'s NCLC to happily impart their knowledge on our University Students who were eager to make a difference in the world around them. The conference also included lobbying & advocacy sessions, empowering students to engage congressional members to advocate for higher education affordability. Such a conference would not have been possible without the fee increase.

It's my humble opinion as an Alumni of both Minnesota State and Students United that Students United is a fruitful organization devoted to state student's wellbeing and advocacy. Students United taps into the limitless potential of the students that Minnesota State continues to cultivate. Furthermore, the organization's growth in just the past several years warrants praise & admiration.

Thank you in advance for reading. Go State!

Faiçal Rayani
Faical.Rayani@gmail.com
(612-701-3449)
Business Analyst
Haworth Marketing + Media

Advocacy Work

State Agenda

- Students United supports the Minnesota State 2019 Legislative Biennial Budget Request.
- Students United is committed to advocating for the Legislature to uphold the Minnesota Statute Section 135A.01 that states it is the policy of the Minnesota Legislature to fund 67% of the cost of public postsecondary education.
- Students United supports increased funding for the State Grant for state university students.

Federal Agenda

- Students United supports fully funding and expanding eligibility of the Pell Grant
- Students United supports the Deferred Action for Childhood Arrivals (DACA) policy and believes all students are entitled to an equitable academic and student life experience with all its benefits.
- Students United opposes the recent Title IX changes proposed and made by the Department of Education.
- Students United supports efforts to make textbooks more affordable.

First Annual Advocacy Conference

Results from Attendee Respondents of the 2019 Advocacy Conference

- 65.5% of respondents were first-time Students United attendees
- 88.3% of respondents found the Legislative 101 session that covered the Students United legislative agenda, Minnesota State's Legislative Request, and Governor Walz's proposed budget helpful or very helpful.
- 100% attendees participated in a legislative action session that included contacting the Governor to provide more funding to Minnesota State.

Advocacy Conference Student Testimonials

"Keith Edwards keynote presentation and meeting different students from other schools was a great way of creating connections and building a network" - Sulaimon Yussuf | Southwest Minnesota State University

"I really benefited from learning about self care and making new friends. This conference was amazing for making new connections. The keynote on Saturday was life changing." - Jess | St. Cloud State University

"I love politics and activism so my favorite part of the conference was learning about legislation and how to integrate that into our personal areas of change." - Kayla | St. Cloud State University

“I liked the conference because of how well done the presentations were. I believe everything was planned really well and organized. I believe we learned valuable information attending the conference.”
- Allison Allen | Minnesota State University, Mankato

“Being an international student I didn't have much knowledge and connection in various aspects of higher education of Minnesota and USA, this conference empowered me by providing me ample knowledge on key topics like legislative talks, professional communication, Allyship, LGBTQ+ issues and solutions. Another worth mentioning thing that I understood from this conference was the dynamic work of Students United team, I have learnt and seen leadership in practice simply by attending this conference, from logistics and operations, to communication and on day tasks, running behind curtains for executing a perfect conference, these two days were filled with learning experiences. Students United which is of the students, by the students and for the students was clearly portrayed. Once again a huge thanks to all the team and participants.” - Nimrah Sohail | Minnesota State University Moorhead

“It was something that was applicable to all students, and had an incredible amount of variety in the sessions. There were pieces throughout the entire conference that had students taking notes at each session to share with each other later to have a discussion about what they learned.” - Christina Melecio | Winona State University

“My favorite part of the conference were the different sessions and the keynote speakers. Keith Edwards' presentation struck me because sometimes we forget to be happy about the little things in life and when we are happy, we can share that happiness and spread joy to all.” - Mercedes Williams | Winona State University

“I found this conference incredibly empowering. It was amazing to be a part of a group of students who felt so passionately about bettering the lives of students to come.” - Marissa Roen | Winona State University

“Major take away- The power of self care to be able to produce exceptional activism. Favorite part- Dr Keith's presentation and contacting lawmakers.” - Abisola Adetimehin | Southwest Minnesota State University

“I have been a graduate senator for two years, as well as communications director for one. This conference was my first direct experience with Students United, and it left a great impression on me. It is sometimes hard for me to speak up, and to state my opinion on controversial issues. This conference empowered me through the wide variety of topics discussed. It was after attending the conference that I began to work with a fellow senator to write a motion to include an LGBTQIA2S+ space on my campus, as well as on other motions to improve students' experience on my campus.” - Mariana Vines Marchesi | Winona State University

“I liked this conference because it gave us all a chance to interact with other students, schools and speakers to obtain new ideas and perspectives. The major takeaway I got from this conference is how I can improve my leadership skills for a better tomorrow.” - Morgan Minich | Winona State University

“All the informative stuff that I gathered will really help me play my role in Student United Interaction with new students from different campuses.” - Ali Janjua | Minnesota State University Moorhead

“Students United Advocacy Conference and Advocacy Day showed me politics in a completely different way. The people representing us are reachable, and they want to hear from it! Thank you Students United for giving me this amazing opportunity to feel knowledgeable about an issue that affects me everyday, and giving me the tools to approach the people who can change this problem. It was a fantastic experience, and I recommend it to anyone who sometimes feels disillusioned about the political system, because this showed me how change can really happen.” - Anna | Bemidji State University

“My favorite part of the conference was being able to listen to Rep. Hunter Cantrell speak. Not only does Hunter have a powerful story, but he also really connected with the audience. I am very thankful I had the opportunity to meet him and learn more about his goals for the state of Minnesota.” - Sam Mitchell | Minnesota State University, Mankato

Federal Lobbying

This trip was expanded with the 61-cent fee. Seven additional students were able to attend this trip and speak directly with lawmakers and policy influencers.

- 100% of survey respondents said this trip was useful or highly useful in advancing our federal advocacy efforts.
- Students United continued conversations with a Minnesota Representatives Office, which asked for additional student stories around textbook affordability and federal grants.
- Students United met twice with a national student organizing group, National Campus Leadership Council (NCLC), once with all students and again with the organization’s staff to strategize how the two organizations can collaborate in the future. This resulted in Students United signing on to a letter with over 400 campuses through NCLC, which specifies a range of policy issues for lawmakers to consider as the Senate HELP Committee and House Education and Labor Committee began hearings to reauthorize the Higher Education Act (HEA).

Student Letters

The next several pages include letters students who were a part of our organization and attended the 2019 federal lobbying trip.

I'm Clara Kuerschner, a Secondary History Education and Secondary Math Education double major at Winona State University. I had the pleasure of serving as the Campus Coordinator for Students United on WSU's campus this year.

It has always been a dream of mine to visit Washington D.C. and see many of the structures that represent and serve as the foundation of our country. I hope to one day teach United States History at a high school level and having the first-hand experience of visiting important historical landmarks would make my teaching that much better and would help further ignite my passion for our nation's history.

In March, I had the opportunity to travel to Washington D.C. with 13 other MinnState students from the six other state universities. We were there for five days, in which we got to meet with the House and Senate Higher Education Committees, National Campus Leadership Council, and the American Association of State Colleges and Universities, as well as various Senators and Congress people to advocate on behalf of the 65,000 students in our university system. We advocated for textbook affordability, services for DACA students, increased funding for the Pell Grant, and opposition to Secretary Betsy DeVos' changes to Title IX. All of these issues had been chosen by MinnState students prior to our trip to DC and we were there to speak for the students who couldn't be there.

Even though we were there for business purposes, we also had the chance to explore the city together. I personally got to see the Jefferson Library of Congress, the Supreme Court Building, the Capitol Building, the Washington Monument, the Jefferson Monument, and the World War II Memorial. I also got to explore the Cannon House Office Building and the Rayburn House Office Building and see where some of my favorite representatives work. Additionally, we got to try many different places to eat around Capitol Hill. I don't think that we ate at the same place twice and we didn't get to every place we wanted to eat at either.

There are a lot of memories from that trip that stick out to me when I reflect back on the experience, but the one that resonates the most is a conversation us as students had on our first night in DC. We had just gotten into the city and were relaxing at our Airbnb together. We started talking about how excited we all were to be in the nation's capital and how much this all meant to us to be there together. The conversation flowed into a reflection of the reasons and circumstances that brought us to this moment. Many of us didn't set out to be campus coordinators, student body presidents, or Students United officers when we started college. It was something that we found a passion for while at school. We also recognized that all 14 of us wouldn't have been there if it hadn't been for the fee increase and the students at St. Cloud, Metropolitan, Moorhead, Mankato, Bemidji, Southwest, and Winona who paid for our trip. Personally, I would never have been able to go to DC if I had to pay for the trip myself. Another thing we acknowledged was how lucky we were to be able to be in DC and talk to our representatives. Most people in the US and around the world don't have access to their representatives or the financial ability to travel to meet with their elected officials. It was a solemn conversation but it set us up for the week to remember the privilege we all had thanks to MinnState students and the Board of Trustees for approving the initial fee increase.

Rick Osborne
St. Cloud State University

Students United Statement on Federal Advocacy-

I had the wonderful opportunity to attend the Students United federal advocacy trip in Washington DC. This experience was truly amazing and this wouldn't be possible without Students United giving board members and campus organizing coordinators the opportunity to advocate at our federal level. This trip teaches us so much about higher education and we get to play to a critical role in advocating on behalf of students in the Minnesota State system. Throughout our trip we had many wonderful conversations with our congressional leaders, staff and higher education officials and shared real experiences that explain the concerns of students all across our universities. I was touched by the feedback and support we received from our congressional leaders and they really want to make a difference for college students. Many of our leaders related with us because they have children that have experienced similar concerns and stories throughout their college journey. I also think this trip teaches students so many valuable experiences that are so beneficial for our future endeavors. Through skills of communication, public speaking and so much more shows us how important these skills will be in our future. Giving students the opportunity to travel to our nation's capital and advocate on behalf of students is an experience that will be so enriching to them and help make a difference so that all students can attend school to learn and grow. I'm so thankful for Students United and this incredible opportunity they have given us and I strongly recommend this federal advocacy trip be continued to help raise awareness to the important higher education issues facing our students.

Minnesota State Board of Trustees
30 East 7th Street
St. Paul, MN, 55101

May 2, 2019

Dear Minnesota State Board of Trustees,

My name is Stephen Larson, and I currently serve on the Students United Board of Directors representing Minnesota State University Moorhead. Prior to joining the board, I spent one and a half years as the Campus Organizing Coordinator on MSUM's campus. I am writing in support of keeping the Students United fee at 61 cents per credit.

One of the things that was done with the increase was double the number of students that we sent on our federal advocacy trip to Washington D.C. This increase was the only reason I was able to go, since at the time I was still the Coordinator. Aside from this being my first time in DC, it was also my first time on an airplane.

I thoroughly enjoyed my time in our nation's capital, especially being able to meet with staff members for Minnesota's congressional delegation to directly tell them about my experiences as a college student. It is important to allow students the chance to meet with their legislators or staff in person because it is easy to overlook the consequences of a particular bill when it is just words on paper, but it's harder when you have people who are directly impacted by it sitting in your office telling you about how it will impact them.

Another thing that was done with the fee increase was putting on the first ever Advocacy Conference, where presenters came to St. Paul and presented to almost 200 students about various advocacy topics. Even though I was only at this conference for part of it due to work, the part that I was at was very beneficial to me, and others who attended from MSUM said the same thing. This conference wouldn't have been possible had Students United not gotten the fee increase.

Thank you for taking the time to read my letter. Please vote in favor of keeping the Students United fee at 61 cents for future years.

Stephen Larson
Board of Directors - Moorhead

Dear Board of Trustees,

My name is Jonathan McNicholes and I am a student at Bemidji State University and have spent the last year working on behalf of Students United as the campus coordinator for Bemidji State. I am writing you today to ask for your support in maintaining the fee that was recently provided to Students United on the reasoning that the fee increase has allowed Students United to be greatly more successful in advocating for Minnesota State students and providing opportunities for student growth for myself and many others across the system.

Because the 61 cent fee Students United was able to fund opportunities for more students to join in the yearly trip to Washington DC where students got to advocate to legislators and talk to other professionals in the higher education field including, United States Representatives (MN) - Collin Peterson, Angie Craig and Ilhan Omar; Higher Ed. Staff of United States Senators (MN) - Amy Klobuchar and Tina Smith; Federal Student leaders at NCLC (National Campus Leadership Council); Federal HELP committee Staff; and AASCU (American Association of State Colleges and Universities). But this was only a small part of the conversations we as an organization were able to accomplish. Because of the increase in funding we were able to split into two separate groups and cover more ground in talking to more legislators in order to make the voice of the Minnesota state students heard.

This opportunity was unexplainably amazing for me individually this experience opened many doors for me as a student to learn more about our legislative process and most importantly to experience the role of advocacy in action. Through my conversation with multiple senators and representatives. I was able to create a difference in the field of higher education and I gained numerous internship opportunities that I am hoping to follow up upon. But most importantly on this trip I was able to have the discovery that I want to commit myself to pursuing Public and Non-profit administration as my profession and since my trip I have decided to go onto obtain my master's in Public and Non-profit administration after graduation hopefully at Metropolitan State University. This trip has granted me numerous skills and help set me on track to help advocate for not only students but others as I continue my career. The funding you provide is a true investment in the students that it supports and the remaining students as the small investment made now will be paid off in mine and many others commitment to helping and serving others as our time remains in our studies but also for myself throughout my life as I continue to push for students rights and issues far past my time here at Bemidji State University. I hope you can see why this investment in this organization is well worth its cost and continue to support Students United so we can continue to be the voice of all Minnesota State System students.

-Jonathan McNicholes

Students United's Equity & Inclusion Work

As part of Students United's strategic planning process, the organization chose to prioritize equity, diversity, accessibility, and inclusion in the organization's long-term vision. The new Director of Equity & Inclusion was tasked with conducting an internal review around equity and inclusion to continue to make Students United more inclusive and equitable. Last year, the Director of Equity & Inclusion began a multi-year process to evaluate our structures, procedures, and culture, produce recommendations, and implement changes that will move us towards our goals.

The organization is currently in the process of having our leaders review the internal recommendations for approval and begin moving towards an implementation phase.

Three key philosophies guide our growth in equity, inclusion, and access:

1. Reducing Inefficiency Reduces Inequality
2. Distribution of Labor and Resources Must Attempt to Balance Existing Power Imbalances
3. Tone and Culture Have Dramatic Effects

These philosophies, and corresponding recommendations, require an investment in people and resources that is reflected in our budgetary goals.

Additional Fee Contributions

Changed Director of Alumni and Programs Outreach to Director of Development with new job description focused on fundraising to ensure Students United can continue to grow without another student fee increase for many years.

The FY20 Budget approved by the board includes 42 paid student positions at St. Paul's minimum wage, expansion of advocacy efforts, and continuation of process improvements.

Student Support

The 2017-2018 Students United board approved the 61-cent fee and the 2018-2019 board approved the continuation of the fee with the FY20 budget. In addition, these supplemental materials have over two dozen letters/quotes of support from people who served as student leaders in some capacity within our organization.

Student Letters

The next pages include letters from students who are in support of our 61-cent fee.

“This past year Students United was able to achieve an incredible amount of advocacy on behalf of MinnState students at the state and federal level was outstanding. It is difficult to advocate for a fee, however, it is clear how much this can impact students. The conference held to teach students how to probably advocate for themselves and others is invaluable. I would ask the Board of Trustees to allow Students United to maintain the fee amount at the \$0.61 per credit.

Thank you for all you do on behalf of students.

Christina Melecio
Students United Board Director
Winona State University Student Senate President”

Date: May 7, 2019

Chancellor Malhotra & Board of Trustees,

This letter is to serve as support from myself and the Minnesota State Mankato Student Government, as the official student association of Minnesota State University, Mankato, for the maintenance of a \$0.61 per credit dedicated to our statewide student organization, Students United.

In my three years of involvement with Students United, I can say the increase of the Students United fee for the 2018-19 academic year drastically improved the organization from years before by creating numerous more opportunities for student advocacy and the ability to further our platform.

The fee increase allowed Student United to host an Advocacy Conference where hundreds of Minnesota State students were able to learn to harness their voices and advance the tools they have to be advocates for areas they are passionate about. The fee increase also allowed Students United to expand the number of students that traveled on annual Washington D.C. advocacy trip. With more students, we were able to divide and conquer, meeting with more representatives and committees compared to previous trips, allowing the organization to more effectively spread the message of our platform.

I have complete faith that Students United will continue to responsibly utilize the funds generated from the Students United fee, and with the ability to maintain the \$0.61 per credit fee, it will allow Students United to not only advocate on behalf of our students, but help create the next generation of leaders.

If you have any questions, please feel free to contact myself via email at maryelizabeth.cronin@mnsu.edu or by calling 507-389-2611.

With Maverick pride,

A handwritten signature in black ink that reads "MeMe Cronin". The signature is written in a cursive, flowing style.

MeMe Cronin

Students United Board Member
86th Minnesota State Mankato Student Government President
280 Centennial Student Union, Mankato, MN 56001

Letters of Support From 2019-2020 Officers



April 29, 2019

Minnesota State Colleges and Universities,

Board of Trustees

500 Wells Fargo Place

30 East Seventh Street

St. Paul, MN 55101

Board of Trustees,

I hereby affirm on behalf of Students United Board of Directors, the necessity for the permanent retention of the sixty-one cents per credit Students United fee levied to Minnesota State university students. As a student at Southwest Minnesota State University and a director of Students United, I can categorically say that the positive impact that this fee has had on our universities cannot be overstated.

Moreover, with this fee, Students United have had the opportunity to considerably expand advocacy outreach, including the immensely successful inaugural 2019 advocacy conference and the increase in the number of federal advocacy trip members to include campus committee coordinators. Initiatives such as these have brought about unprecedented awareness and efficacious advocacy to our university campuses.

By and large, the herein mentioned reasons further reiterate and support the importance of Students United's continued efforts to making our universities more conducive for the academic endeavors of Minnesota State students. I can unequivocally say that the permanent retention of the sixty-one cents per credit fee will be incalculably beneficial to Minnesota State students. Thank you for your consideration.

Respectfully,

A handwritten signature in black ink, appearing to read "Ola Abimbola", with a horizontal line extending to the right.

Ola Abimbola

Students United Board of Directors Member, 2018-2019

CC: Miss Carlee Diggins, Students United Executive Director

Telephone (507) 537-7678 • FAX (507) 537-7154
1501 State Street, Marshall MN 56258-1598 • www.SMSU.edu

A member of the Minnesota State Colleges and Universities System. Southwest Minnesota State University is an equal opportunity educator and employer.

May 7, 2019

Minnesota State Colleges and Universities

Board of Trustees

500 Wells Fargo Place

30 East Seventh Street

St Paul, MN,55101

Board of Trustees,

I am a student at Southwest Minnesota State University and I am also the Students United Campus Coordinator for my campus. I would like to speak about the necessity of maintaining the Students United fee at sixty- one cents per credits.

During this year we had our first advocacy conference which was a great success. During that conference we had different speaker, some of them were Minnesota State Representative Hunter Cantrell, Dr Keith Edwards, Andy McCracken just to state a few of them. Mostly with this fee Students United was able to bring a larger group of students, to Washington DC to make their voices heard in front of Federal Senator, Congressmen and Congresswomen, for example it was really heartwarming and gave me more confidence that my voice is being heard, when we met with Congressman Collin Peterson who asked us specific questions on some issues that my campus was facing, the same thing happened with Congresswoman Ilhan Omar. We were able to bring this back to our different campuses and better tailor the Students United objectives to the needs and dynamics of our campuses. That is one of the reasons why I believe that we should keep our Students United fees to sixty-one cents per credits.

Thank you

Sandra Shimba

Students United Campus Coordinator (2018-2019)

May 5, 2019
Minnesota State Colleges and Universities
Board of Trustees
500 Wells Fargo Place
30 East Seventh Street
St. Paul, MN 56301

Respected Board of Trustees,

I am writing this letter on behalf of Students United Directors and the upcoming treasurer of the organization regarding the permanent retention of 61 cents per credit fee for Students United for the Minnesota State students. As a student in St. Cloud State University and one of the directors for the upcoming fiscal year, I can definitely say that the permanent retention will make a positive impact as a whole.

With the increase in fee, students have more opportunity to advocate and have great opportunity to reach out to people not only on state but also a federal level. This will also give students more chance to get engaged and bring positive changes on their campus and campus life.

In conclusion, I believe that the fee increase can help students in their future endeavors. I firmly believe that this will open a lot of opportunities from students from all state schools in state and federal level. I support the increase and hope as it is beneficial for all students in the Minnesota State. Thank you for your consideration.

Sincerely,
Prapti Niroula
Students United Treasurer, 2019-2020

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Finance Committee

Date: May 21, 2019

Title: Procurement Program Annual Report and Redesign Update

Purpose (check one):

- | | | |
|---|---|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input checked="" type="checkbox"/> Information | |

Brief Description:

The Chief Procurement Officer and the Supplier Diversity Manager will provide an update on the plan to develop a new procurement program to address disparities that were identified by the 2017 Minnesota Joint Disparity Study.

Scheduled Presenter(s):

Michael Noble-Olson, Chief Procurement Officer
Robert Harper, Supplier Diversity Manager



May 21, 2019
Procurement Unit

Supplier Diversity at Minnesota State

Michael Noble-Olson, Chief Procurement Officer

Robert Harper, Supplier Diversity Manager

MINNESOTA STATE

Agenda



Equity by Design

Re-Imagining Minnesota State

Equal Opportunity & Non-Discrimination



Key Study Findings



Steering Committee

Pilot Program

Bid Evaluation

I. Case for Supplier Diversity

3



What is Supplier Diversity?

- A **proactive** business process that seeks to provide historically under-utilized businesses with equal access to purchasing opportunities.
- **Goal of Minnesota State:** to promote supplier participation that is reflective of the diverse student and business community in which Minnesota State functions and to maximize economic development.

4



Equity by Design

- Methodology that prepares higher education leaders to address disparities (i.e. procurement disparities) and to move beyond policy and planning to institutional equity-minded practices.
 - Data-informed (study findings)
 - Influences organizational development
 - Prepares institutions to address disparities

5



Equity in Procurement

- **Equity** is achieved when stakeholders (customers, partners, vendors, etc.) are provided the resources they need so they can achieve their goals/potential.
- Distinct from equality! Prioritizes leveling the playing field and ensures equity in practices.

6



Re-Imagining Minnesota State

- **Value Proposition**
 - Supplier Diversity helps Minnesota State establish economic and social goals that create a better way of life for all people of Minnesota.
 - Encourages inclusion, innovation, and collaboration.

7



Equal Opportunity & Non-Discrimination

- **1B.1 Equal Opportunity and Nondiscrimination in Employment and Education**
 - **Subpart A:** *“Minnesota State is committed to a policy of equal opportunity and nondiscrimination in employment and education.”*
 - **Subpart B:** *“No person shall be discriminated against in the terms & conditions of employment, personnel practices, or access to and participation in, programs, services, and activities with regard to race, sex, color, etc...”*

8



II. 2017 Minnesota Joint Disparity Study

9



2017 MN Joint Disparity Study

- One of nine public entities that participated
- Designed to provide **legal foundation** for offering race and/or gender-based preferences
- Examined whether there was “a level playing field for minority and women-owned firms in the Minnesota marketplace and in public entity procurement”
(Keen Independent Research)

10



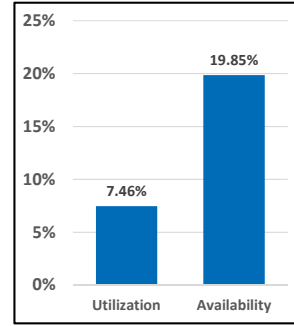
Equity Requires Addressing Disparities

W/MBE Availability: 19.85%

W/MBE Utilization: 7.46%

Disparity Index: 38

- $7.46\% / 19.85\% = 38$
- Considered “substantial” disparity



Source: 2017 Minnesota Joint Disparity Study

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III. Next Steps

12



Minnesota State's Targeted Groups

51% owned and operated:

- Minority-Owned Business Enterprises (MBE)
- Women-Owned Business Enterprises (WBE)

Minnesota State also encourages the utilization of:

- Disabled-Owned Business Enterprises (DOBE)
- Veteran-Owned Business Enterprises (VBE)
- LGBT-owned Business Enterprises (LGBTBE)

13



Minnesota State Certifying Agencies



CERT

The word 'CERT' in a bold, black, sans-serif font, with three horizontal lines (green, blue, and red) underneath.

14



Pilot Program

Potential Intervention Strategies:

1. TGB scoring in bid evaluation
 - Encourages Tier II participation
2. 6% Preference
3. Equity Select
4. Incentives (i.e. funds contributions, scholarships)

15



Launch Pilot Program

Goals:

- To establish campus-level models for success
- Lay the groundwork for setting future spend goals

Campuses include:

- Metropolitan State University
- Minneapolis Community & Technical College
- Minnesota State University – Moorhead
- Riverland Community College

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Steering Committee

- Colleagues chosen to advance work of Supplier Diversity
- Procurement, Equity & Inclusion, Facilities, IT, Marketing, Communications & Media, etc...
- Increases awareness and more intimately reaches purchasing needs of departments/campuses
- **Goal:** to identify best approach for campus participation



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Fiscal Year '20 Supplier Diversity Goals

Goal-Setting:

Campus goals to be determined by Pilot results

18

Ongoing Next Steps

- Outreach and Training to colleges & universities
- Identify leverage points in Pilot school's processes
- Build relationships with business development organizations and certification agencies
- Attend statewide events and publicize commitment
- Disparity Study sub-committees

*Represents a culture change that will take
intentionality, time and commitment!*

19



Contact:

Robert Harper
Supplier Diversity Manager
(651) 201-1442
Robert.Harper@minnstate.edu

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MINNESOTA STATE

**30 East 7th Street, Suite 350
St. Paul, MN 55101-7804**

**651-201-1800
888-667-2848**

www.MinnState.edu

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Individuals with hearing or speech disabilities may contact us via their preferred Telecommunications Relay Service.
Minnesota State is an affirmative action, equal opportunity employer and educator.



MINNESOTA STATE

Closed Session: Human Resources Committee

Wednesday, May 22, 2019

9:15 am

Minnesota State, McCormick Room 4th Floor

30 7th St. East

St. Paul, MN 55101

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.

9:15 am Closed Session: Human Resources Committee, Jay Cowles, Chair

Pursuant to Minn. Stat. § 13D.03, Closed Meetings for Labor Negotiations Strategy and Minn. Stat. § 13D.05, (2018) Data Classified as Not Public (Minnesota Open Meeting Law)

1. Inter Faculty Organization
2. Minnesota State College Faculty
3. Minnesota State University Association of Administrative and Service Faculty

Committee Members:

Jay Cowles, Chair

Cheryl Tefer, Vice Chair

Alex Cirillo

Dawn Erlandson

Bob Hoffman

Roger Moe

Samson Williams

President Liaisons:

Ginny Arthur

Adenuga Atewologun



**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Closed Session: Human Resources Committee **Date:** May, 22, 2019

Title: Labor Negotiations Strategy

Purpose (check one):

- | | | |
|---|---|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input checked="" type="checkbox"/> Information | |

Brief Description:

In a closed session Pursuant to Minnesota Statute §13D.03, Closed Meetings for Labor Negotiations Strategy and Minnesota Statute § 13D.05, (2018) Data Classified as Not Public (Minnesota Open Meeting Law), the Board will hear the current status of labor contract negotiations and will discuss strategy.

Scheduled Presenter(s):

Eric Davis, Vice Chancellor for Human Resources
Chris Dale, Senior System Director for Labor Relations

**MINNESOTA STATE
BOARD OF TRUSTEES**

INFORMATION ITEM
Labor Negotiations Strategy

BACKGROUND

Closed Session: Human Resources Committee, Jay Cowles, Chair

Pursuant to Minn. Stat. § 13D.03, Closed Meetings for Labor Negotiations Strategy and Minn. Stat. § 13D.05, (2018) Data Classified as Not Public (Minnesota Open Meeting Law), the Board will hear the current status of labor contract negotiations and will discuss strategy.

1. Inter Faculty Organization
2. Minnesota State College Faculty
3. Minnesota State University Association of Administrative and Service Faculty



MINNESOTA STATE

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

MAY 22, 2019

10:00 AM

McCORMICK ROOM

30 7TH STREET EAST

SAINT PAUL, MN

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

1. **Minutes of March 19, 2019 (pp. 1-12)**
2. **Minutes of Joint Meeting of Academic and Student Affairs and Finance Committees of April 17, 2019 (pp. 13-18)**
3. **Proposed Amendments to Policies (Second Readings)**
 - a. **3.18 Honorary Degree (pp. 19-22)**
 - b. **3.31 Graduate Follow-up System (pp. 23-25)**
 - c. **3.40 Recognition of Veteran Status (pp. 26-28)**
4. Proposed Amendment to Policies (First Reading)
 - a. 2.3 Student Involvement in Decision-Making (pp. 29-31)
 - b. 3.8 Students Complaints and Grievances (pp. 32-34)
 - c. 3.36 Academic Programs (pp. 35-40)
5. Student Experience and Engagement Through the Lens of Strategic Enrollment Management (pp. 41-66)

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

Alex Cirillo, Chair

Cheryl Tefer, Vice Chair

Ashlyn Anderson

Dawn Erlandson

Jerry Janezich

Rudy Rodriguez

Louise Sundin

Bolded items indicate action required.



**Minnesota State Board of Trustees
Academic and Student Affairs Committee
March 19, 2019
McCormick Room, 30 7th Street East
St. Paul, MN**

Academic and Student Affairs Committee members present: Alex Cirillo, Chair; Cheryl Tefer, Vice Chair; Ashlyn Anderson; Dawn Erlandson (on phone); Jerry Janezich; Louise Sundin, Rudy Rodriguez

Academic and Student Affairs Committee members absent: none

Other board members present: Michael Vekich; Jay Cowles; April Nishimura; George Soule; Bob Hoffman; Chancellor Devinder Malhotra

Committee Chair Cirillo called the meeting to order at 12.32 PM.

1. Approval of the Academic and Student Affairs Committee November 13, 2018, Meeting Minutes:

Chair Cirillo called for a motion to approve the Academic and Student Affairs Committees Meeting Minutes. The minutes were approved as written.

2. Approval of Mission Statement: Northland Community and Technical College Presenters:

Dennis Bona, President, Northland Community and Technical College

Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs

Proposed new Mission Statement: Northland is an innovative leader in higher education, preparing all learners with work and life skills that advance personal well-being and regional prosperity.

Proposed new Vision Statement: Northland will be highly valued for providing exceptional education that transforms lives and strengthens the communities we serve.

MOTION: *Upon the recommendation of the Chancellor, the Academic and Student Affairs Committee recommends that the Board of Trustees approve the mission of Northland Community and Technical College.*

***The new mission carries.**

3. Proposed Amendment to Board Policies (First Reading)

a. 2.2 State Residency

b.

Ron Anderson requests that the Board fast track this Policy and waive the two reading requirement. The proposed amendment is in response to the US Department of Veterans Affairs' request that policy language be updated so we are in compliance with recently amended federal statutes that provide educational benefits to our students. Our practices were already in compliance however our language had not caught up. The new language policy

names the federal statutes and a few technical edits that align us with the federal requirement. There was originally a deadline of March first, we received a waiver to extend that to May 13. Given that this Committee does not meet in April, I am asking that we hear it today and also approve it at this same Board meeting in order to meet that deadline. We are asking this to be fast tracked because if we do not get this approved prior to the May 13, deadline there could be an impact withholding benefits from our students because we would be out of compliance. There are no substantive changes to the practices in the language presented to you.

MOTION: Motion to suspend the rules and fast track this Policy.

***The motion carries.**

MOTION: Motion to approve the Policy.

***The motion carries.**

c. 3.18 Honorary Degrees (First Reading)

Ron Anderson: No substantive change to the policy.

d. 3.31 Graduate Follow-up System (First Reading)

Ron Anderson: The Purposes section of the Policy has been updated to include language around the employees, accreditation and approving associations and agencies as potential users of the data.

e. 3.40 Recognition of Veteran Status (First Reading)

Ron Anderson: We have replaced and added language to make it more accurate and concise but no substantive changes to practice.

5. Guided Learning Pathways: Career Technical Education and Comprehensive Workforce Solutions

Presenters:

Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs

Jeralyn Jargo, System Director for Career Technical Education, and State Director for Career Technical Education

Rassoul Dastmozd, President, St. Paul College

Trent Janezich, Interim Executive Director for Workforce Solutions

Ginny Arthur, President, Metropolitan State University

Craig Johnson, President, Ridgewater College

Ron Anderson: Today's presentation lies mainly within the Guided Learning Pathways, however you will note there are connections between the Student Engagement and Experience principles as well as how we address this work and address innovation and evolution and becoming an entity that is continually evolving.

What is Workforce Development? How does it relate to everything that we do?

We offer a quote for you today which basically says that Workforce Development is really about all the education that we do, it is not just in the realm of the two year institutions or of the universities, or graduate education institutions, it is inclusive of all of those areas. It is also not limited to career technical education, all our disciplines are preparing our students to enter the workforce.

Jeralyn Jargo:

Supportive entities and partners have to be in place, especially with our adult students:

- Adult Basic education
- Community-Based Organizations
- Developmental Education Redesign
- Workforce Centers (CareerForce)

One definition of Career Technical Education is in your packet. I'd like to highlight the sentence: "CTE gives purpose to learning by emphasizing real-world skills and practical knowledge within a selected career focus."

There is an evolution towards being forward thinking so our graduates are prepared not only for this single job but for what is going to come next. What comes next often depends on a lot of foundational skills. The other emphasis you will see that we are now committing to words is about the equity.

National CTE Vision: To transform and expand CTE so that each learner – **of any background, age and zip code** – is prepared for career and college success.

State CTE Vision: Advancing career and technical education empowers **every learner** to realize a rewarding career.

The surrounding parameters to that are (1) High skill; (2) High wage; (3) and In-demand. That will vary by local, state, region. It is not a one size fits all.

When we talk about equity, it is equity of access, equity of support for the student, and also equity in helping the student be placed in a job.

The Minnesota State Vision talks about

- aligning with local, regional, and state workforce needs
- continually recreating a workforce that is highly skilled, adaptable to technological change, and prepared to solve the problems of the future
- a driver of regional and state economic development

The Leadership Council under that vision had three priorities:

1. To reclaim the public narrative surrounding Career and Technical Education.

I would expect that everybody in the room has a different definition of CTE, a different impression, a different perspective. What we are saying moving forward is we need to tell these good stories and get on the same page when we are advocating for the attributes of CTE.

2. To expand and strengthen Career and Technical programming, to advance equity.

3. To grow the faculty pipeline for CTE, both at the K-12 and post-secondary
We struggle getting folks interested and prepared and qualified to teach at the K-12 level.

Minnesota State provides over 2,500 CTE program options
229 new and innovative programs were developed in FY19

Trustee Janezich: How many were closed?

Jeralyn Jargo: I don't think any but I don't have that information with me. We can get that information to you. Instead of closing a program you will often see a re-design.

Minnesota State is the most effective tool the state has to increase our workforce and ensure economic prosperity.

Trustee Hoffman: I agree and I would recommend that this information be in every commencement speech that we give.

The CTE student profile varies very little from any other two year college profile. Overall they are adult students, there is more part-time than not, the male to female ratio is 48 women to 51 men and it flip flops every two years depending on when we measure.

If we look at CTE we need to know the funding sources. The largest for post-secondary is our state allocation. We also have a Federal Carl D. Perkins Grant that is specifically designated to serve CTE programs and services. We have a leveraged equipment fund and the 2020-21 biennial budget request that has a workforce component in it.

A Perkins Grant has been on the books for years. The Federal government has funded CTE in some way for over 100 years now. Carl D Perkins was a statesman who felt strongly about vocational education and he put money forward. In July of 2018, the president signed the re-authorization of Perkins – *The strengthening the career and technical education for the 21st century act (Perkins V)*.

We are in the process of writing a one year transition plan. We will submit that transition plan to the Federal government on or before May 24th of this year. We will receive new Perkins V money starting July 1, 2020. We will spend the next year writing our state four-year Perkins V plan and we will submit that on or before April 15, 2020. The new Act has some requirements that weren't there before including more involvement with our community members and the Governor's office. The Governor's office has thirty days to see the Bill. They may or may not sign off.

Chair Cirillo: How much is the Perkins grant? Is there something we can do in Policy to increase it?

Jeralyn Jargo: The award for five years was stuck at \$16.8 million and we have seen two small increases, so July, 2020, the state allocation will be about \$18 million.

Trustee Tefer: What can an average student expect in terms of Perkins funding?

Jeralyn Jargo: The average student can expect zero dollars from Perkins. Perkins never funds individuals. They fund programs, services, and institutions. A Workforce Center can fund an individual in a CTE program.

Strategic directions under Perkins V:

- Advancing CTE
- Career-Connection Learning
- Integrated network
- Equity and Inclusion
- Knowledgeable Experts

Campus Programming and Perspective

Rassoul Dastmozd, President, St. Paul College

President Dastmozd: The topic today is about intentional partnerships and why they matter. In 2011 we started talking about Gateway to College. Gateway to College is a program that takes high school students who exit high school in 11th or 12th grade (drop out) and brings them back to the local college, such as St Paul College. We work with St Paul public schools to set up an alternative high school where the students are treated just like college students. In the morning they take high school courses, in the afternoon they take college classes. We currently have 200 students in the Gateway to College program.

In our Power of You program we have about 500 students where we cover their last dollars and they receive wrap around services. Our PSEO program is also a partnership with St Paul public schools. The PSEO program has about 400 students. We offer concurrent enrollment.

These programs provide the resources for equity which is access to an affordable, exceptionable higher education for students who don't have a lot of opportunity. We received a Department of Labor grant and created the Academy of Finance at Como High School where students take college courses at the high school. When they finish they can earn 16 college credits so coming to St Paul College, they only need to take 48 more credits in order to finish their Associate Degree. This means they will graduate one semester earlier.

At St Paul College we made a strategic investment in advisors and we right now have about 10 advisors to help guide students through the curriculum and work with them to plan out their classes in prep for going on to University. We have roughly 12 advisors in our One Stop which is our admissions area. This was a strategic investment supporting Charting the Future.

Trustee Anderson: How many advisors does that equal per student?

President Dastmozd: We are below the national average so it depends on the area and also we are automating some of our processes (EAB). In some areas we have about 540 students per advisor, in other areas you have about 1,000. Not every student will need to see an advisor if they are following the path laid out for them.

We also have a program for high school students who come take classes from 1 pm to 3 pm every afternoon throughout the year, they take public transportation. We had 90 in FY18. Concurrent enrollment we have grown from nothing to almost 600 students now. Our plan is to be in every high school in St Paul public schools. The goal is for the students to graduate with about 12 college credits earned.

All of our programs are evaluated every year. Since 2005 we have closed five programs. We receive about \$700,000 from Perkins. Our goal is to have seamless transition to University. All the programs are mapped.

Trustee Tefer: What is the percentage of students who don't graduate from high school in the St Paul public schools?

President Dastmozd: I don't have that number and I am reluctant to speculate but this is a concern to me in terms of equity and inclusion and this is why we put the program together.

Trustee Tefer: I did not know that this program existed in our System and I am very impressed. I would be interested in getting a little more refined information about it and finding out what are the salient points here that made that successful for you because that should be an undertaking in other campuses.

President Dastmozd: I extend an invitation for you to come to our campus and meet with the team. You would be surprised to see how motivated these students are. When you treat them like adults they excel. There is a TPT program on this.

We are using ABE money except we are working with a community based organization to funnel the money back to campus to pay for students who are in the college readiness program.

Trustee Sundin: I think we ought to be getting that money directly. A huge number of our ABE students are adults who don't speak English and we have the people who have the skills and the knowledge base and everything needed to help adult basic education students so I think we ought to add that to our ask.

Comprehensive Workforce Solutions

Trent Janezich, Interim Executive Director for Workforce Solutions

Ginny Arthur, President, Metropolitan State University

Craig Johnson, President, Ridgewater College

Trent Janezich: There is a two page Comprehensive Workforce Solutions overview in your packet for your review. (Attached)

Customized Training and Continuing Education (CECT) is something that we need to elevate and I want to advocate for the work of my colleagues in the System. Almost a third (120,000) of the people we serve at Minnesota State is in CECT. We have about 2,700 contracts with business and industry that generate \$33 million of external revenue.

For Customized Training, we have professionals all around the System who go out and meet with businesses on a day to day basis, talk to them about their business needs, their workforce needs. We sign a contract and provide just-in-time training for their employees in most cases in the non-credit format but also in the credit as well. The Continuing Education side of CECT is more traditional open enrollment.

Our approach is a regional approach. We have organized ourselves into eight enterprise regions, each functioning as one operational entity. Each region has between three and eight institutions that are integrating their CECT efforts with the goal of operating as one operational entity or shared service. Each region will have one shared CRM instance. They will have a common business office. Each region will be evaluated based on performance metrics.

These features will be implemented in the next year with a target of every region being fully operational by the start of FY21. We are currently moving from planning into implementation stage. Six of the eight regions are on the path for full implementation in FY21. A couple of them are moving more quickly.

There were some challenges along the way, the first was striking a balance between baseline standardization and providing regional and local freedom and autonomy to driving solutions in response to the challenge. We believe we found the right balance between being a collective versus being more autonomous which should limit the level of internal competition throughout the System. The second challenge is a philosophical one – throughout our System we have about 85 MAPE employees that are under the customized training classification. Their position is our version of sales account executives and it is their job to be the front line relationship builder and conduit between business and industry and our colleges and to generate revenue. These employees are the unsung heroes of our System. We want to move more towards that sales force model which tracks activities and interactions with businesses and how many of those activities lead to quotes and how many of those lead to contracts which lead to net revenue.

There are three levels of governance which aid in decision making and advice on this project. The first is our CWS Steering Committee which is made up of five presidents. The CWS Operations Committee made up of one lead administrator from each of the eight regions and an additional ninth administrator from the University sector. The Regional Advisory Councils made of up Presidents or their designees in each region and their respective teams that are

coming together in each region. The Regional Advisory Councils have direct oversight and will be the vital decision makers for this work.

Ginny Arthur: Metropolitan State is part of the East Metro Region. When our region was first formed the presidents came together with all our CECT staff. We found the Presidents needed to agree to the principles under which we were going to try to structure our arrangement and how we would work together as a region. Over the past year, we have met about every 4 to 6 weeks. We identified our single fiscal agent relatively early and agreed that Century College was able to take on the work for us. Since then our CFO's have been working together to develop the plans to make these financial relationships come together as smoothly as possible. We agreed that we would adopt the single administrator model for the region but that meant a lot of thinking about what it means when you have five or six presidents at the table figuring out who is going to supervise the administrator so we developed an executive director model. The person will report to the Board made up of the presidents but the person will formally report to the fiscal agent's president.

Our model also came together, after a lot of discussion, to have the community and technical colleges eventually merge their operations under our single administrator. We recognize how much change this means for our employees so we thought about how we can change the culture so we can collaborate together. The University has a slightly different arrangement but is still a full partner in this process. The Colleges do have a Dean and customized training reps in the MAPE union so they kind of have a sales force. At the University we have a MSUAASF Director, a part-time position who builds business relationships for us while also serving our graduate programs, working also on behalf of our Center of Excellence and we have a shared position for online marketing so a totally different kind of structure. We have some different objectives at the University level which we need to figure out how we integrate that with the overall objectives for the workforce solutions model. One of them is building awareness and enrollment in our Graduate Programs. This also builds alumni engagement. Knowing how much work is still to be done in this arena and the importance of building a shared culture of collaboration and teamwork, the region will still continue to operate with separated entities except working through the fiscal agent and then our regional administrator as they take on that really important work of bringing people together to collaborate on developing the strategy. The watchwords these days for the presidents in the East Metro Region are patience and persistence and we believe we will be successful in the end.

Craig Johnson: Our situation was fairly unique, we have been the only one in the eight regions where we had three brand new presidents coming in. From July to September we had to get to know each other and get up to speed on the program and get a plan submitted to Trent.

The two 2-year colleges in the Region adapted much more quickly than the University. The University was a different kind of operation so there was some tension there with two very easy partners and adding the third created a different dynamic.

It came down to trust. We managed to develop trust. We designated the lead administrator. We are still in the stage of developing the design of the partnership. A key point was in September when we submitted the plan we made a decision that everybody bought into fully. We agreed that the two 2-year schools would move forward and work closely together and there would be a dotted line to St Cloud University partner to be engaged, to be informed, to be involved but it was understood that the substance of the work at that early stage would really be the 2-year school and we would continue to watch how and when St Cloud would be more involved.

We are making progress on the “what”, how people are working together, and there are encouraging signs around sustainability. We are already doing a better job on the revenue and expense side.

We are talking consciously about how we would like much more clarity and would like to start moving to develop a strategic plan but we recognize we are really learning as we go. It is definitely a team effort and we have a great group of people working together to make this happen.

Trent Janezich: This has always been a five year project to get to where we want to go. Next thing we are going to be working on is assessment and evaluation. We want to create one portal for online registration. We will be working with each region to refine our sales strategy to business and industry. We need to strengthen alignment with credit programming and creating additional learning pathways.

Ron Anderson: We wanted to bring this back to the linkage between this and other initiatives that are going on. This is related to:

- Collaborative campus and regional planning
- Transfer pathways
- Credit for prior learning expansion
- HR-TSM

Also one of the National issues and trending these that connects to this CETC is the Leadership and Change. I think you could hear today the challenges that come with moving into a change environment and pushing to re-design. I think we have learned some important lessons over the last year and a half with this work in particular that are applicable to all of our work and our discussions. What sticks out the most is our conversation around what it means to be a System. What are those things that when we are undertaking collective work, we have to insist and ensure are done in a consistent way. Objectives can be met in multiple ways.

Trustee Moe: To what degree have you inventoried other state workforce initiatives and how they might fit with this overall effort?

Trent Janezich: Do you mean inventory resource opportunities internally in Minnesota? We did some benchmarking at the beginning of the process and we looked at other states and how they are organizing themselves in this work.

Ron Anderson: From the System perspective, we have been inventorying that landscape and one of the challenges is that there are so many players in that space. There are some big ones that we know of and we are working to identify some of those others so as Trent was talking about forming regions, one thing is that we have multiple ways of defining regions in the state.

Trustee Tefer: Are you looking at existing faculty/instructors to be working in these programs?

Trent Janezich: When we look at pooling instructors together in a Region, there will be opportunities to ask the question, should we hire internal first? So we are going to hire our unclassified full time faculty, we are going to hire adjunct instructors, people that are in our family already and then we would turn our gaze, if we cannot find what we need, to other external folks but I think there is plenty of opportunity to re-organize that.

Trustee Rodriguez: It would be great to understand what the key drivers of growth are. I think it is your page where you say you generate \$33 million dollars, I am assuming that is an annual number. But it is understanding the cost associated with that in addition to the revenue. Is this a sustainable program and what are the key drivers of the success of the program? It would be great to understand.

Chair Cirillo: What strikes me in your strategic questions is number 3.
Are there any additional policy implications that we should consider as we further this work? I challenge you and your colleagues as well if there are policies that need to be developed, changed, or incentives that we come up with as a Board that are dis-incenting CWS, CTE, or any of these programs – please bring that to our attention.

The meeting adjourned at 2:27 PM.

Meeting minutes prepared by Kathy Pilugin
3/29/2019



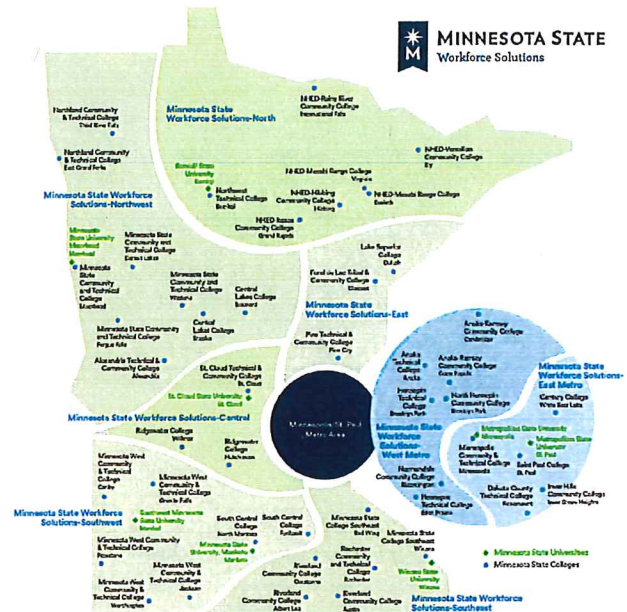
Comprehensive Workforce Solutions

MINNESOTA STATE

Purpose:

Comprehensive Workforce Solutions (CWS) is a large-scale modernization initiative that will redesign the way our system interacts with and delivers customized training and continuing education (CECT) to businesses and other organizations across the state. When fully implemented, CWS creates eight “Enterprise Regions” (integrated regional shared services units) that will reach out to businesses to meet their workforce training needs.

Uniting our work will allow every campus in our system to provide training in any content area, whether non-credit or credit, in short, it creates an ecosystem where our customized training professionals, instead of selling off-the-shelf programming and competing against one another, will become solution navigators for businesses on behalf of their region and in turn grow external revenue and be financially sustainable without any state appropriation.



Overview & Timeline:

Continuing Education and Customized Training (CECT) delivers just-in-time training to businesses all across the state of Minnesota. This past year, our colleges collectively executed over 2,700 contracts with businesses that resulted in approximately 120,000 different individuals trained and over 2.2 million hours of training. In CECT, our campuses have collectively generated on average \$33 million dollars each year, but have collective expenses totaling around \$40 million dollars. Shifting our mindset to harness the power of the system (especially regionally), providing a better workforce ecosystem with increased capacity for our business community, while also attempting to become financially solvent were truly the driving forces behind this initiative.

This initiative is creating regional operational entities with common baseline operational consistencies, but also allows for regional autonomy and creativity.



Comprehensive Workforce Solutions

MINNESOTA STATE

Key components of our regional enterprises that are currently being implemented this fiscal year ahead of the FY20 launch are as follows:

- *A common CRM for outreach and workflow standardization*
- *One fiscal agent per region*
- *Pooling training portfolios to increase capacity*
- *Common regional performance metrics with a focus on **Net Revenue** and other metrics*
 - *Businesses Served (Contracts)*
 - *Unduplicated Headcount/Duplicated Headcount*
 - *Hours of training*
- *One single lead administrator and supervisory structure* (in 5/8 regions)*
- *Regional Advisory Council (Strategic decision-making body made up of Presidents for the region) helps drive regional outcomes more intentionally.*

So what? How does CWS benefit businesses as well as Minnesota State? CWS provides...

- *a vast array of classes, consultative services and training that build individual business capacity and in turn increase their profitability.*
- *a business-focused approach. Businesses are the customer, and customer satisfaction is our goal. Businesses directly drive the curriculum.*
- *a supplemental path toward closing the skills gap.*
- *one portal of contact at the system level to access training from all of our campuses across our system.*
- *increased efficiency across the region by utilizing one standard business office/fiscal agent.*
- *integration of outreach and sales coordination by utilizing one common CRM with each region.*
- *increased external revenue which in turn allows our operations to be self-sustaining without appropriation.*
- *regional governance structures (Regional Advisory Council) where presidents drive the strategic direction of the collective enterprise.*
- *“workforce navigators” that can work with businesses to access grant resources.*

Contacts:

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Minnesota State Board of Trustees
Joint Meeting of Academic and Student Affairs Committee and Finance Committee
April 17, 2019
McCormick Room, 30 7th Street East
St. Paul, MN

Academic and Student Affairs Committee members present: Alex Cirillo, Chair; Cheryl Tefer, Vice Chair; Ashlyn Anderson; Dawn Erlandson; Jerry Janezich; Louise Sundin

Finance Committee members present: Roger Moe, Chair; Bob Hoffman, Vice Chair, Ashlyn Anderson, Jerry Janezich

Academic and Student Affairs Committee members absent: Rudy Rodriguez

Finance Committee members absent: AbdulRahmane Abdul-Aziz; April Nishimura, Samson Williams

Other board members present: Michael Vekich; Jay Cowles; George Soule; Chancellor Devinder Malhotra

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

Bell Engineering Program Discussion

Presenters:

Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs

Richard Davenport: President Minnesota State University Mankato

Bill Maki: President North East Higher Education District

Marilyn Wells: Provost and Senior Vice President, Minnesota State University Mankato

Brian Martensen: Dean, College of Science Engineering and Technology, Minnesota State University Mankato

Rick Straka: Vice President of Finance and Administration, Minnesota State University Mankato

Ron Ulseth: Director of Academics and Research, Iron Range Engineering

Purpose of the meeting is to highlight a new program coming out of Minnesota State University Mankato in partnership with Northeast Higher Ed. District. Presidents Maki and Davenport are here to introduce this new and unique program that is building on the work of the Iron Range Engineering Program. Introduction of President Davenport to give an overview of the program in order to make sure the Board gets a good understanding of what the program looks like, how it is unique for our System and what it will accomplish for us in terms of engineering education and expanding access much more broadly and also has implications as we move into discussions next month on tuition and fee rates because it is built on a unique financial model relative to our existing program model.

Background and information is provided in the Board Packet.

Marilyn Wells: At Minnesota State University Mankato we have a long track record of success building and launching engineering programs for over 35 years. In 2010 we admitted the first students to the Iron Range Engineering program done in partnership with Itasca and hosted by Mesabi. In 2013 we launched the Twin Cities engineering program that is housed at the

Normandale partnership center. In 2018, MIT did a study and we were recognized in the top five emerging innovation programs in engineering worldwide. Dr. Martensen and a team are going to Boston later this month where they have brought in those top programs to look at what is new in engineering. Both Iron Range and Twin Cities programs were recognized by ABET for their innovation award.

The Bell Program is the same curriculum but a new delivery model. It is bringing new students from new markets nationwide to Minnesota and the System. It is modeled after Charles Sturt University in Australia.

This program will draw students from across Minnesota. They begin with a five month intensive engineering development experience where they learn many of the concepts, basically a boot camp. That is hosted on the Iron Range. Following the five months the students go back to their homes to the companies where they work. They are community college graduates and they engage with co-op projects they are being paid for and they develop the engineering competencies. We have to validate that they are meeting all the competencies. Re-imagining Minnesota State talks about all the competency bases.

While the students are in different areas, they are staying connected with digital learning, they participate in modules. Each year they come back to the Iron Range for face-to-face examinations and validation. They graduate as Baccalaureate prepared engineers, practice ready.

This program will draw new students from new markets. Brings in students who are diverse, high percentage of veterans, about 40% female increasing diversity. It will increase economic impact and community vitality as well as enhance regional economic development. It will elevate the System's reputation nationally as shaking up the status quo in engineering.

Chair Cerillo: Is there a mentoring program that goes with the co-op experience?

Martensen: They are given a personal mentor, a learning facilitator who is in constant contact with the student as well as with their supervisor at their place of work. And they are doing the on-line learning modules with faculty and residents as well.

Trustee Soule: Could you walk me through all the steps of the process?

Ron Ulseth: The students enter the program as Community College graduates. Many may be non-traditional students. They begin with the five month Bell Academy. Once they conclude the five months, then they go back to their home and engage in two years of the co-op experiences.

They take digital learning courses from our professors during the co-op experience. They will have communications with their professors on a weekly basis as well as their engineering mentors. For those two years they complete their technical learning and their professional and

design learning. We bring them back at the end of each of those two years for a week of intensive verbal exams like a PhD dissertation, day after day, for six days.

Soule: Where does the Bell Academy occur?

Ron Ulseth: The Bell Academy is in northeast Minnesota, at multi sites between Mesabi Range and Giants Ridge depending on where we can find good spaces.

Trustee Tefer: When you take students from the Community College what is the vetting process? 90% completion rate is very impressive.

Maki: One of the partners is Iron Range Resources (IRRRB) and since Iron Range Engineering has started, there has been \$15 million invested in this collaboration with Minnesota State University and the Higher Ed District. My point is that without that investment we would not be able to have the faculty and staff and the low ratios of students being able to interact with professional engineers and facilitators which I believe is a correlation to the high success rate that we have. We are making significant investments and being intentional to make sure it happens.

Ron Ulseth: We have the first group of 25 people who have applied and been accepted into the program and it runs across the diversity of age, gender, gender identity, veterans, you name it. They are coming from rural Wyoming, rural Louisiana, San Francisco, Washington DC, New Jersey, Texas – twelve different states. 70% of their projects will be back in their home community.

Trustee Janezich: This was put together with funding from someplace else (IRRRB) in support of what is going on. This is a lesson our business community should take note of because we provide most of the workforce. We as a System need business to invest in us because we do not get enough resources from the State. If businesses want good people that are going to be good employees who pay taxes, sometimes they have to step up.

Chancellor Malhotra: This program touches all the points, paradigms which will emerge in the delivery of higher education. It is project based curriculum, low residency, anchored in local resources yet is global and national in scope, it recognizes the mobility or lack thereof of the students, it recognizes that we need to enhance access and provide access to areas and to students who otherwise would be shut out from STEM programs, it also provides a very personal basis of learning which is customized to each student. This program is scalable. The program is providing a great ROI. I want to commend the leaders of the program, for their vision, tenacity and commitment to the innate potential and promise we have as a System. So thank you very much.

Ron Ulseth: One of our value propositions was low debt to students and their families. We are about to hear about what looks like an expensive program but we have done a financial analysis

with every one of those 25 students and over this 2.5 years, they come out \$30,000 to the advantage due to the nature of the experiential work where they earn high salaries.

Rick Straka: As we look at the expenses of the program it is a very people oriented cost structure so we are looking at salaries and wages. What makes this a little more expensive is the fact that we are looking at 25 students who other than their five months in the Range, they are going to be out and they are not going to be doing group projects and in any single spot where faculty can work with them each day. The professors and facilitators will have to go to each of the co-operative experiences, work with the student's supervisor, and individualize the curriculum and learning outcomes for each and every of those projects.

In the pilot year we start out with 25 students and we start with a budget of about \$1.8 million and as we get fully enrolled with our goal of 75 we see that moving up to just over \$7 million per year. It is a significant economic development opportunity for the Iron Range as the employees will be primarily based in the Mesabi area. We are still being subsidized by the IRRRB but going into this program one of the things that the IRRRB has said is they would like to help get the program up and running but they would like to see it self-supporting at the end. To start this program we received \$300,000 grant from the IRRRB for program exploration as well as a Minnesota State collaboration grant of \$50,000.

We do see a per semester tuition of \$13,000. The cost for the program would be \$65,000. However the student earnings during those 2.5 years are estimated to be between \$85-100,000. We are also looking at the opportunity to work with these companies and hope that they see value and they may help with or pay that tuition as well.

Pilot year (FY20) Tuition: \$650,000
IRRRB Grant, start up (FY20): \$1.25 million
Fifth year (FY23): \$9.75 million

Chair Cerillo: What is the total faculty load for this?

Ron Ulseth: At a steady state, it will be about 8 students per professor/facilitator.

Chair Cerillo: What about training from the companies where they work?

Ron Ulseth: That will be done by our mentors, our engineers in residence.

Rick Straka: The pilot cohort is 25 and we are at that expectation. Cohorts 2 and 3 we are looking at stepping up to 50 students and after that we are looking at scaling up to 75 students. So at any one point in time, we will have the 5 semesters running with up to 375 students with a projected attrition rate of about 10%, with a completion rate of 90%. We are looking at strategies to hit these enrollments building relationships with community colleges across the country as well as building relationships with the companies and their relationships with the community colleges. Being recognized by MIT helps and word will get out. In case we do not meet our targets, we have a sunset date in 2023. This should enhance our System enrollments and not take away from anything already existing.

Wells: The program is very competitively priced and actually below other engineering co-op programs. Links to Reimagining Minnesota State.

Trustee Cowles: Faculty members will need to travel to each project site? As we build the enrollment that is a great deal of travel. At what point do you establish whether or not the site is truly prepared and adequately resourced to provide the support the student will need for the vast majority of the time?

Ron Ulseth: One way is to develop strong partnerships with a smaller number of community colleges. Rather than getting three students every year from 50 states, we will try to get 15 students from 10-15 states. To be able to fly into a place to visit several colleges to recruit students and visit several companies to do training and mentoring.

Trustee Cowles: What Minnesota State barriers did you have to overcome? What should we be thinking about from a policy standpoint in order to avoid those barriers in the future?

Maki: I don't think we have run into any barriers at this point but we are at a critical fork in the road right now asking for this aggressive differential tuition rate.

Trustee Erlandson: You said you have recruited faculty from prestigious organizations, what about their compensation? Are they taking pay cuts to just be part of this innovative program?

Martinsen: We have found this one of our easier recruiting season. We have learned how to tell our story to faculty about what we are doing. There is a national trend which is places like Purdue and Virginia Tech have PhD programs in Engineering Education so not only do they want to be in a program like this but they see their research compliments that is at that site, we get a lot of site visits already from faculty around the world wanting to see how our program works. That is exciting to faculty that work in that environment. It's not about the money, but our compensation for the faculty has been fairly competitive. The facilitators were the bigger challenge since they are practicing engineers who make a lot of money in the industry so that was more difficult but part of it is they want to work in this environment, so we had to work with getting them into the right unions so we could offer them a competitive salary.

Trustee Sunden: What if these students need help with things like counseling and budgeting and parenting and other personal/financial things – is that part of the mentoring or is there specific attention to that?

Wells: As Minnesota State students they would be able to receive the range of services that all students have.

Ron Ulseth: It is part of the curriculum. In addition to the services provided by the System, it is an integral part of our curriculum.

Trustee Erlandson: What is the admissions criteria for this?

Ron Ulseth: One is the student must meet the minimum 2.5 GPA as set by the program, they have to have completed the credits needed to transfer into the program, and then there is an interview process to vet the people whose motives might not align with the values of the program. The values of the program are strictly focused on developing the individual and if the person is more interested in the financial aspect than in being developed, then that person is typically not admitted.

The meeting adjourned at 9:10 AM.
Meeting minutes prepared by Kathy Pilugin
5/2/2019

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Academic and Student Affairs Committee

Date: May 22, 2019

Title: Proposed Amendment to Policy 3.18 Honorary Degrees

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 the Office of 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 3.18 HONORARY DEGREES (SECOND READING)

1 **BACKGROUND**

2 Board Policy 3.18 Undergraduate Admissions was adopted by the Board of Trustees and
3 implemented on October 16, 1996. The policy was reviewed as part of the five year review
4 cycle pursuant to Board Policy 1A.1 Minnesota State Colleges and Universities Organization and
5 Administration, Part 6, Subpart H, Periodic review

6
7 The proposed amendment consists of technical edits.

8
9
10 **RECOMMENDED COMMITTEE MOTION**

11 The committee recommends the Board of Trustees adopt the proposed amendment to Board
12 Policy 3.18 Honorary Degrees.

13
14
15 **RECOMMENDED BOARD MOTION**

16 The Board of Trustees adopt the proposed amendment to Board Policy 3.18 Honorary Degrees.

17
18
19 *Date Presented to the Board of Trustees:* 05/22/19

20 *Date of Implementation:* xx/xx/xx

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD POLICY – SECOND READING		
Chapter 3	Chapter Name	Educational Polices
Section 18	Policy Name	Honorary Degrees

1 **3.18 Honorary Degrees**

2

3 **Part 1. Purpose-**

4 ~~This policy~~ To establishes the rationale for honorary degrees, authorizes colleges and universities to
5 grant honorary degrees, and provides standards and guidelines under which honorary degrees will be
6 conferred.

7

8 **Part 2. Definition-**

9

10 **Honorary degree**

11 ~~Honorary degree means a~~ A degree awarded as an honor for an outstanding contribution in some
12 field, rather than as the result of matriculating and earning a degree based on studies at the
13 ~~institution~~ college or university.

14

15 **Part 3. Rationale-**

16 The rationale for honorary degrees is to:

- 17 1. recognize and honor persons who have made exceptional contributions to a specific field or to
18 society in general;
- 19 2. establish a public association between Minnesota State Colleges and Universities and such
20 exceptional persons, thereby providing testimony to the values and quality of the state colleges
21 and universities; and
- 22 3. assist the state colleges and universities with the goals and objectives of their educational
23 programming, their service and outreach missions, and their institutional advancement.

24

25 **Part 4. Authorization-**

26 Colleges and universities may confer honorary degrees according to procedures established by, and
27 with the approval of, the chancellor.

28

29 **Part 5. Internal Process-**

30 A college or university choosing to award an honorary degree shall establish its own internal process
31 for determining honorary degree recipients consistent with the chancellor's procedure.

32

33

34

35 **Part 6. Limits to Eligible Recipients.**

36 Honorary degrees may not be conferred on currently serving faculty or staff members within the
37 Minnesota State Colleges and Universities system, current members of the Board of Trustees, or
38 current holders of elected political office.

39

40 **Part 7. Report to Board.**

41 The Chancellor shall provide an annual report to the Board on honorary degrees awarded. The
42 report shall include information about the number of degrees awarded, names of recipients, and
43 degree designations. Colleges and universities shall report to the system office on the honorary
44 degrees awarded each year.

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Academic and Student Affairs Committee

Date: May 22, 2019

Title: Proposed Amendment to Policy 3.31 Graduate Follow-Up System

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 the Office of 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 3.31 GRADUATE FOLLOW-UP SYSTEM (SECOND READING)

1 **BACKGROUND**

2 Board Policy 3.31 Graduate Follow-Up System was adopted by the Board of Trustees and
3 implemented on June 14, 2005. The policy was reviewed as part of the five year review cycle
4 pursuant to Board Policy 1A.1 Minnesota State Colleges and Universities Organization and
5 Administration, Part 6, Subpart H, Periodic review

6
7 The proposed amendment updates the language in Section 1, Purpose to more accurately
8 reflect the use of the data generated by the Graduate Follow-Up System.

9

10

11 **RECOMMENDED COMMITTEE MOTION**

12 The committee recommends the Board of Trustees adopt the proposed amendment to Board
13 Policy 3.31 Graduate Follow-Up System.

14

15

16 **RECOMMENDED BOARD MOTION**

17 The Board of Trustees adopt the proposed amendment to Board Policy 3.31 Graduate Follow-
18 Up System.

19

20

21 *Date Presented to the Board of Trustees:* 05/22/19

22 *Date of Implementation:* xx/xx/xx

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD POLICY – SECOND READING		
Chapter 3	Chapter Name	Educational Policies
Section 31	Policy Name	Graduate Follow-Up System

3.31 Graduate Follow-Up System

Part 1. Purpose-

~~The purpose of the Graduate Follow-up System is to~~ To provide students, prospective students, Minnesota State employees, policy makers, program accrediting and approving associations and agencies, and the general public with information about the employment and educational outcomes of graduates of the colleges and universities of Minnesota State.

Part 2. Chancellor's Responsibility-

The Chancellor, or the chancellor's designee, shall ~~create and maintain a system to~~ collect and publish information on employment and educational outcomes of recent graduates.

Part 3. ~~Institution~~ College and University Responsibility-

Each college and university shall survey its graduates annually to collect follow-up information according to prescribed standards. Each college and university shall ensure ~~enter~~ the graduate follow-up survey responses are entered into the Student Records System (~~Integrated Statewide Record System (ISRS)~~) on an annual basis.

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Academic and Student Affairs Committee

Date: May 22, 2019

Title: Proposed Amendment to Policy 3.40 Recognition of Veteran Status

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 the Office of 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 3.40 RECOGNITION OF VETERAN STATUS (SECOND READING)

1 **BACKGROUND**

2 Board Policy 3.40 Recognition of Veteran Status was adopted by the Board of Trustees and
3 implemented on March 19, 2014. The policy was reviewed as part of the five year review cycle
4 pursuant to Board Policy 1A.1 Minnesota State Colleges and Universities Organization and
5 Administration, Part 6, Subpart H, Periodic review

6
7 The proposed amendment replaces outdated language with more current terminology. The
8 terms *graduate certificate* are added to the definition of *Graduate or Professional Programs*
9 and the word *Annual* has been added to the title of Part 4. Annual Reports.

10
11
12 **RECOMMENDED COMMITTEE MOTION**

13 The committee recommends the Board of Trustees adopt the proposed amendment to 3.40
14 Recognition of Veteran Status.

15
16
17 **RECOMMENDED BOARD MOTION**

18 The Board of Trustees adopt the proposed amendment to 3.40 Recognition of Veteran Status.

19
20
21 *Date Presented to the Board of Trustees:* 05/22/19

22 *Date of Implementation:* xx/xx/xx

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD POLICY – SECOND READING			
Chapter	3	Chapter Name	Educational Policies
Section	40	Policy Name	Recognition of Veteran Status

1 **3.40 Recognition of Veteran Status**

2

3 **Part 1. Purpose**

4 ~~This policy establishes veteran status as a factor to be recognized in~~ To recognize veteran status as a
5 factor in evaluating applicants for admission to graduate and professional programs, in accordance
6 with ~~Minnesota Minn. Statutes Stat. §~~ 197.775.

7

8 **Part 2. Definitions**

9 ~~**Subpart A. Graduate or Professional Programs.**~~

10 ~~Graduate or professional programs means p~~Post-baccalaureate educational programs leading to
11 ~~graduate certificate,~~ master's, specialist, or doctoral degrees offered by Minnesota ~~s~~State
12 universities.

13

14 ~~**Subpart B. Veteran.**~~

15 ~~Veteran means a~~ A person who is currently serving or has ~~ever~~ served in the United States ~~s~~ armed
16 forces and has been discharged under honorable conditions.

17

18 **Part 3. Policy**

19 ~~Each Minnesota state university shall adopt a policy recognizing, for applicants who are veterans,~~
20 ~~Minnesota State universities shall recognize~~ an applicant's veteran status as a positive factor in
21 determining whether to grant admission to a graduate or professional academic degree program.

22

23 **Part 4. Annual Report**

24 By January 15 of every year, each Minnesota ~~s~~State university shall submit a report to the system office
25 on the number of veterans who applied for a graduate or professional academic degree program and
26 the number accepted during the previous fiscal year.

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Academic and Student Affairs Committee

Date: May 22, 2019

Title: Proposed Amendment to Policy 2.3 Student Involvement in Decision-Making

Purpose (check one):

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input type="checkbox"/> 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 the Office of 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

**BOARD OF TRUSTEES
MINNESOTA STATE**

INFORMATION ITEM
STUDENT INVOLVEMENT IN DECISION MAKING

BACKGROUND

Board Policy 2.3 Student Involvement in Decision-Making was adopted and implemented by the Board of Trustees on April 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 involves the reorganization of the policy language to make it more accurate. New titles were created for Part 1 “Purpose” and Part 2 “Policy Statement”.

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

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD POLICY – FIRST READING		
Chapter 2	Chapter Name	Students
Section 3	Policy Name	Student Involvement in Decision-Making

1 **2.3 Student Involvement in Decision-making**

2
3 **Part 1. General provision. Purpose**

4 To promote appropriate levels of student involvement in system, college, and university
5 decision-making and to assure that student perspectives are considered, ~~students shall have~~
6 ~~the opportunity for representation on system, college, and university committees involving or~~
7 ~~affected student interests and shall have the opportunity to review or be consulted on issues~~
8 ~~that have significant impact on students.~~

9
10 **Part 2. Policy Statement**

11 Students must be provided the opportunity for representation on system, college, and
12 university committees involving or affecting student interests and have the opportunity to
13 review or be consulted on issues that have significant impact on students.

14
15 **Part 32. Student involvement in system committees, conferences and issue forums.**

16
17 **Subpart A. Student representation**

18 Students must ~~shall~~ be given the opportunity for representation on college,
19 university, and system committees, conferences, and issue forums that are a part of
20 the policy development and/or decision-making process.

21
22 **Subpart B. Selection of student committee members or student representatives.**

- 23 1. At the system level, the student member(s) must ~~shall~~ be selected by the statewide
24 student association(s).
- 25 2. At the state college or university level, student members must ~~shall~~ be selected by
26 the recognized campus student association(s).

27
28 **Part 43. Exceptions.** This policy ~~shall~~ does not apply to the following.

- 29 • Committees established for the evaluation of personnel.
30 • Committees established under collective bargaining agreements.
31 • Management teams, presidential cabinets, and committees of the Board of Trustees.

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Academic and Student Affairs Committee

Date: May 22, 2019

Title: Proposed Amendment to Policy 3.8 Students Complaints and Grievances

Purpose (check one):

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input type="checkbox"/> 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 the Office of 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

**BOARD OF TRUSTEES
MINNESOTA STATE**

INFORMATION ITEM
STUDENT INVOLVEMENT IN DECISION MAKING

BACKGROUND

Board Policy 3.8 Student Complaints and Grievances was adopted by the Board of Trustees on June 20, 1995 and implemented on July 1, 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 involves the reorganization of the policy language to make it more accurate. All the part headings were renamed and a new Part 4. Appeals to the Chancellor was added. New Part 4 clarifies when a student may appeal a final decision of a college or university to the system office.

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

MINNESOTA STATE
BOARD OF TRUSTEES

BOARD POLICY – FIRST READING		
Chapter 3	Chapter Name	Educational Policies
Section 8	Policy Name	Student Complaints and Grievances

1 **3.8 Student Complaints and Grievances**

2
3 **Part 1. General Statement of Policy. Purpose**

4 To ensure students have a process to resolve student complaints and grievances when no other
5 designated complaint, grievance, or appeal process applies to the situation.

6
7 **Part 21. Policy Statement**

8 A student has the right to seek a remedy for a dispute or disagreement through a designated
9 complaint or grievance procedure. Each college and university shall establish procedures, in
10 consultation with student representatives and others, for handling complaints and grievances.
11 These procedures must ~~shall~~ not substitute for other grievance procedures specific in board,
12 college or university policies or procedures, regulations, or negotiated agreements.

13
14 This policy does not apply to academic grade disputes. Grade appeals must be handled under a
15 ~~separate college/university~~ the academic policy of the college or university.

16
17 **Part 32. College and University Policies and Procedures.**

18 ~~The chancellor shall establish procedures to implement this policy. The college and university~~
19 ~~student grievance policies and procedures of colleges and universities shall~~ must comply with
20 Board Policy 3.8 and System Procedure 3.8.1.

21
22 **Part 4. Appeals to the Chancellor**

23 A student may appeal a college's or university's final decision to the chancellor if the grievance
24 involves a board policy, system procedure, the actions of a college or university president, an
25 issue of institutional or program quality such as a college's or university's compliance with the
26 standards of an accrediting or licensing agency, or a claim of consumer fraud or deceptive trade
27 practice. The decision of the chancellor is final and binding.

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Academic and Student Affairs Committee

Date: May 22, 2019

Title: Proposed Amendment to Policy 3.36 Academic Programs

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 the Office of 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

**BOARD OF TRUSTEES
MINNESOTA STATE**

INFORMATION ITEM

POLICY 3.36 ACADEMIC PROGRAMS

BACKGROUND

Board Policy 3.36 Academic Programs was adopted by the Board of Trustees in June of 2007. 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 replaces outdated language and definitions with terminology more reflective of the current programs and goals. The proposed amendments also consists of technical changes resulting from the application of the new writing and formatting standards.

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

MINNESOTA STATE
BOARD OF TRUSTEES

BOARD POLICY – FIRST READING		
Chapter 3	Chapter Name	Educational Polices
Section 36	Policy Name	Academic Programs

1 **3.36 Academic Programs**

2
3 **Part 1. Purpose and Applicability.**

4 ~~The purpose of the Academic Programs policy is to~~ direct decision-making regarding the
5 development, approval, and management of credit-based academic programs.

6
7 **Part 2. Background Academic Program Goals**

8 ~~The academic programs of the Minnesota State Colleges and Universities~~

- 9 ~~• should prepared graduates for work, life, and citizenship.;~~
- 10 ~~• Academic programs should create graduates who are creative, innovative, and able to respond~~
11 ~~with agility to new ideas, new technologies, and new global relationships.;~~
- 12 ~~• Graduates should be able to lead their professions and adapt to the multiple careers they will~~
13 ~~have over their lifetimes.;~~
- 14 ~~• Graduates should have the ability to think independently and critically; be able to resourcefully~~
15 ~~apply knowledge to new problems; proactively expect the unexpected;; embrace change and be~~
16 ~~comfortable with ambiguity; and be able to communicate and work effectively across cultural~~
17 ~~and geographic boundaries.~~

18
19 Minnesota State Colleges and Universities provide learning opportunities to develop graduates who
20 are:

- 21 a. prepared for work, life, and citizenship;
- 22 b. creative, innovative, and able to respond with agility to new ideas, new technologies, and new
23 global relationships;
- 24 c. able to lead their professions and adapt to the multiple careers they will have over their
25 lifetimes;
- 26 d. able to think independently and critically and resourcefully apply knowledge to new problems;
- 27 e. able to embrace change and be comfortable with ambiguity; and,
- 28 f. able to communicate and work effectively across cultural and geographic boundaries.

29
30 ~~In order to meet Minnesota's educational needs, the Minnesota State Colleges and Universities shall~~
31 ~~endeavor to:~~

- 32 a. ~~Ensure quality and excellence that is competitive on a national and international level in~~
33 ~~meeting the needs of students for occupational, general, undergraduate, and graduate~~
34 ~~education;~~

- b. ~~Facilitate ease of transfer among schools and programs, integrate course credit, and coordinate degree programs;~~
- c. ~~Give highest priority to meeting the needs of Minnesota employers for a highly skilled and adaptable workforce;~~
- d. ~~Enhance Minnesota's quality of life by developing understanding and appreciation of a free and diverse society; and~~
- e. ~~Eliminate unnecessary duplication and achieve efficient and streamlined operations.~~

Part 32. Definitions. The following definitions have the meanings indicated for all Board policies unless the text clearly indicates otherwise.

Subpart A. Academic award.

Academic award means a A certificate, diploma, or degree.

Subpart B. Academic program.

Academic program means a A cohesive arrangement of college-level curricular requirements, credit courses and experiences designed to accomplish predetermined objectives leading to an academic award. ~~the awarding of a degree, diploma, or certificate. Undergraduate degree programs shall include a general education component. The purpose of an academic program is to:~~

1. ~~increase students' knowledge and understanding in a field of study or discipline,~~
2. ~~qualify students for employment in an occupation or range of occupations, and/or~~
3. ~~prepare students for advanced study.~~

Subpart C. Academic program inventory.

Academic program inventory means The official list of academic programs offered by ~~system~~ colleges and universities.

Subpart D. Credit.

Credit means a A unit of quantitative measure assigned to a ~~system~~ college or university course offering or an equivalent learning experience that takes into consideration achieved student learning outcomes and instructional time.

Subpart E. General education.

General education means a cohesive curriculum defined by faculty through ~~system~~ college or university procedures to develop reasoning ability and breadth of knowledge through an integration of learning experiences in the liberal arts and sciences.

Part 43. Authorized Academic Awards.

Subpart A. ~~System~~ College and university award authority.

~~System~~ Colleges and universities have authority to confer academic awards only as specified below.

- 78 1. **Community colleges.** Community colleges have the authority to confer undergraduate
79 certificates, diplomas, and the following degrees: associate ~~in~~ of arts, associate ~~in~~ of fine
80 arts, associate ~~in~~ of science, and associate ~~in~~ of applied science ~~degrees~~.
- 81 2. **Consolidated colleges.** Consolidated colleges have the authority to confer undergraduate
82 certificates, diplomas, and the following degrees: associate ~~in~~ of arts, associate ~~in~~ of fine
83 arts, associate ~~in~~ of science, and associate ~~in~~ of applied science ~~degrees~~.
- 84 3. **Technical colleges.** Technical colleges have the authority to confer undergraduate
85 certificates, diplomas, and the following degrees: associate ~~in~~ of science, and associate ~~in~~ of
86 applied science ~~degrees~~.
- 87 4. **Universities.** Universities have the authority to confer undergraduate and graduate
88 certificates and associate ~~in~~ of arts, ~~associate in fine arts, associate in science,~~
89 baccalaureate, and graduate degrees.

90
91 Approval by the Board of Trustees is required for a ~~system~~ college or university to confer an
92 academic award type for which specific authority is not granted in this policy.

93 94 **Subpart B. Academic award characteristics.**

95 The chancellor shall specify the characteristics of academic awards.

96 97 **Subpart C. Academic program credit length limits.**

98 Academic programs that lead to an associate degree ~~shall~~ must be limited to 60 credits, and
99 academic programs that lead to a baccalaureate degree ~~shall~~ must be limited to 120 credits unless
100 the chancellor grants a waiver based on industry or professional accreditation standards that
101 require a greater number of credits.

102
103 The chancellor shall set program credit length requirements and waiver criteria for undergraduate
104 certificates, diplomas, and graduate-level awards.

105 106 **Part 54. Authority to Establish Academic Program Locations.**

107 Approval of the chancellor is required for establishment of a location at which an academic program
108 may be offered.

109 110 **Part 65. Academic Program Approval.**

111 Approval of the chancellor is required for new academic programs, changes to existing academic
112 programs, suspension of academic programs, and closure of academic programs at ~~system~~ colleges and
113 universities. Colleges and universities shall only offer academic programs that are approved by the
114 chancellor and recorded in the academic program inventory.

115
116 ~~An approved academic program shall include curricular requirements for earning an academic award,~~
117 ~~such as credits in general education, a major and/or minor, and all prerequisite courses.~~ The chancellor
118 shall maintain the academic program inventory and annually report to the ~~board~~ Board of Trustees on
119 the status of the inventory. ~~The annual report to the Board will include data and analysis of programs~~
120 ~~measured against program goals established by the Chancellor. The goals will be based on and where~~
121 ~~appropriate, aligning program offerings to workforce needs.~~ statewide, regionally and locally in

122 ~~collaboration with the Department of Employment and Economic Development and the Governor's~~
123 ~~Workforce Development Council (GWDC), and including data from the State Demographer. Only~~
124 ~~academic programs approved by the chancellor as recorded in the academic program inventory may~~
125 ~~be offered by system colleges and universities.~~

126
127 **Part ~~76~~ Student Options ~~when~~ When Academic Programs ~~are~~ Are Suspended, Closed, or Changed.**

128 A ~~system~~ college or university shall provide a student admitted to an academic program an
129 opportunity, consistent with ~~system~~ college or university policy, to complete the academic program
130 when it is suspended or closed or when the requirements have changed.

131
132 **Part ~~87~~ Academic Review.**

133 Each ~~system~~ college and university shall regularly review its academic programs for the purpose of
134 academic planning and improvement.

135
136 The chancellor, ~~as appropriate~~, may conduct statewide or regional reviews of academic programs or
137 program clusters, report findings to the ~~board~~ Board of Trustees and, when necessary, impose
138 conditions on academic programs.

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Academic and Student Affairs

Date: May 22, 2019

Title: Student Experience and Engagement Through the Lens of Strategic Enrollment Management

Purpose (check one):

- | | | |
|---|---|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input checked="" type="checkbox"/> Information | |

This presentation and discussion will expand upon the work colleges and universities are undertaking to reimagine and enhance student engagement and the student experience, through the lens of strategic enrollment management. Included will be an overview of strategic enrollment management principles, a framework for operationalizing those principles, and examples of ways in which campuses are incorporating strategic enrollment management practices in their planning and student success initiatives. The presentation will conclude with a review of best campus and system-level practices in support of strategic enrollment management and an overview of next steps in deepening and supporting those practices across the system.

Scheduled Presenter(s):

Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs
Brent Glass, Associate Vice Chancellor for Student Affairs
Merrill Irving, President, Hennepin Technical College
Jessica Lauritsen, Hennepin Technical College
Glenn Davis, St. Cloud State University

**BOARD OF TRUSTEES
MINNESOTA STATE**

INFORMATION ITEM

**Student Experience and Engagement
Through the Lens of Strategic Enrollment Management**

BACKGROUND

Since the mid-1970s, enrollment management has become an increasingly important function for colleges and universities. During the 1990s through the early 2000s, the focus of strategic enrollment management (SEM) started to shift towards institutional-wide efforts that were more integrated, evidence based and strategic in nature. Modern strategic enrollment management plans emphasize a comprehensive approach that focuses on the student lifecycle from prospect inquiry through graduation. This expanded focus of strategic enrollment management includes the whole student experience, as well as additional intervention points where colleges may influence enrollment and student success. While role of strategic enrollment management and definitions have evolved over time, they have always shared a common focus on the systematic integration of the college and university functions that affect recruitment and retention along with the use of assessment and data to inform practices and policies.

As we reimagine Minnesota State and re-envision how we can enhance the entire student experience to improve student success and effectively grow and manage enrollment, strategic enrollment management (SEM) planning and execution is critical to our success. This presentation and discussion will expand upon the work colleges and universities are undertaking to reimagine and enhance student engagement and the student experience, through the lens of strategic enrollment management. Included will be an overview of strategic enrollment management principles, a framework for operationalizing those principles, and examples of ways in which campuses are incorporating strategic enrollment management practices in their planning and student success initiatives. The presentation will conclude with a review of best campus- and system-level practices in support of strategic enrollment management and an overview of next steps in deepening and supporting those practices across the system.



May 22, 2019

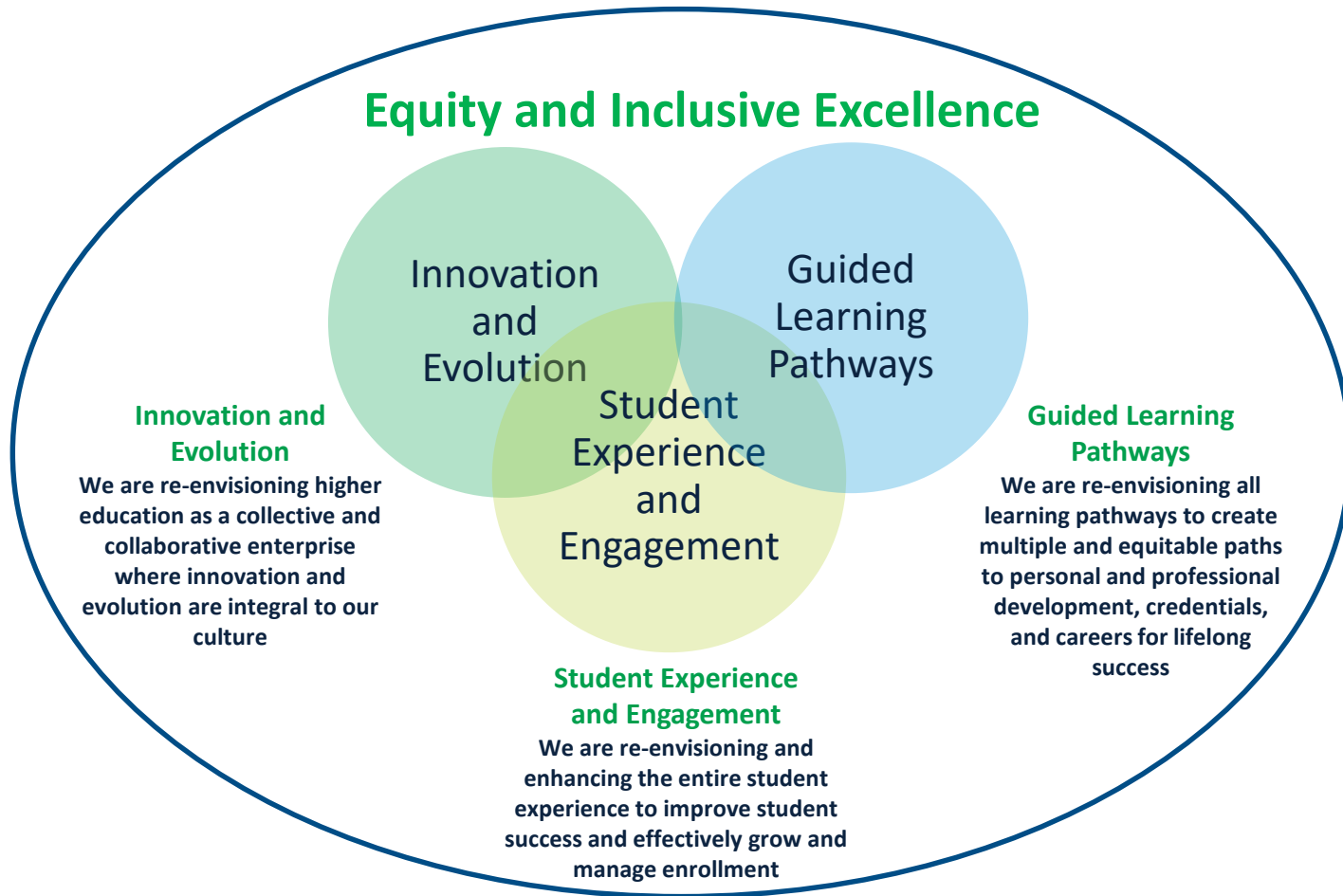
Academic & Student Affairs

Student Experience and Engagement: Through the Lens of Strategic Enrollment Management

Board of Trustees

Academic and Student Affairs Committee

Academic and Student Affairs Framework



Strategic Enrollment Management Overview

1. Strategic enrollment management definition
2. Overview of current practices
3. Strategic enrollment management planning and organization framework
4. St. Cloud State University and Hennepin Technical College
5. Recommendations for campus and system level practices
6. Key linkages
7. Strategic questions

Strategic Enrollment Management Definition

“A comprehensive approach to integrating all of the college or university’s programs, practices, policies, and planning related to achieving the optimal recruitment, retention and graduation of students”

– *David Kalsbeek, senior vice president for enrollment management and marketing at DePaul University*



Campus-based Strategic Enrollment Management Planning

How would you characterize your college or university strategic enrollment management (SEM) planning?

Developed and fully implemented

COLLEGE | UNIVERSITY

3 | 2

Developed, not fully implemented

COLLEGE | UNIVERSITY

9 | 2

SEM plan in development

COLLEGE | UNIVERSITY

2 | 1

Implements SEM practices,
incorporated in other operational plans

COLLEGE | UNIVERSITY

7 | 0

Implements SEM practices, no formal SEM plan

COLLEGE | UNIVERSITY

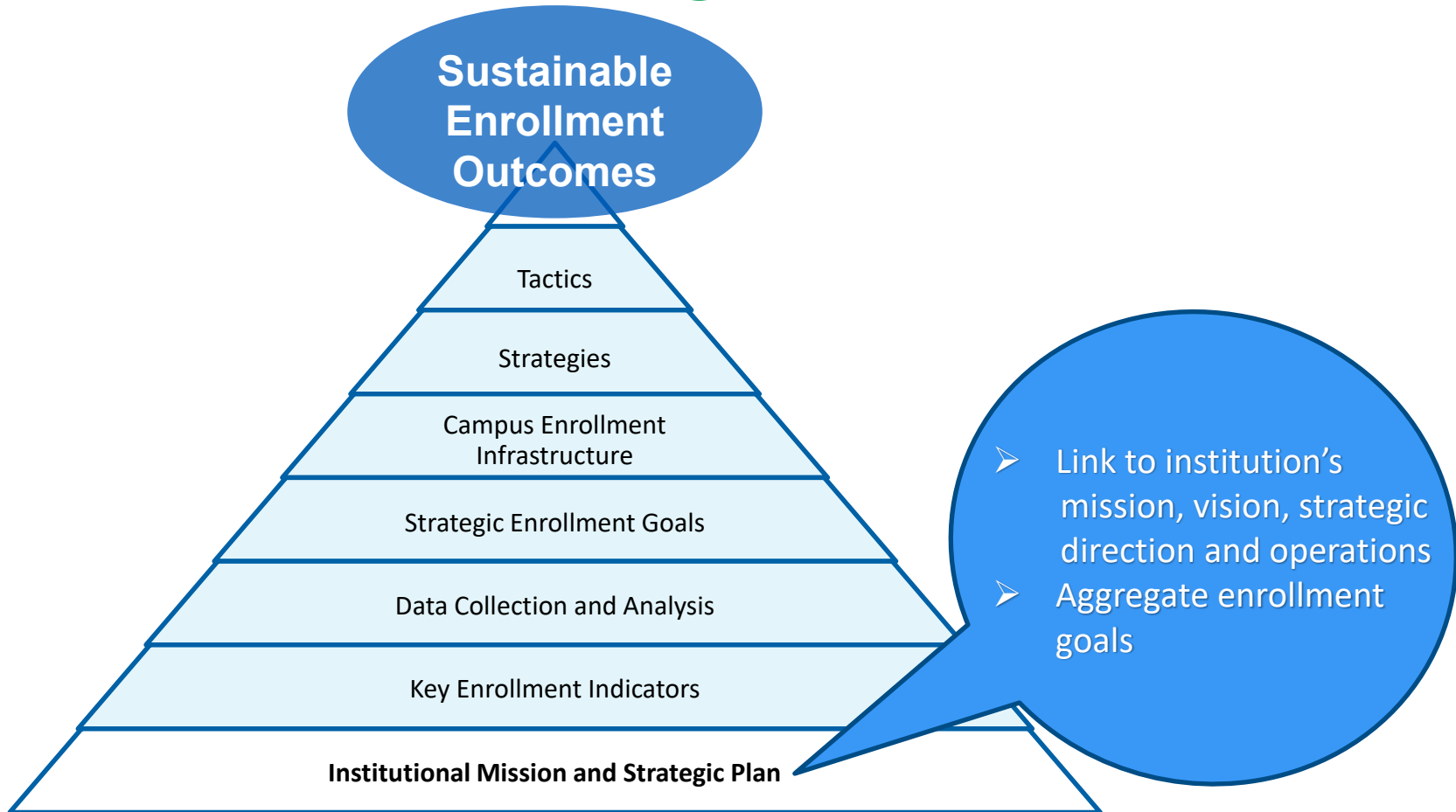
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Strategic Enrollment Management Planning Framework

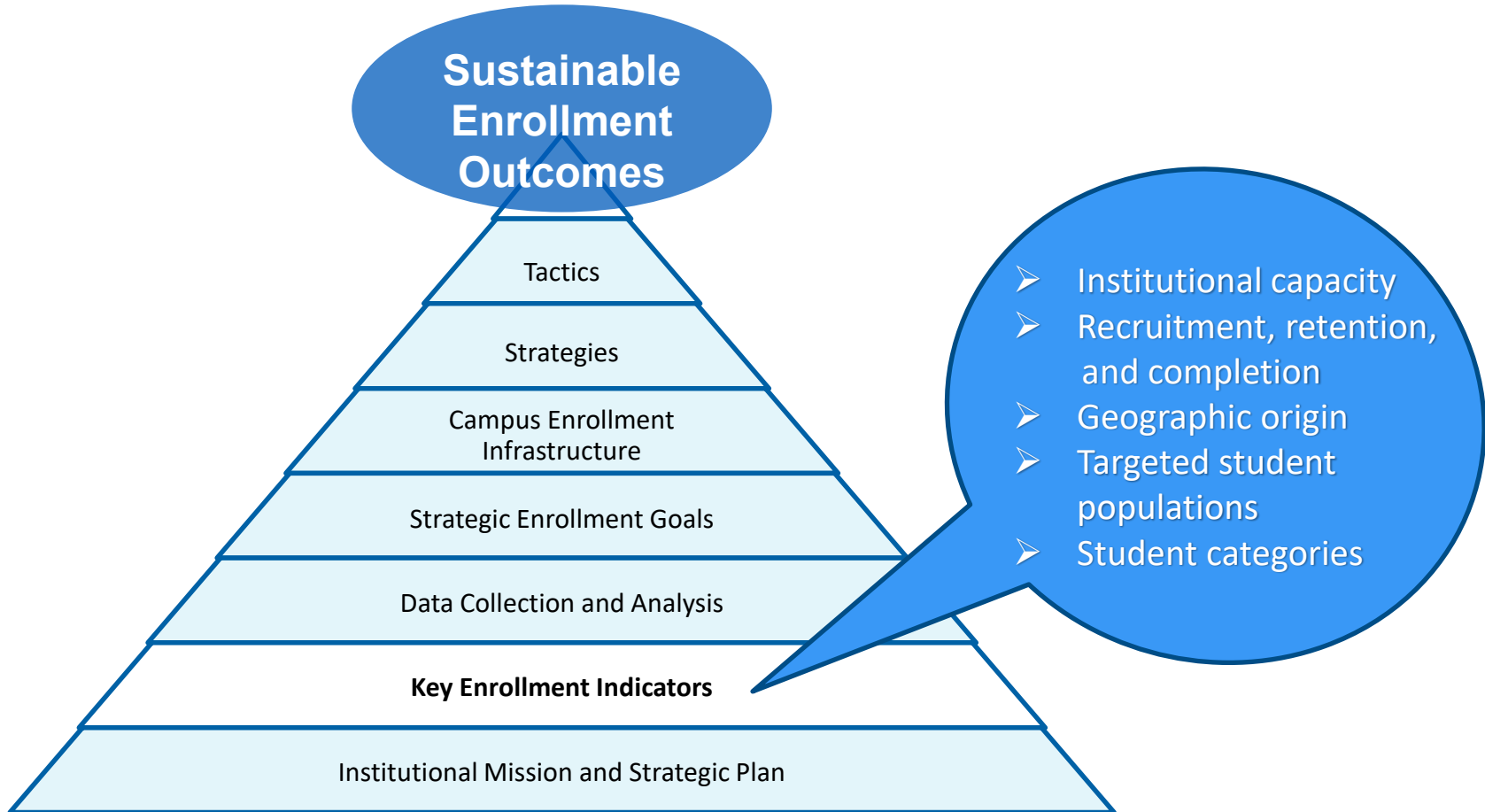


Strategic Enrollment Management Planning Framework



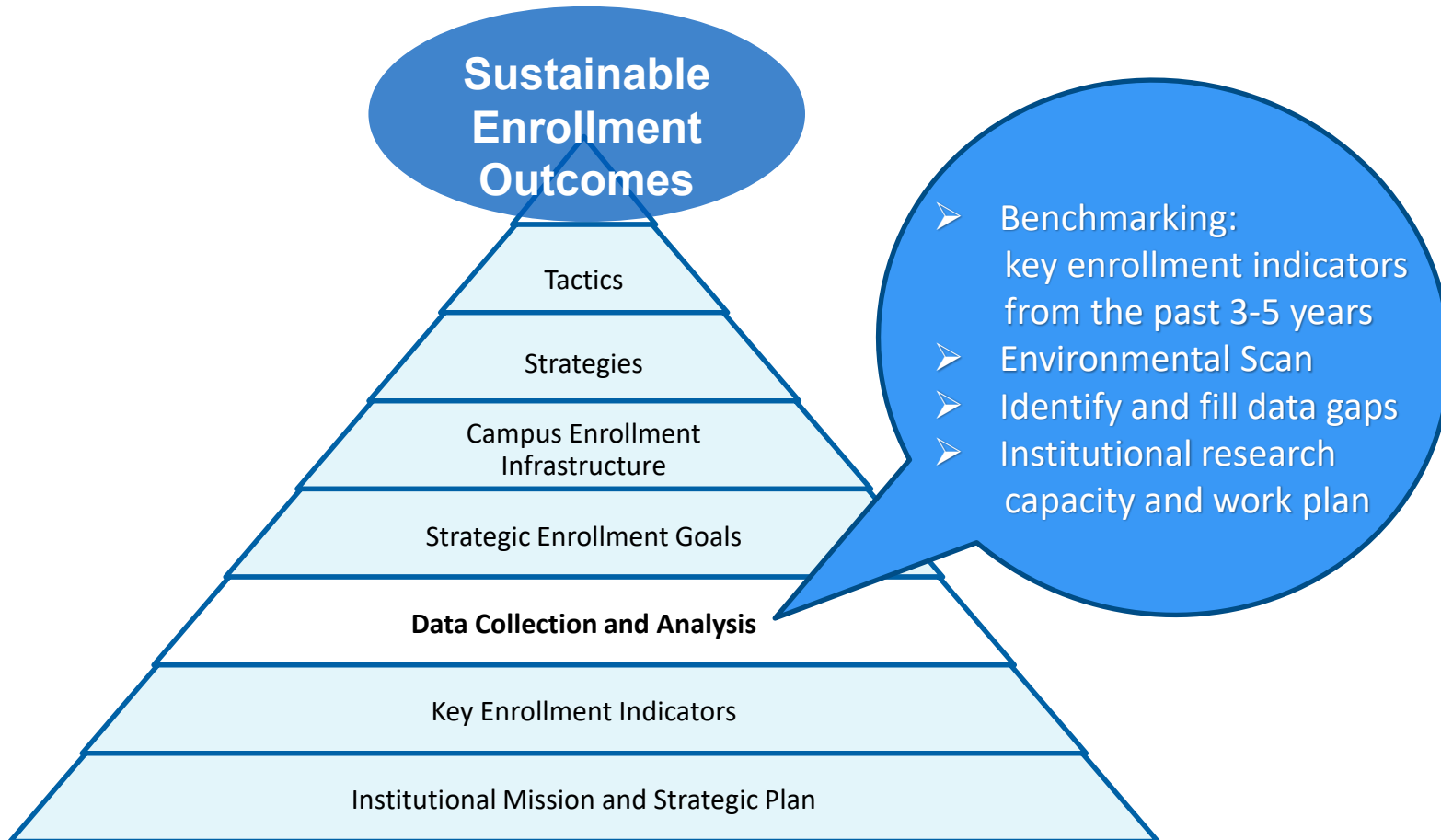
Bontrager and Green, 2012

Strategic Enrollment Management Planning Framework



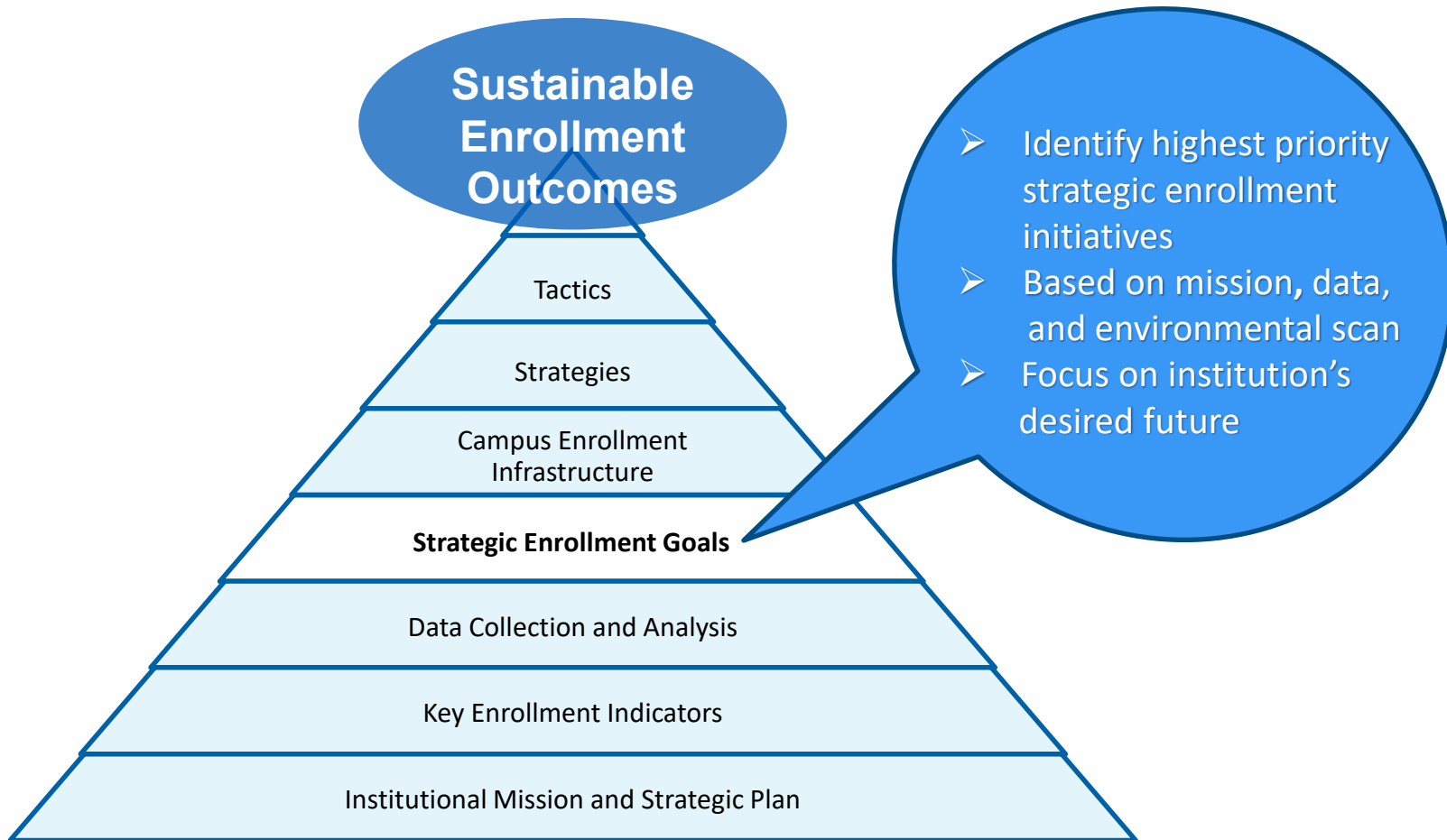
Bontrager and Green, 2012

Strategic Enrollment Management Planning Framework



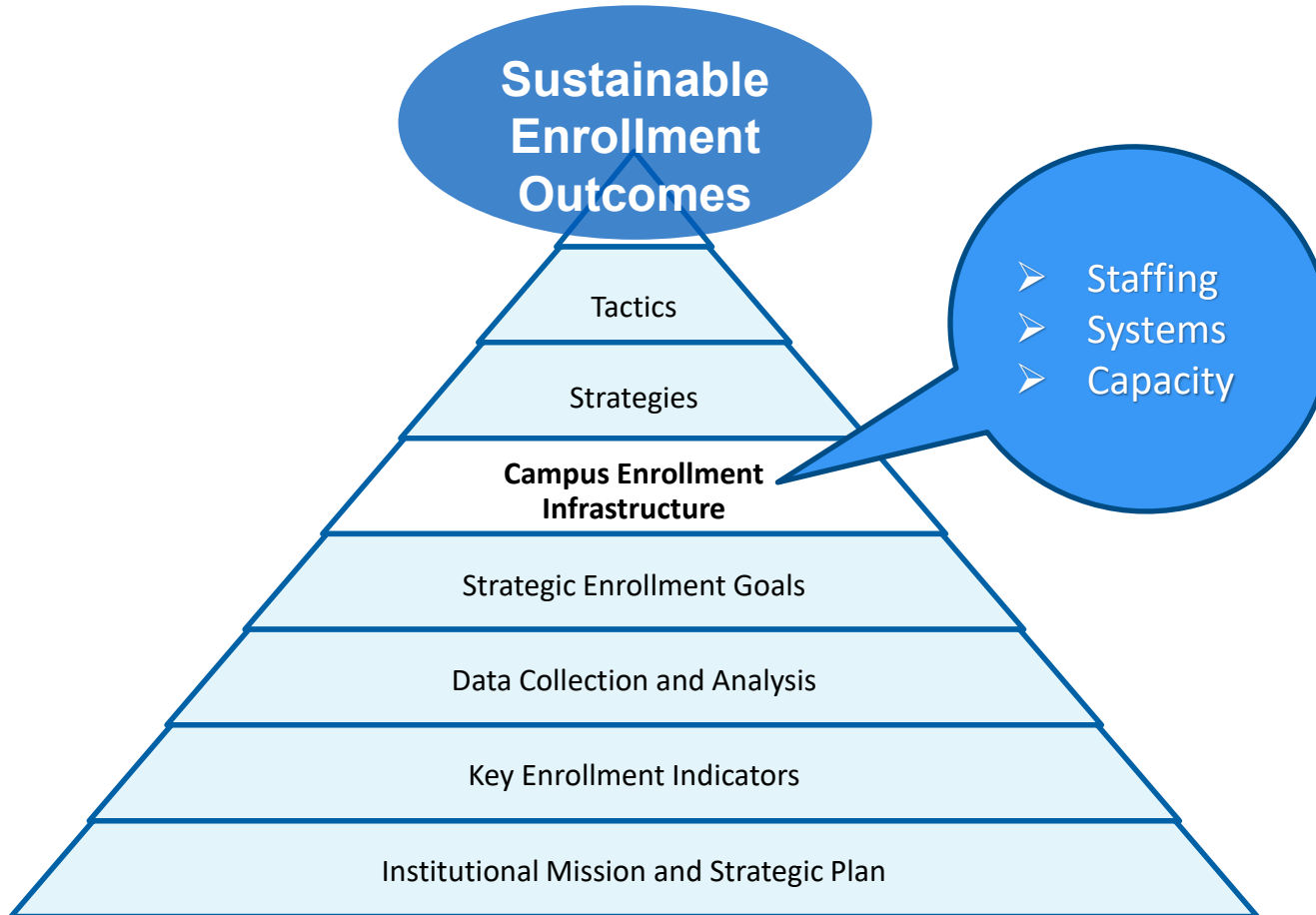
Bontrager and Green, 2012

Strategic Enrollment Management Planning Framework



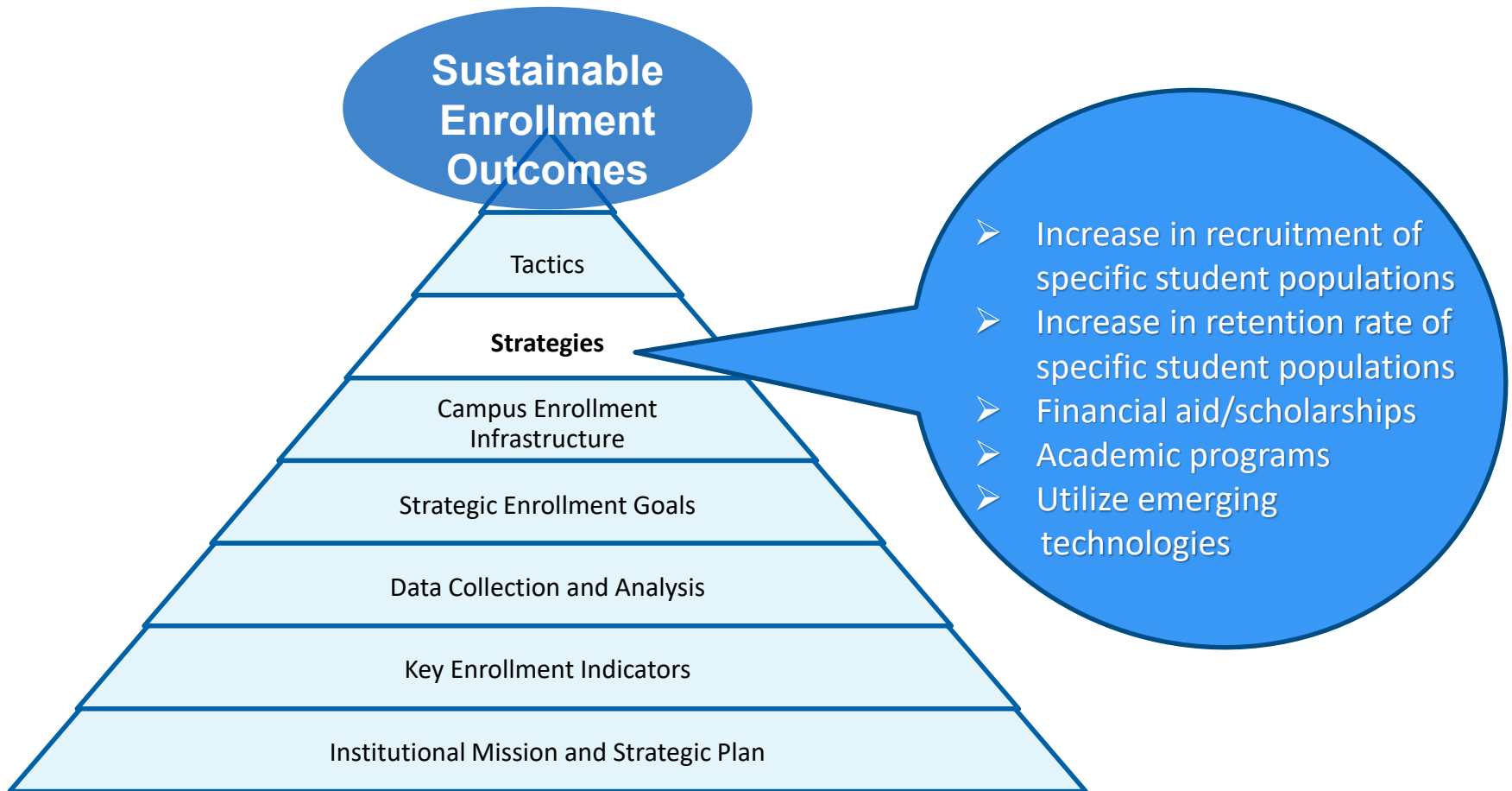
Bontrager and Green, 2012

Strategic Enrollment Management Planning Framework



Bontrager and Green, 2012

Strategic Enrollment Management Planning Framework



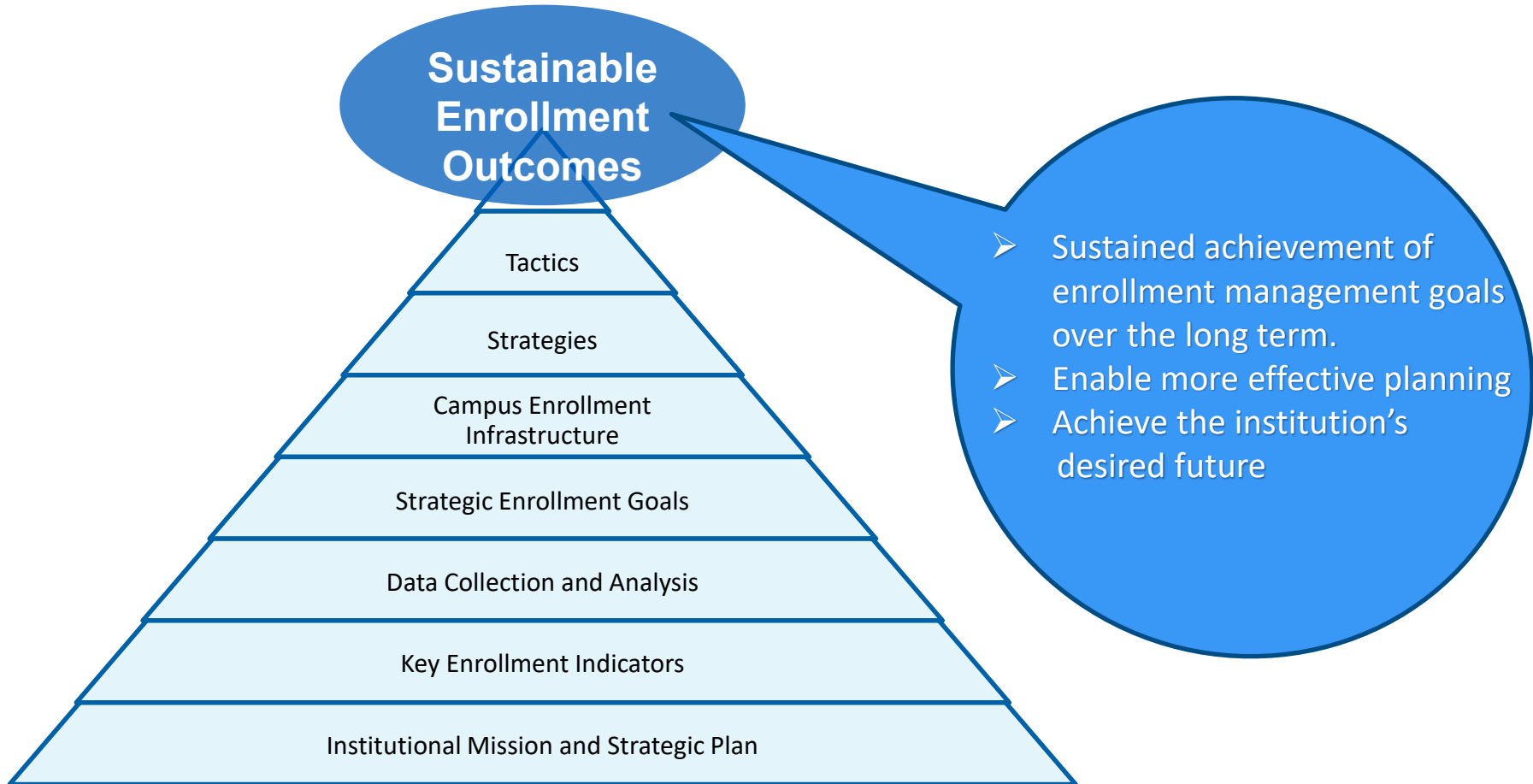
Bontrager and Green, 2012

Strategic Enrollment Management Planning Framework



Bontrager and Green, 2012

Strategic Enrollment Management Planning Framework



Bontrager and Green, 2012



ST. CLOUD STATE
U N I V E R S I T Y

Dr. Glenn Davis, Interim Dean of University College



Strategic Enrollment Management Structure

Who has the principle oversight of strategic enrollment management at your college or university?

A cross-functional strategic enrollment management committee

COLLEGE | UNIVERSITY

15

3

A specific department

COLLEGE | UNIVERSITY

2

1

A specific position

COLLEGE | UNIVERSITY

11

3

Not currently organized

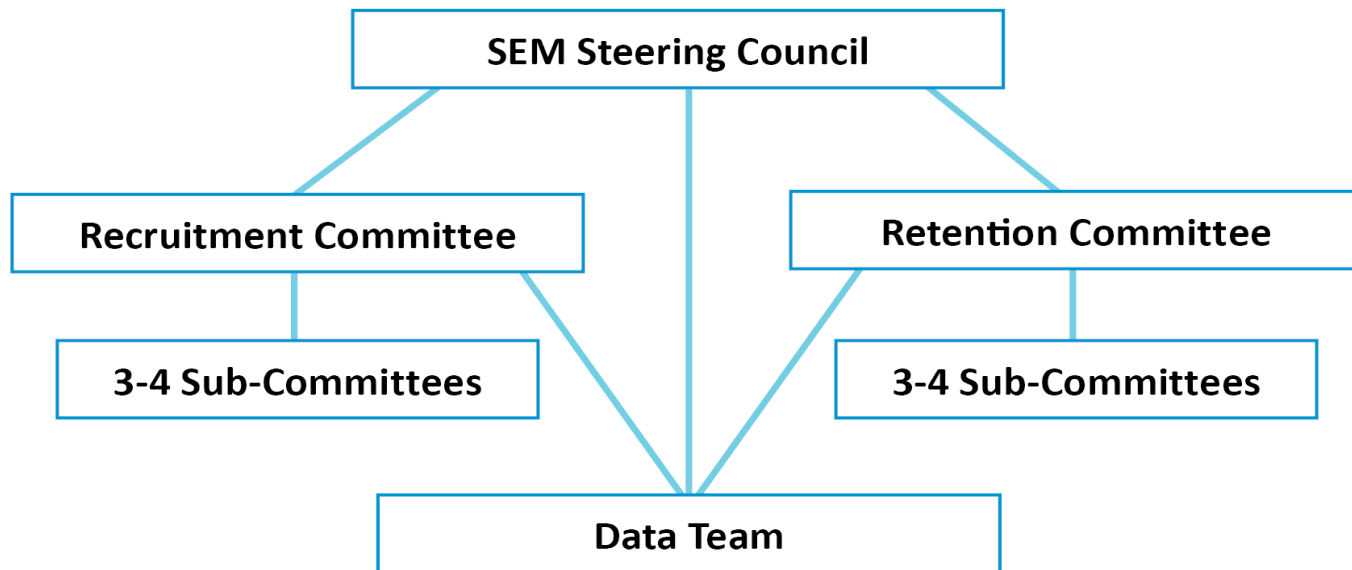
COLLEGE | UNIVERSITY

2

0



Strategic Enrollment Management Organizational Framework



Bontrager and Green, 2012



Hennepin Technical CollegeSM

Jessica Lauritsen, Interim Associate Vice Provost of
Enrollment and Student Affairs

Dr. Merrill Irving, Jr., President

Best “SEM” Practices at the Campus Level

1. Establish comprehensive student enrollment goals
2. Integrate strategic enrollment management principles and practices into campus academic, technology, facilities, and finance plans
3. Provide clear educational pathways, course offerings, and appropriate delivery methods, coupled with appropriate student support
4. Implement strategies that lead to equitable access and outcomes
5. Create a data-rich environment, and develop internal capacity to use data to inform decisions and to evaluate strategy impact
6. Increase collaboration across departments throughout the campus

Adapted from Bontrager and Pollack, 2009

Best “SEM” Practices at the System/Statewide Level

1. Review and approve institutional mission statements, and ensure that campus plans integrate strategic enrollment management principles and practices
2. Adopt systemwide policies that ensure equity in admissions, tuition and fees, academic programming, and academic and student support
3. Establish performance metrics and targets
4. Ensure that academic program approval and review processes align with workforce and community needs and provide equitable access
5. Identify, promote, and support the scaling of evidence-based *High Impact Practices* across the system
6. Facilitate and support the sharing of best practices across campuses
7. Identify and invest in systemwide technologies and data analysis infrastructure that support enrollment forecasting, improvement of student learning, and the evaluation of student success strategies



Enrollment Management Next Steps

1. Identify and create appropriate campus and system office leadership structures, as well as policy and practice guidance, in support of campus-based strategic enrollment management
2. Identify *High Impact Practices* for scaling across the system, and create the capacity and infrastructure needed to support that scaling
3. Identify and invest in systemwide technologies and data analysis infrastructure

Key Linkages: *Minnesota State initiatives*

- Equity by Design
- Guided learning pathways
- Transfer pathways
- Developmental education redesign
- Student basic needs
- Campus climate
- Online strategy
- Tuition strategy
- Open education resources
- Graduate education
- Credit for prior learning



Key Linkages: *National Issues and Trending Themes*

- The value and purpose of higher education
- Student success, enrollment, and changing student demographics
- Innovation and quality in curriculum, programming, services, and operations
- Campus climate
- Affordability and student debt
- Leadership and change



Strategic Questions

1. What additional questions should we be asking as we move forward in supporting enrollment management planning?
2. As we reimagine Minnesota State, are there other opportunities that the board sees for expanding our enrollment management practices?
3. Are there additional policy implications that we should consider as we further this work?



MINNESOTA STATE

Human Resources Committee
May 22, 2019
11:30 am
McCormick Room 4th 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 Joint Meeting of the Audit and Human Resources Committees of April 16, 2019 (pp. 1-5)**
2. **Minutes of April 17, 2019 (pp. 6-8)**
3. **Appointment of Vice Chancellor for Finance and Facilities (pp. 9-10)**

Committee Members:

Jay Cowles, Chair
Cheryl Tefer, Vice Chair
Alex Cirillo
Dawn Erlandson
Bob Hoffman
Roger Moe
Samson Williams

President Liaisons:

Ginny Arthur
Adenuga Atewologun

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
JOINT HUMAN RESOURCES / AUDIT COMMITTEES MEETING MINUTES
April 16, 2019**

Audit Committee Members Present: Trustees Michael Vekich, Jay Cowles, Alex Cirillo, Robert Hoffman, Jerry Janezich, Roger Moe, April Nishimura, George Soule, Cheryl Tefer, and Samson Williams.

Audit Committee Members Absent: Dawn Erlandson.

Other Trustees Present: Trustees Abdulrahmane Abdul-Aziz and Ashlyn Anderson.

The Minnesota State Colleges and Universities Audit Committee held its meeting on April 16, 2019, in the 4th Floor McCormick Room, 30 East 7th Street in St. Paul. Trustee Cowles called the meeting to order at 3:00 p.m.

1. HR-TSM Update

Mr. Eric Davis, Vice Chancellor for Human Resources, began by highlighting the progress that had been made since the January update. At that time, the HR-TSM plan had been assessed at a moderate risk. He stated that they have renewed their work collectively across the system to address risks identified by the internal audit report, and he reported that all of the campuses have fully implemented the new HR-TSM shared services model, and the risk profile has improved.

He pointed out that less than 1% of transactions resulted in an overpayment. While an overpayment is not inclusive of all errors that can take place, the process of notifying and collecting overpayments is disruptive and it undermines confidence. These types of errors are more visible in the service center now than they used to be, but they are not necessarily more frequent. He noted that as a community they were making focused efforts to monitor and correct errors when encountered and to address them at the root cause.

Mr. Davis stated considerable efforts have been made to increase training for human resources service center staff. They conducted 35 in person workshops and training sessions, and hosted 26 HR-TSM technology overview sessions at twenty-one different locations, which were attended by over 700 users.

Finally, Mr. Davis congratulated and thanked the project team and the campuses for the hard work that they had done to successfully migrate human resource transactions to the four service centers. He noted that it hadn't been without setbacks, and there was still plenty of work to be done, but considerable progress has been made, and big steps have been taken in realizing greater efficiency, reduced risk, and increased capacity for transformational human resources work on our campuses.

Mr. Eric Wion, Executive Director for Internal Auditing, reminded the committee that Internal Auditing first became engaged in HR-TSM in FY2018. They issued and discussed a report with the committees in May 2018. In that report a number of project risks were identified, as well as a number of recommendations for mitigation to assist the project in achieving its desired results. Subsequent to that report, Internal Auditing has continued its engagement in an effort to provide advice to the project team, while at the same time also providing an independent assessment of the project's progress to-date.

Mr. Wion introduced Ms. Christine Smith, Director with Baker Tilly. Ms. Smith agreed that significant progress has been made in a really relatively short period of time. Working in conjunction with the Human Resources Department, the project management team and the institutions, the timeline was reset and the new focus resulted in having transactions actually processed by service centers. The project is now moving into a stage where it can make corrections, do some of the cleanup that needs to take place, and then it can move into a phase of stabilization.

Mr. Davis highlighted the fact that the pilot groups have had their access changed to view only. They can no longer enter their transactions, they have to rely on the service centers. That change was made on April 3rd for the second group as well. Because of this, Mr. Davis stated that he was confident in telling the committees that we have fully transitioned to the service centers. Ms. Smith stated that the service centers came together with the institutions very quickly to figure out what needed to be fixed. The transition has been successful. Mr. Davis added that the campuses take tremendous pride in the accuracy, the timeliness and the quality of the transactions. They are highly invested.

Ms. Smith stated that previous updates put the plan at a moderate risk, but that they have moved to a minimal risk rating because the project is on target, trending toward being exactly where it needs to be as it moves toward completion. She further stated that, in making the transition, the Chief Human Resources Officers, the governance committee, the operations committee, and the system Human Resources department decided that the primary focus should be on getting people fully transitioned, so there were things that were set aside to be dealt with later. They are taking time to figure out the best way to approach complicated processes like progression increases, so that there is consistency while still meeting the needs of the institutions. Those are the areas that are not fully meeting the thresholds that were set at the beginning of the project, and are the reason the project is still yellow and not in the green.

Ms. Smith highlighted a couple key steps that were significant in proactively moving things forward since January. First, there has been enhanced stakeholder communications, which included weekly Chancellor reports and problem solving communications with the presidents that created an urgency around getting things figured out. Extensive training, including one on ones with HRIS staff helped create more consistency, trust and confidence

between the institutions in the service centers. And finally, serious consideration by the governance and operations team to work through figuring out the best way to determine best practices. Overpayments as well as underpayments can be key indicators of accuracy. There has been real effort focused on how to measure accuracy and how to fix the things that aren't working.

Ms. Smith compared the Phase 1 and 2 progress to plan metrics. Trends are moving in the right direction in terms of getting things processed the way that they were intended to work under a shared service type of a model.

Ms. Smith reviewed the service center performance and customer satisfaction survey results. The results were from the February survey and will serve as a baseline. As of February, there were too many responses that lacked confidence in the staff's knowledge and ability to assist. Another survey will be going out in May and we hope to see those responses trending more positively.

Four things have been done to address customer satisfaction. First has been service center training and collaboration to determine the best approaches to resolve variations in the processes. There has been enhanced auditing of service center staff work to determine what might not be working right and what kinds of training might help service center staff. There has been one on one training, and service center collaboration with the institutions to identify key issues that are causing concern or errors. Finally, standard communications templates have been developed, and clarity around what decisions have been made so that everybody is on the same playing field.

Ms. Smith stated that project stabilization continues to depend on service center performance, process standardization, consistent communication and finally full stabilization through rigorous project management and governance over the things that still need to be finished.

Trustee Hoffman asked if the leadership were as optimistic about the progress of the service center implementations. Mr. Davis stated that presidents still have some reservations because they are hearing some concerns from their Chief Human Resources Officers and from staff who are learning new processes during this transition, but there is a cautious optimism among leadership. He noted that presidents recognize that the transition has largely taken place and that staff are still getting into a rhythm and learning new things. Mr. Davis noted that they are working on how to identify and share best practices and incorporate them into the service centers, and then share them with one another.

Trustee Hoffman asked about the cost impact on the campuses. Mr. Davis stated that many institutions have a slightly larger bill for human resources transactions than they had two or three years ago. The service centers charge per head for human resources transactions,

and if the institutions hasn't made corresponding reductions, then they still have the same payroll costs in addition to the service center costs. However, Mr. Davis further stated that there were some creative things beginning to happening on campuses, and he added that as the process matures, presidents will recognize opportunity, either to repurpose existing human resources staff into other work roles, into shared work roles, or through attrition.

Trustee Nishimura agreed that removing transactional work affords the opportunity to elevate the value of those employees and the work that they do. She asked about the size of the sample base for the original survey. Ms. Smith stated they had surveyed about 120 people, so there had been about a 50% response.

Trustee Cowles asked how long the stabilization phase would run. Mr. Davis stated that he felt they had largely crossed that threshold with the scope of work in Phase Two. He stated that stabilization would involve documenting best practices, having those best practices accessible to people, and having uniform or standard use of technology and access. He added however that in that same window of time, they would also be beginning transition in payroll, which will also be somewhat disruptive as it will be introducing another change for campus staff. Mr. Davis added that they had really done the hard work first, and he anticipated that the transition of payroll would, at least mechanically, be the easiest part. He stated that his hope would be that five or six years from now the practice will be so natural and well-rehearsed that people will have largely forgotten our past model and would be surprised to learn that it had once been done independently on every campus.

Ms. Smith continued with recommendations for Phase 3 – Payroll. Ms. Smith stated that shared payroll is already occurring to some degree, however, to mitigate risks before full implementation, it will be important to identify and address any variances in practice early in the process. It will also be important to identifying key metrics for milestones and articulating those metrics quickly. Mr. Davis agreed and stated that all but 15 campuses currently have their payroll and reconciliation worked processed through a shared service model. He added that some institutions have asked about accelerating their transition rather than hiring a new payroll person, and they were are looking to facilitate that whenever possible. He did note that there needs to be sufficient enough workload to hire a full time equivalent to do that processing, so they try to get campuses to come on together as a cohort group.

Trustee Hoffman asked if the transactional system could accommodate uniqueness at individual campuses. Mr. Davis stated that he would be striving for a common set of business practices and procedures in the service centers, and to that end campuses would likely have to learn a new way of doing things. Attention will be paid to training staff as we go along. He noted that processing progression increases was an example where there have been mixed practices. He believed that they will be able to bring the work of processing increases into the service centers. Eligibility and timelines are largely defined and explicit in contracts. However, the centers should be able to accommodate campus preferences to

some degree. He offered an example where one campus might elect to complete performance appraisals and consider people's eligibility for performance increases around the end of the school year, whereas another might observe the practice of appraisals on or around the anniversary date of the employee. To the degree the contracts and processes are permissive, the system can accommodate that type of variance in practices among campuses.

Trustee Cowles asked Mr. Wion for the audit team's perspective on how the engagement has worked. Mr. Wion stated that they have had a great working relationship and it has been a very positive experience. He looks forward to the continued engagement.

Trustee Cowles asked when it would be appropriate for the committee to get another update. Ms. Smith stated that she anticipated coming back to the committees in the fall.

Trustee Vekich stated that he thought a lot of progress had taken place since the previous report. He thanked the team and all of the campuses for pulling hard to get this done. Trustee Cowles agreed and extended his appreciation to Associate Vice Chancellor Sue Appelquist and her team as well for their hard work to see this project through.

Finally Mr. Davis stated that he had visited a number of campuses and two of the service centers. He stated that the staff at those sites take such pride in their work. They are so proud to be in service to our campuses. They are eager for training, they are eager for the standard process book, and they do not want to disappoint. Mr. Davis stated that they would have a good presentation for the committees in the fall and suggested that it might be good to bring some of those managers to that meeting so that Trustees could meet them in person. Trustee Cowles agreed and suggested it might be helpful to also invite a couple presidents to represent their perspective as well.

The meeting adjourned at 3:42 p.m.
Respectfully submitted by Darla Constable

**Minnesota State Board of Trustees
Human Resources Committee Meeting Minutes
McCormick Room
April 17, 2019**

Committee members present: Jay Cowles, Chair; Cheryl Tefer, Vice Chair

Trustees: Alex Cirillo, Dawn Erlandson, Bob Hoffman, Roger Moe.

Committee members absent: Sampson Williams

Other Leadership Council: Devinder Malhotra; Chancellor and Eric Davis, Vice Chancellor for Human Resources.

Committee Chair Jay Cowles called the meeting to order at 9:18 am

1. Approval of the March 20, 2019 Committee Meeting Minutes:

Trustee Cowles announced a quorum and called for a motion to approve the March 20, 2019, Human Resources Committee meeting minutes. Trustee Cirillo and Erlandson seconded the motion. The minutes were approved.

2. Emeriti Recognition

Pursuant to Board Policy 4.8, Emeritus Status, Chancellor Malhotra presented his recommendation to confer presidential emeritus status upon the following presidents, who have served as presidents in good standing and retired in 2017 and 2018 respectively. The three presidents recognized; Larry Anderson who served as president of Fond du Lac Tribal and Community College from 2009 -2018 and as interim president from 2008-2009. Joyce Helens served as president of St. Cloud Technical and Community College from 2006-2017 and as interim president of Rochester Community and Technical College for six months in 2016 and Peggy Kennedy who served as president of Minnesota State Community and Technical College from 2011 to 2018 and as interim president from 2011 to 2012.

The Human Resources Committee recommended that the Board of Trustees adopt the following motion:

Upon the recommendation of Chancellor Malhotra, and in recognition that they have served with great distinction, the Board of Trustees hereby confers the honorary title of President Emeritus upon Larry Anderson, Fond du Lac Tribal and Community College, Joyce Helens, St. Cloud Technical and Community College and Peggy Kennedy, Minnesota State Community and Technical College.

The motion passed without dissent.

3. Appointment of President of Alexandria Technical and Community College.

Chancellor Devinder Malhotra addressed the Board of Trustees thanking Dr. Laura Urban in finishing her fifth year as President of Alexandria Technical and Community College. The chancellor stated, it is evident that she has done an outstanding job building strong fundamentals which provide a great foundation for the incoming president to take Alexandria Technical and Community College to the next level. Dr. Urban has built strong relations with the community and has the ability to get the full attention of internal stakeholders. It is because of her leadership that ATCC is well poised to secure its future.

A national search for the presidency of ATCC with the assistance of the executive search firm Cizek Associates, Inc. began in the fall of 2018. Their search yielded a diverse pool of 41 applicants. Eight candidates were chosen to participate in preliminary interviews. Three finalists participated in public interviews at the campus. Reference and background checks were completed. In addition, Chancellor Malhotra, members of the cabinet and Trustees Cowles, Erlandson and Moe interviewed with the finalists.

Chancellor Malhotra recommended to the board the appointment of Michael Seymour to be the next president of Alexandria Technical and Community College.

Chancellor Malhotra provided a comprehensive review of Mr. Seymour's 30 year career serving higher education in various capacities, primarily in multiple 2 year colleges within Minnesota State and the University of Minnesota Duluth. Mr. Seymour currently serves as vice president of academic and student affairs at Lake Superior College where he leads academic, enrollment, athletics, student service and workforce initiatives. The chancellor quoted a reference statement from Gregory Latterell, MSCF Chapter President, who said it is rare that a candidate in this position receives such overwhelming support from all constituencies across the college. Many more references read, noted Mr. Seymour's successful ability to build relationships, collaborate and lead.

The Chancellor stated that Mr. Seymour is well prepared for the transition to the presidency, having the expertise and leadership traits needed to assume the role. He understands that each institution has its own cultural and locational context and how vital it is to engage with all members of the ATCC community to understand their aspirations. He will lead by strategically positioning the institution so that the college can accomplish the embedded goals within the shared aspirational vision.

Chair Cowles thanked the chancellor and motioned to adopt the recommendation. Trustees Moe, Cirillo and Teffer each seconded the motion. Chair Cowles concurred and stated that this recommendation is a great example of the development opportunities that exist within the system and the committee will be delighted to forward this recommendation.

Chair Cowles read the recommendation.

The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoints Michael Seymour as President of Alexandria Technical and Community College effective July 1, 2019, 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.

The motion was carried unanimously.

The meeting adjourned at 9:36 am
Name of Recorder: Tamara Mansun

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Human Resources Committee

Date: May 22, 2019

Title: Appointment of Vice Chancellor for Finance and Facilities

Purpose (check one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input checked="" type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input type="checkbox"/> Information | |

Brief Description:

It is anticipated that Chancellor Malhotra will recommend an individual to appoint as Vice Chancellor for Finance and Facilities.

Scheduled Presenter: Devinder Malhotra, Chancellor
Eric Davis, Vice Chancellor for Human Resources

**MINNESOTA STATE
BOARD OF TRUSTEES**

ACTION SHEET

APPOINTMENT OF VICE CHANCELLOR FOR FINANCE AND FACILITIES

BACKGROUND

It is anticipated that Chancellor Malhotra will recommend an individual to appoint as Vice Chancellor for Finance and Facilities.

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 Vice Chancellor for Finance and Facilities, effective July 1, 2019, 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: May 22, 2019

Date of Implementation: July 1, 2019



Board of Trustees Meeting

Minnesota State
McCormick Room
Wednesday, May 22, 2019
1:00 PM

In addition to the board members attending in person, some members may participate by telephone.

Call to Order, Michael Vekich, Chair

Chair's Report, Michael Vekich

1. Revised FY2020 and Proposed FY2021 Board Meeting Dates (First Reading)
2. Update on Reimagining Minnesota State

Chancellor's Report, Devinder Malhotra

Consent Agenda

- 1. Minutes of Board of Trustees, April 17, 2019**
- 2. Minutes of the Executive Committee, May 1, 2019**
- 3. Contracts Exceeding \$1 Million**
 - a. Lease Agreement: Lake Superior College**
 - b. Construction Agreement: Richards Hall Updating, Winona State University**
 - c. Lease Agreement: Minnesota State University, Mankato**
 - d. Purchasing Card Agreement**
 - e. Zoom for Education Video Conferencing System**

Board Policy Decisions (Second Readings)

Proposed Amendments to Policies:

- a. 3.18 Honorary Degrees**
- b. 3.31 Graduate Follow-up System**
- c. 3.40 Recognition of Veteran Status**

Board Standing Committee Reports

Human Resources Committee, Jay Cowles, Chair

- **Appointment of Vice Chancellor of Finance and Facilities**

Facilities Committee, Jerry Janezich, Chair

- FY2020 Capital Program Recommendations (First Reading)



Finance Committee, Roger Moe, Chair

1. 2019 Session Results Update
2. FY2020 Operating Budget (First Reading)
3. NextGen Phase 1 Including Finance Plan
4. FY2020 Capital Program Recommendations (First Reading)
5. Revenue Fund Current Refunding Bond Sale (First Reading)
6. Students United Fee Renewal (First Reading)
7. Procurement Program Annual Report and Redesign Update

Academic and Student Affairs Committee, Alex Cirillo, Chair

1. Proposed Amendments to Policies (First Readings):
 - a. 2.3 Student Involvement in Decision-Making
 - b. 3.8 Student Complaints and Grievances
 - c. 3.36 Academic Programs
2. Student Experience and Engagement Through the Lens of Strategic Enrollment Management

Student Associations

1. Lead MN
2. Students United

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

Trustee Reports

Other Business

Adjournment

Bolded items indicate action is required

MINNESOTA STATE
BOARD OF TRUSTEES

BOARD ACTION – FIRST READING

REVISED FY2020 AND PROPOSED FY2021 BOARD MEETING DATES

1 **BACKGROUND**

2 On May 1, 2019, the Executive Committee reviewed the revised FY2020 and proposed FY2021
3 board meeting dates. The meeting dates are shown on Attachment A. The Board of Trustees
4 will approve the meeting dates at their annual meeting on June 19, 2019. Once the calendars
5 are approved, changes to the calendar can be made with the approval of the board chair. Any
6 changes to the calendar will be publicly noticed.

7
8 The meeting days are typically two-days on the third Tuesday and Wednesday on the months in
9 which the board is meeting. If the agendas require less time, one of the days will be cancelled.
10 No meetings are scheduled in August, December, and February.

11
12 Three off-site meetings are scheduled during FY2020: A joint meeting of the Board of Trustees
13 and the Leadership Council at Hibbing Community College on July 23 and 24, 2019; the board's
14 retreat will be at Madden's on Gull Lake in Brainerd on September 17 and 18, 2019; and a
15 board meeting at Bemidji State University on November 19 and 20, 2019.

16
17
18
19 **RECOMMENDED BOARD MOTION**

20 **The Board of Trustees approves the revised FY2020 and proposed FY2021 meeting dates as**
21 **shown on Attachment A.**

22
23 *Date of Implementation: July 1, 2019*

Revised FY2020 and Proposed FY2021 Board Meeting Dates

The revised FY2020 and proposed FY2021 meeting dates are listed below. The calendar is subject to change. Changes to the calendar will be publicly noticed.

Revised FY2020 Meeting Calendar

Meeting	Date	If agendas require less time, these dates will be cancelled.
Board Meeting/Combined meeting with Leadership Council <i>Hibbing Community College</i>	July 23-24, 2019	July 24, 2019
Board Retreat	September 17-18, 2019	
Executive Committee	October 2, 2019	
Committee / Board Meetings Combined meeting with Leadership Council on October 15	October 15-16, 2019 <i>ACCT Leadership Congress, October 16-19, San Francisco</i>	October 16, 2019
Executive Committee	November 6, 2019	
Committee / Board Meetings <i>Bemidji State University and Northwest Technical College</i>	November 19-20, 2019	November 19, 2019
No December meeting		
Executive Committee	January 8, 2020	
Committee / Board Meetings Combined meeting with Leadership Council on January 28	January 28-29, 2020	
No February meeting	<i>ACCT National Legislative Summit, Feb. 9-12, Washington, D.C.</i>	
Executive Committee	March 4, 2020	
Committee / Board Meetings	March 17-18, 2020	March 17, 2020

Meeting	Date	If agendas require less time, these dates will be cancelled.
Executive Committee	April 1, 2020	
Committee / Board Meetings Awards for Excellence in Teaching	April 21-22, 2020 <i>AGB National Conference April 5-7, Washington, D.C.</i>	
Executive Committee	May 6, 2020	
Committee / Board Meetings	May 19-20, 2020	May 19, 2020
Committee / Annual Board Meetings	June 16-17, 2020	June 16, 2020

Proposed FY2021 Meeting Calendar

Board Meeting/Combined meeting with Leadership Council	July 21-22, 2020	July 22, 2020
Orientation for new trustees	<i>August or after governor makes the appointments</i>	
Executive Committee	September 2, 2020	
Board Retreat	September 15-16, 2020	
Executive Committee	October 7, 2020	
Committee / Board Meetings	October 20-21, 2020 <i>ACCT Leadership Congress Sept. 30-Oct. 3, Chicago</i>	October 21, 2020
Executive Committee	November 3, 2020	
Committee / Board Meetings	November 17-18, 2020	
No December meeting		
Executive Committee	?	
Committee / Board Meetings	January 26-27, 2021	

Combined meeting with Leadership Council		
No February meeting	<i>ACCT National Legislative Summit, Feb. 7-10, Washington, D.C.</i>	
Executive Committee	March 3, 2021	
Committee / Board Meetings	March 16-17, 2021	March 16, 2021
Executive Committee	April 7, 2021	
Committee / Board Meetings	April 20-21, 2021 <i>AGB National Conference, Apr. 11-13, San Diego</i>	April 20, 2021
Executive Committee	May 5, 2021	
Committee / Board Meetings	May 18-19, 2021	May 18, 2021
Executive Committee	June 2, 2021	
Committee / Annual Board Meetings	June 15-16, 2021	June 15, 2021

National Higher Education Conferences:

AGB National Conference	April 14-16, 2019, Orlando
ACCT Leadership Congress:	October 16-19, 2019, San Francisco
ACCT National Legislative Summit:	February 9-12, 2020, Washington, DC
AGB National Conference:	April 5-7, 2020, Washington, DC
ACCT Leadership Congress:	September 30-Oct. 3, 2020, Chicago
ACCT National Legislative Summit:	February 7-10, 2021, Washington, DC.
AGB National Conference:	April 11-13, 2021, San Diego
ACCT Leadership Congress:	October 13-16, 2021, San Diego
ACCT National Legislative Summit:	February 2022 (dates not posted)
AGB National Conference:	April 10-12, 2022, Orlando

AGB is the Association of Governing Boards of Universities and College
ACCT is the Association of Community College Trustees



MINNESOTA STATE

Board of Trustees

30 East 7th Street
St. Paul, MN 55101

651-201-1705

Board of Trustees Meeting

Minnesota State

McCormick Room

Wednesday, May 22, 2019

1:00 PM

Consent Agenda

- 1. Minutes of Board of Trustees, April 17, 2019 (pp 1-8)**
- 2. Minutes of the Executive Committee, May 1, 2019 (pp. 9-12)**
- 3. Contracts Exceeding \$1 Million (pp. 8-13 of the Finance Committee meeting materials)**
 - a. Lease Agreement: Lake Superior College**
 - b. Construction Agreement: Richards Hall Updating, Winona State University**
 - c. Lease Agreement: Minnesota State University, Mankato**
 - d. Purchasing Card Agreement**
 - e. Zoom for Education Video Conferencing System**



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

**MINNESOTA STATE BOARD OF TRUSTEES
EXECUTIVE COMMITTEE MEETING MINUTES
MAY 1, 2019**

Executive Committee Members Present: Chair Michael Vekich, Vice Chair Jay Cowles, Treasurer Roger Moe, Trustees Alex Cirillo, Dawn Erlandson, Louise Sundin, Cheryl Tefer, and Chancellor Devinder Malhotra

Other Trustees Present: Ashlyn Anderson

Convene and Call to Order

Chair Michael Vekich called the meeting to order at 8:00 am and acknowledged Trustees Dawn Erlandson and Ashlyn Anderson who were participating in the meeting by phone.

Chair's Updates:

Chair Vekich announced the locations for three off-site meetings in FY2020:

- A joint meeting of the Board of Trustees and the Leadership Council at Hibbing Community College on July 23 and 24, 2019.
- The board's retreat will be held at Madden's on Gull Lake in Brainerd on September 17 and 18, 2019. The schedule for the retreat will include a tour of Central Lakes College in Brainerd.
- The board will meet at Bemidji State University on November 19 and 20, 2019. A tour of Northwest Technical College will be scheduled during the meeting.

The board will receive the report on Phase One of Reimagining Minnesota State at the June meeting. The September retreat will focus heavily on the report and the work that will emerge.

Chancellor's Updates:

Chancellor Malhotra explained that feedback on the information learned from the Forums on Reimagining Minnesota State is being collected and will be included in the final report that the board will receive in June. Presidents are seeking feedback from their constituents on the last convening on innovation and there was a discussion on Reimagining Minnesota State at the last Leadership Council meeting. He has met with the Inter Faculty Organization, Minnesota State College Faculty, and the Minnesota State University Association of Administrative and Service Faculty to collect their feedback. In addition, the statewide student associations are also providing their feedback.

Chancellor Malhotra has been invited to participate on a panel discussion at the State Higher Education Executive Officers Association (SHEEO) annual meeting in July, titled re-envisioning public higher education. SHEEO convenes higher education executives from across the country. Minnesota's three representatives are Minnesota State, the Office of Higher Education, and the University of Minnesota. The questions for the panelists will be similar to the questions we

asked of ourselves. While this conversation has taken a national context, our project is probably the most comprehensive as it is focused holistically on the role of board governance and the role of the system or central office in how we can reimagine our work to empower our institutions to be more creative and live up to their promise.

The Chancellor and Senior Vice Chancellor Ron Anderson will attend the SHEEO Policy Conference in August to present on Reimagining Minnesota State.

Legislative Update

Chancellor Malhotra reported that the Minnesota House version of the Higher Education bill is historic in its support. There are major concerns with the Senate bill both in terms of overall budget and policy language particularly relating to online tuition. Our presidents have been actively engaged with their legislators informing them of how their actions will impact their college or university. The government relations team met with the governor's staff this week and shared our concerns with them. Chancellor Malhotra is meeting with the Office of Higher Education Commissioner Dennis Olson today and hopefully he will be an ally as we go into conference committee. Director Bernie Omann and Vice Chancellor Laura King responded to questions related to the legislative session.

Search Update

Chancellor Malhotra reported that the search for the vice chancellor for finance and facilities netted a strong and diverse pool. Nine candidates were interviewed. Chancellor Malhotra thanked President Pat Johns, Lake Superior College, who chaired the search advisory committee, and he also thanked each and every member of the committee. The finalists will be announced on Friday, May 3, and the system office interviews are on May 7. Trustees Erlandson, Moe, and Vekich will interview the finalists. Also on May 7, there will be open public forums for system office interviews of the finalists, as well. Vice Chancellor Eric Davis responded to follow-up questions.

Revised FY2020 and Proposed FY2021 Meeting Calendars

Chair Vekich reviewed the revised FY2020 and Proposed FY2021 meeting calendars. The committee and board meetings are typically on the third Tuesday and Wednesday in the months when there are meetings. Three joint meetings with the Leadership Council are scheduled in July, October, and January.

The calendars will be presented for a first reading at the board meeting on May 22, with a second reading and approval at the June 19 meeting.

Proposed FY2020 Board Operating Budget

Trustee Moe, treasurer, reviewed the proposed FY2020 Board Operating Budget. As of April 24, 2019, the board has spent \$154,063 or about 61 percent of its budget. Projected expenses through June 30, the end of the fiscal year, are about \$189,000, or 74 percent of the budget. By the end of the fiscal year, the board will have had 23 meeting days. Trustees also attended numerous campus events, including fall and spring commencement ceremonies; events

sponsored by Students United, LeadMN, Nellie Stone Johnson Scholarship; in addition to national higher education conferences sponsored by the Association of Community College Trustees and the Association of Governing Boards.

The planning assumptions in developing the FY2020 budget included:

- Three joint meetings with the Leadership Council: July, October, and January.
- Two-day retreat in September.
- Committee and board meetings in October, November, January, March, April, May, and June.
- Board self-evaluation.
- Three or more meetings on a campus.
- Registrations for up to five trustees to attend the Association of Community College Trustees Annual Congress in October. Trustee Erlandson will become the chair of the Association of Community College's Board of Directors at the conclusion of the annual congress in October.
- Up to three trustees to attend the Association of Community College Trustees National Legislative Summit in February, and the Association of Governing Boards Conference on Trusteeship in April.
- Social events.

Trustee Moe made the following motion. It was seconded by Trustee Cirillo and carried unanimously:

The Executive Committee approves the FY2020 Board Operating Budget of \$245,500 and refers it to the Finance Committee to be included in the overall FY2020 budget that will be presented to the Board of Trustees for a first reading in May and approval in June.

Employer Partnership Marketing Campaign:

Chief Marketing and Communications Officer Noelle Hawton gave a presentation on Minnesota State's spring marketing campaign that includes videos and radio ads. The digital ads will run through June. The trustees were enthusiastic after viewing a sampling of the videos. In all, there are seven partnership videos and seven alumni success videos. The videos can either be full-length, or made into three or ten-second slots. The plans are to shoot three or four more videos in the coming year.

Other:

Kevin Lindstrom, president, Minnesota State College Faculty organization, addressed the committee. He explained that due to schedule conflicts he will miss the May and June board meetings. President Lindstrom thanked the trustees for the opportunity to get to know them and work with them during his tenure. He has been the president for the past six years, and before that was the vice president for four years. He will be going on a sabbatical this year.

He introduced Vice President Matt Williams, who will become the new president. President Lindstrom reflected on how much the MSCF organization and the classroom have changed over the years, but MSCF's core values have been consistent.

Chair Vekich, Chancellor Malhotra, and several trustees thanked President Lindstrom for his service.

Adjourn

The meeting adjourned at 9:30 am.

Minnesota State Colleges and Universities

Board of Trustees

St. Paul, MN

April 17, 2019

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

Absent: Trustees Rudy Rodriguez and Samson Williams

Call to Order

Chair Vekich called the meeting to order at 9:30 am and announced that a quorum was present.

Chair's Report, Michael Vekich

Report of the Chancellor Performance Review Committee

Chair Vekich gave the following report:

I am pleased to share with you the results of the April 11, 2019 Closed Session on Chancellor Malhotra's evaluation. But first, I would like to recognize the members of the Chancellor Performance Review Committee: Vice Chair Jay Cowles, Trustees Dawn Erlandson, Bob Hoffman, and myself. Thank you for your leadership and commitment to this work.

The evaluation committee met with the chancellor on November 19th, March 19th, and most recently on April 11th. During those meetings, the chancellor shared the system level workplan and provided a progress report on those activities on April 11th. In addition, we discussed with the chancellor his long-term vision for Minnesota State.

Chancellor Malhotra has focused his efforts on building a solid foundation of trust with students, faculty, staff, presidents, and the trustees. He has encouraged open communication between the board and our presidents. He has brought a renewed focus to student success, and he has reaffirmed our commitment to diversity, equity, and inclusion.

Chancellor Malhotra started a series of Partnership Tours across the state bringing together business leaders, legislators, and others to get a better sense of Minnesota's workforce needs on a regional basis.

Therefore, it is my recommendation of the committee to the board to extend Chancellor Malhotra's employment contract.

Chancellor Malhotra has proven himself in this position to be a gifted, inspirational, and effective leader. The process we have begun under the *Reimagining Minnesota State* initiative requires the kind of thoughtful and bold leadership that Chancellor Malhotra provides, and this extension will enable us to benefit from the continuity of his leadership

over the next several years as the faculty, staff, and leaders of Minnesota State work together to shape the future of higher education in Minnesota.

Extension of Chancellor Devinder Malhotra's Contract

Chair Vekich read the following motion:

The Board of Trustees authorizes the board chair to renegotiate and execute an amendment to the Employment Agreement with the Chancellor Malhotra to:

- 1. Extend his employment agreement for a period of 2 years beyond its current end date of July 31, 2021. The new end date will be July 31, 2023.*
- 2. Make modifications or amendments needed to implement the authorized changes.*

The motion was moved by Trustee Bob Hoffman and seconded by Vice Chair Jay Cowles and carried unanimously.

Chancellor Malhotra's

I am grateful for the support and confidence that the board has shown in me and my continued support for our work. I remain enthusiastic and am honored to continue this work serving students, faculty, and staff and delivering on our unique value proposition to the State of Minnesota and that all of our students may benefit from high quality education that positions them, their families, and communities for future success.

My decision to take on the chancellor's role initially was not made lightly, and neither was the decision to commit to 2023. I had to do a lot of convincing of my board of one at home. I want to sincerely thank my wife, Laura, and my family for their continuing support and their endorsement and excitement of my professional endeavors and for continuing to remind me that I am indeed a complete failure at retirement.

Yesterday's presentation by Minneapolis College and Minnesota State Community and Technical College and their partners demonstrated the profound work that they are doing in changing lives. Today's presentation on the Bell Program by Northeast Higher Education District and Minnesota State University, Mankato indeed pointed out the creativity and innovation and the transformative work which occurs on our colleges and universities each and every day. It demonstrates the value proposition of us being organized as 37 vibrant institutions as a network of interdependent and interwoven institutions. This type of work is happening in all of our campuses in every part of Minnesota.

Take the stories of Saed and James yesterday. Their stories as students reflect the work that together faculty, staff, and administrators do every day. This is what inspires me to continue to be part of this journey. This is what makes it so difficult to walk away.

I have spent my share of time in the classroom and in leadership levels here in Minnesota State colleges and universities and in three other states. I know the difference we can make

in the lives of our students and the synergy we provide to the communities we serve. My professional life's work has always been in the arena of public higher education and I know that we sit on the edge of a critical opportunity to lead the change in higher education that is grounded in the three guiding principles of student success, diversity, equity, and inclusion, and programmatic and financial sustainability.

In the last year or so, we have engaged in what I call "crowdsourcing of ideas" to reimagine Minnesota State and to start a conversation as to how together, through our collective work, we will strategically reposition ourselves to secure our future and to live in to the innate promise we offer to the citizens of Minnesota. That is the reason Chair Vekich and Vice Chair Cowles why I am excited to continue working with my presidential colleagues, system office colleagues, and the faculty and staff at all of our colleges and universities as to how we can grow together to secure our collective future.

With that, I thank you Chair Vekich, Vice Chair Cowles, and members of the board and indeed the broader Minnesota community for the continuing support and engagement you have provided me in my work and for being indulgent when I fall flat on my face for not telling me "I told you so." Thank you very much.

Chair Vekich thanked Chancellor Malhotra and commented that the board looks forward to working with him over the next several years.

Update on Reimagining Minnesota State

Dr. Lisa Foss, the chancellor's fellow, who has been staffing the work of Reimagining Minnesota State, gave an update on the project. The Reimagining project reached an important milestone earlier this month with the hosting of the fifth and final forum session at Metropolitan State University on April 4, 2019. The topic was on innovation and approaches to inspire collaborative multi-institution innovation aimed at making progress on shared goals. About 175 people attended the event, both online and in person. This concluded the information gathering phase of the Reimagining Project.

The Emerging Themes Report was shared with the Board of Trustees, presidents, faculty, students, and staff prior to the March 20 board meeting. The report is a summary of what was gleaned from the first four forums. The report was also distributed to all employees and posted on the Reimagining Website. The Emerging Themes Report synthesized what was learned about the future of higher education from the speakers, the research, comments, and the Forum Advisory Group and those that attended the sessions. The report was also organized around the three big questions that has been driving this work since its beginning:

- What is Minnesota State's unique value proposition to the State of Minnesota?
- How do we leverage our systemness to the benefit of all of our students and our state?
- How does Minnesota State foster a culture of innovation, collaboration, and partnership as we share responsibility for the achievement of our key goals?

The Emerging Themes Report is not the first draft of the final report. It is a platform for the next set of conversations. Opportunities were created for different stakeholder groups to engage in conversations. Chair Vekich has asked Dr. Foss and her colleague Dr. Terry MacTaggart to speak with each board member so that they also have the opportunity to provide their thoughts and ideas that will shape the final report.

Dr. Foss thanked Students United and LeadMN who provided times during their delegate assemblies for an opportunity for their student leaders to shape our thinking. She gave a special thank you to Paul Shepherd, system director for student development and success for attending a delegate assembly in her stead. Students were engaged in a thought experiment and asked them how they would design their institution for students who would attend in 2030. Students provided a very unique and important perspective. Chancellor Malhotra is meeting with the bargaining units to provide them with an opportunity to dialogue around the three big questions. Earlier this month, the Leadership Council engaged in small group conversations on the Emerging Themes Report. Presidents are engaging their campuses in similar conversations and will share their results of the campus-based discussions before the end of the month. Finally, the Minnesota State community has been asked for their thoughts using the same discussion questions. To date there have been about 160 responses. The deadline for completing the survey is the end of April.

Over the next few weeks, Dr. Foss and Dr. MacTaggart will assemble the various ideas, comments, and observations received from the various stakeholder groups and campus feedback and turn it into a report that will be shared at the board meeting in June. In addition, Dr. Foss shared that the work on Reimagining is starting to get a bit of national attention. The system has been invited to present on Reimagining at the State Higher Education Executive Officers (SHEEO) Policy Conference in August and Chair Vekich has been invited to write a column for the June issue of the Association of Governing Boards (AGB) magazine.

Chancellor's Report, Devinder Malhotra

Reimagining Minnesota State

Thank you Chair Vekich, Vice Chair Cowles, and members of the board. First of all, I want to thank Lisa Foss, Terry MacTaggart, and the rest of the Minnesota State community for engaging with us over the last year or so as the Forum unfolded. As it was pointed out, two weeks ago, we held the last of the five Reimagining forums. Again, my sincere gratitude to all those who participated in the forums, sent feedback, questions, and concerns, and most importantly, I want to thank the faculty and staff for the dialogue that we have had this year.

At the onset of this effort, I stressed that we were in an information gathering mode and that this was going to be a journey. The Forum report that will be shared with the board in June will be the culmination of what we learned this year but will not be an end in of itself.

What I have found enlightening about the efforts this year is that in many ways, the information that has emerged not only has the potential to spawn great ideas but has reaffirmed the good work that is going on in our colleges and universities.

Please remember as we enter into the next phase of our work together, it has no end. The next phase of our work will take the lessons learned from this past year and as a collective, we will determine where we need to go and how to get there to ensure that our colleges and universities are positioned to help our students succeed and to provide Minnesota the talent it needs.

Legislative Update

Chair Vekich, I also want to thank you and the board members for your support during this session. Your presence is sincerely appreciated at the committee hearings and at events such as Minnesota State Day at the Capitol which continues to show your unwavering commitment to our students, faculty, staff, and legislators.

The dialogue with Governor Walz and the legislators has been robust and respectful and we appreciate the opportunities that we have been afforded by the higher education committees and look forward to our continuing engagement with them during the rest of the session. The legislative request approved by the Board of Trustees has been well received and has the appropriate attention in the legislative process. While a lot of negotiations are yet to come, it is fair to say that our priorities are still in the mix as the bills move to the conference committee. There are significant differences between the proposals in the House, Senate and Governor's office, and it is evident to me that the level of funding we receive will crucially hinge on the potential revenue increase that will be debated during the legislative process.

As I look at the three proposals, it would be great if we could just pick the favorite Minnesota State position inside each of those three bills. We would have a banner year but, alas, even this economist knows that's mere wishful thinking because we all know that is not how the legislative process works. Since we were last together we are closer to seeing how we are positioned for final negotiations.

- The Governor added \$13 million to his recommendation for Minnesota State in his revised budget just a few weeks ago
- The Senate, with their position of limited growth in new revenue, has added \$100 million in new money for higher education, and
- The House target for higher education has provided historic funding levels to Minnesota State.

We remain very concerned with some of the proposed mandates in the higher education bills that will put a significant burden on our campuses. However, it is important that we get that message across in the next few weeks. Yesterday we convened a call with presidents

and the advocacy leads at each campus to make sure that we strengthen and coordinate our message to the legislature. It is important that legislators know from our presidents the impact of different legislative proposals on the districts and the communities in which our colleges and universities are located.

With your guidance and partnership Chair Vekich, Vice Chair Cowles and members of the board, we will continue to advocate on behalf of our students, faculty, and staff in the final weeks of the session.

Consent Agenda

- 1. Minutes of Committee of the Whole, March 19, 2019**
- 2. Minutes of the Board of Trustees, March 20, 2019**
- 3. Contract Exceeding \$1 Million: Winona State University, Laird Norton Renovations, Football Stadium Upgrades**
- 4. Contracts Exceeding \$1 Million**
 - a. College Source uAchieve Planner**
 - b. Lease Agreement: Minnesota West Community and Technical College, Pipestone Campus to Southwest West Central (SWWC) Service**
 - c. Lease Agreement: Amendment to Metropolitan State University Lease at 1450 Energy Park, St. Paul**
 - d. Safety and Security Services at Metropolitan State University**
 - e. Computer Lease Agreement for Minneapolis College**
- 5. Committee Name Change and Charter**

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

Board Standing Committee Reports

Human Resources Committee, Jay Cowles, Chair

Committee Chair Cowles reported that the Human Resources Committee unanimously approved both action items and recommend that the Board of Trustees approve them as well.

1. Emeriti Recognition

Committee Chair Cowles read the following motion:

Upon the recommendation of Chancellor Malhotra, in recognition that the following individuals have served as presidents with great distinction, the Board of Trustees hereby confers the honorary title of President Emeritus upon Joyce Helens, St. Cloud Technical and Community College, Larry Anderson, Fond du Lac Tribal and Community College, and Peggy Kennedy, Minnesota State Community and Technical College.

The motion carried unanimously.

President Emeriti Larry Anderson, Joyce Helens, and Peggy Kennedy thanked the Board of Trustees and Chancellor Malhotra for the honor and recognition.

2. Appointment of President of Alexandria Technical and Community College

Committee Chair Cowles recognized and thanked Dr. Laura Urban who has been president of Alexandria Technical and Community College since 2014.

Committee Chair Cowles read the following motion:

The Board of Trustees, upon the recommendation of Chancellor Malhotra, appoints Michael Seymour as president of Alexandria Technical and Community College effective July 1, 2019, subject to the completion of an employment agreement. The board authorized the chancellor, in consultation with the chair of the board and the 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.

The motion carried unanimously.

Dr. Seymour commented that he is honored to be the next president of Alexandria Community and Technical College. He thanked Chancellor Malhotra and the Board of Trustees for their confidence in him.

Facilities Committee, Jerry Janezich, Chair

Committee Chair Janezich reported that the Facilities committee had one agenda item and it was approved on the Consent Agenda.

Finance Committee, Roger Moe, Chair

Committee Chair Roger Moe reported that Associate Vice Chancellor Brian Yolitz covered the meeting in Vice Chancellor Laura King's absence. The Finance Committee had several items that were approved on the Consent Agenda.

Outreach and Engagement Committee, Dawn Erlandson, Chair

Committee Chair Erlandson thanked the Board of Trustees for approving the committee's new name. The committee learned of Minneapolis College's engagement with Hennepin Healthcare and Minnesota State Community and Technical College's engagement with the United Way of Cass and Clay counties.

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

- **HR-TSM Update**

Committee Chair Cowles reported that the committee heard an update on HR-TSM. The project has moved forward comprehensively and achieved a much lower risk assessment and higher performance assessment.

Joint Meeting of the Academic and Student Affairs and Finance Committees, Alex Cirillo and Roger Moe, Co-chairs

- **Bell Engineering Program Discussion**

Trustee Alex Cirillo reported that the members learned of a new co-op based engineering program that Minnesota State University, Mankato is launching with the

Iron Range Engineering Program that has been offered at Mesabi Range College since 2010. The new program will target community college graduates with a new delivery design intended to serve students throughout the United States. The first cohort of 25 students will have a personalized program. The committee learned of the financial model and enrollment assumptions.

Student Associations

Students United

Kayla Shelly, state chair, and David Shittu, treasurer, addressed the Board of Trustees.

Minnesota State Colleges and Universities Bargaining Units

Minnesota State University Association of Administrative and Service Faculty

Tracy Rahim, president, addressed the Board of Trustees.

Trustee Reports

Trustee Moe thanked Chair Vekich for advancing the idea of reimagining our system, and said that “he considers himself a better board member having listened to higher education experts from across the country.” Trustee Moe cautioned that when the final report comes out there will not be a “wow” or an “aha” moment because what will come out in June is a long-term set of goals to address the issues we are all aware of. He added that the challenges the system faces were decades in the making so there is no quick solution. “We have the talent and the ability to address them but it is going to take time. The magic will be what this system does best and how we can free up the resources on the campuses. We have challenges and we are going to meet them. “

Trustee Sundin announced that former Trustee Alfredo Oliveira, who was a two-year student trustee, has received official approval to become a U.S. Citizen.

Chair Vekich introduced the members of the Nominating Committee. They are Trustees George Soule, Rudy Rodriguez, and Cheryl Tefer. Trustee Soule will serve as the chair. By May 20, the Nominating Committee will deliver the names of the candidates for chair and vice chair to the board office. On May 24, the board office will make public the names of each candidate. Nominations from the floor will no longer be accepted.

Chair Vekich announced that the Executive Committee will meet on May 1, 2019, and the committee and board meetings are on May 21 and 22, 2019. A joint meeting with the Leadership Council is in July at Hibbing Community College. In November, the board meeting will be at Bemidji State University. The location for the September retreat will be announced later.

Adjournment

The meeting adjourned at 11:00 am.



MINNESOTA STATE

Board of Trustees

30 East 7th Street
St. Paul, MN 55101

651-201-1705

Board of Trustees Meeting

Minnesota State

McCormick Room

Wednesday, May 22, 2019

1:00 PM

Board Policy Decisions:

Proposed Amendments to Board Policies (Second Readings):

- a. **3.18 Honorary Degrees (pp 19-22 of the Academic and Student Affairs Committee meeting materials)**
- b. **3.31 Graduate Follow-up System (pp. 23-25 of the Academic and Student Affairs Committee meeting materials)**
- c. **3.40 Recognition of Veteran Status (pp. 26-28 of the Academic and Student Affairs Committee meeting materials)**



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 <ul style="list-style-type: none">• 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