

# **Board of Trustees**

## **Retreat Notes**

### **September 19-20, 2017**

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

## **Tuesday, September 19**

### **Welcome, Introductions, and Opening Remarks**

Chair Michael Vekich convened the retreat at Fitger's Inn in Duluth at 9:50 am. He welcomed everyone and introduced Terrence MacTaggart, who is a senior consultant with the Association of Governing Boards Consulting, and the author of numerous publications including the recently published report: "The 21<sup>st</sup>-Century Presidency: A Call to Enterprise Leadership." Dr. MacTaggart also facilitated the Leadership Council's retreat on September 11 and 12, 2017. The themes for the retreat will be Minnesota State's innovation, enterprise, and entrepreneurial spirit. The three requirements that Minnesota State needs to succeed are:

1. Clear eye/appraisal of system's position in the marketplace;
2. An entrepreneurial spirit (need to take risks); and
3. Talent to advance enterprise in face of conflicting demands.

### **Reflections on Campus Visits and the Year Ahead**

Interim Chancellor Devinder Malhotra said he was pleased to be here and that he is proud of our system and its open door policy. The campus visits helped him develop three organizing principles that will sharpen the focus in the system office and on the campuses. He will also seek affirmation that Minnesota State is on the right track. The three priorities are: student success, diversity, equity, and inclusion, and financial sustainability. Dr. Malhotra posed several questions for each priority, including asking ourselves if the activities align with the priorities, and whether we have the wherewithal and capacity at the system level and campus level to do all that we need to do.

Dr. Malhotra explained that his approach to leading the system and the colleges and universities is to seek clarity of expectations from the board and to build on the conversations he has had with the trustees, presidents, leaders of the bargaining units, and leaders of the student associations. He will ensure effective modes of consultation and communication. It is important to recognize that conflict and disagreement are inevitable. This is the time to keep talking and to engage in conflict resolution to find common ground.

Charting the Future goals are an imperative. Stage one is complete and we are moving into the execution stage. We will know when we are truly acting as a system once all of us collectively take joint ownership of all our students no matter which college or university they attend.



There is tension between autonomy and system and it is important to recognize that our institutions each have their own unique missions, geographic locations, dreams, and histories. Minnesota State is a network of robust institutions and we need to figure out how to do our work collectively at the systemwide level – it should augment what we ask the colleges and universities to do at their level. The role of the system office is to be a coordinating/facilitating mechanism that augments the work of the colleges and universities.

Interim Chancellor Malhotra introduced Clyde Pickett, the incoming Chief Diversity Officer, who will join the system in the middle of October. Mr. Pickett thanked the board and the chancellor for the opportunity. He spoke of helping students succeed and the importance of supporting faculty, noting that we need to be proactive, intentional, and culturally competent.

### **Leadership Council Executive Committee**

Presidents Joyce Ester, Connie Gores, Faith Hensrud, and Barbara McDonald shared examples of programs, initiatives, and collaborations at specific Minnesota State colleges and universities that support the themes of student success, diversity, equity, inclusion, and sustainability.

### **The Work Ahead**

Ron Anderson, Senior Vice Chancellor for Academic and Student Affairs, and Laura King, Vice Chancellor – Chief Financial Officer provided an update on the campus-based work flowing out from the initiatives in Charting the Future. The work is carried out by campus-based leadership teams. Discussions on capacity and infrastructure, structural changes and education, workforce, and system of the future are included in the work plans.

Eight colleges are on financial plans and their financial outlook has stabilized. Discussions are also occurring on the Campus Service Cooperative and reducing the system's footprint.

### **Integrated Statewide Records System (ISRS) Next Gen**

Ramon Padilla, Vice Chancellor for Information Technology, gave an update on the FY18/19 activities and expenditures in Next Gen planning. The state funded \$8 million over the biennium for the project. System office and campus contributions added another \$8 million for a total of \$16 million. These funds will cover systems integration costs, ISRS platform refresh and maintenance, data integration and data standards, and project management and communication. Several funding scenarios for the future of the project were presented and discussed.

### **Enterprise Risk Management**

Interim Chancellor Malhotra, Eric Wion, Interim Executive Director, and Chris Jeffrey, Partner, Baker Tilly, gave an overview of enterprise risk management. Interim Chancellor Malhotra noted that some of the risks Minnesota State faces are aligning and adapting to changing circumstances, new learners, new changing demographics, and new budget realities. The board oversees the ERM effort while the chancellor and presidents are responsible for effectively managing risks. The ERM effort is led by the ERM Committee comprised of the chancellor, vice chancellors, director of internal audit, chief of staff, and other key cabinet members.

The Executive Committee of the Leadership Council responded to a question about what keeps them awake at night. Some of their concerns included: declining enrollment, containing tuition, succession planning, and the diversity of our students.

## **Wednesday, September 20**

Chair Vekich re-convened the retreat starting at 8:10 am.

### **Search Updates**

Mark Carlson, Vice Chancellor for Human Resources, provided an update on the executive searches. In addition to the chancellor search, there are searches for:

- Vice Chancellor for Human Resources
- Executive Director, Internal Audit
- President, Fond du Lac Tribal and Community College
- President, Minnesota State Community and Technical College
- President, Ridgewater College
- President, Rochester Community and Technical College
- President, St. Cloud State University
- President, St. Cloud Technical and Community College

The position profile for the chancellor search was distributed. The consultant is Wheelers Partners out of Alabama. Twenty percent of its business is in higher education. Chair Vekich said that the Search Advisory Committee includes leaders of the bargaining units, student associations, presidents, three trustees, and members of the community/public. The chair of the Search Advisory Committee is Scott Peterson, Executive Vice President and Chief Human Resources Officer, Schwan's. Other public members are: MayKao Hang, President and CEO, Amherst H. Wilder Foundation; Cathy Fraser, Chief Human Resource Officer, Mayo Clinic; Greg Page, retired Chairman and Chief Executive Officer, Cargill. Trustees Dawn Erlandson, Jay Cowles, and Alex Cirillo, and Presidents Faith Hensrud, Bemidji State University and Northwest Technical College, and Rassoul Dastmozd, Saint Paul College, are on the committee.

Vice Chancellor Carlson commented that advertising began effective immediately. The Search Advisory Committee will meet on October 20 for training. Airport interviews are tentatively scheduled on December 19, 2017, and it is anticipated that system office interviews will occur around late January/early February. Trustees will have an opportunity to meet with the finalists. A suggestion was made to develop a consistent approach to the process for asking questions so comparisons can be made between the candidates. A written detailed process will eliminate unconscious bias.

Dr. MacTaggart reviewed the following five reasons why searches fail:

1. Vague consensus
2. Uninspiring job description
3. Leaks lose candidates
4. Dishonesty on both sides
5. Shallow conversations with the candidates

One advantage in recruiting candidates for Minnesota State is that Minnesota is a great state, the legislature has been generous to higher education, and the opportunity to be a major

higher education player will be appealing. Disadvantages include perceptions if the interim chancellor is a candidate and collective bargaining.

There was a discussion about the philosophy of growing our own candidates; especially with respect to presidential searches. Current policy says that interim candidates cannot apply for the position. Chair Vekich commented that there is precedence for appointing an interim. The policy can be, and has been suspended, in at least one instance.

### **Strategic Priorities for the Board and Committees**

Board members met in small groups with their respective Cabinet members to discuss priorities for the year. Student association and bargaining unit leaders were invited to join the table discussions on strategic priorities for the Academic and Student Affairs, Audit, Executive, Diversity, Equity, and Inclusion, Finance and Facilities, and Human Resource Committees.

### **Reflections and Closing**

Trustees were invited to reflect on the past two days. There was enthusiasm for the opportunity to explore together to work on some of the strategic challenges and opportunities. With risk, change, and opportunity, there has to be trust to do the work, and that was evident during the retreat. This is an opportunity to press the reset button in a positive way to strategize how to improve and be better. There is a sense that everyone understands the challenges and that there is a willingness to work collaboratively to get the work done.

Interim Chancellor Malhotra noted that the challenges facing Minnesota State are exactly the same at other systems around the nation. How they respond will either move them ahead or fall behind. Minnesota State can be trail blazers and move forward.

Chair Vekich thanked Dr. MacTaggart, the presidents, senior staff, and leaders of the bargaining units and student associations for their participation.

The retreat ended at 11:40 am