

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
COMMITTEE OF THE WHOLE MEETING MINUTES
January 28, 2019**

Members Present: Trustees Ahmitara Alwal, Ashlyn Anderson, Alex Cirillo, Jay Cowles, Dawn Erlandson, Robert Hoffman, Jerry Janezich, Roger Moe, April Nishimura, George Soule, Cheryl Tefer, and Samson Williams.

Members Absent: Rudy Rodriguez, Louise Sundin, and Michael Vekich.

Cabinet Members Present: Chancellor Devinder Malhotra, Executive Director of Internal Auditing Eric Wion, Vice Chancellor Ramon Padilla

Guest: Michael Cullen

The Minnesota State Colleges and Universities Audit Committee held its meeting on January 28, 2020, in the 4th Floor McCormick Room, 30 East 7th Street in St. Paul. Trustee Cowles called the meeting to order at 1:00 p.m. He introduced new Trustee Ahmitara Alwal.

1. NextGen Project Risk Review #5 Results

Mr. Eric Wion, Executive Director for the Office of Internal Auditing, introduced Mr. Mike Cullen, Baker Tilly Virchow Krause.

Mr. Wion began by reflecting on the prior four project risk reviews, stating that the work had gone quite well. While there had been some recommendations in prior project risk reviews, they had not identified any fundamental problems with the project. The project has been running very well.

Mr. Wion stated that the level of assurance being provided is noteworthy including internal audit's work, the external review of the draft RFP, and shortly will include the addition of a third-party owner rep. He stated that the board should not only be proud of the projects success to date but also extremely proud of what has been built and put in place to help ensure the project's continued success. He thanked the project team and especially the project manager, Melinda Clark, for continued cooperation and assistance as internal audit does its work. Finally, he offered his congratulations to the project team on the milestone they had reached with the project.

Mr. Cullen stated that the two main objectives of the NextGen Project Risk Review is to provide assurance to the Board on project risk management and to provide assurance and advisory guidance to the project Steering Committee on project risk leading practices.

Mr. Cullen stated that the overall conclusion was that the project risks were being managed. Based on the current timeline in phase one and the project activities that have been going on for the last few months, there is a very low risk that phase one will not result in successfully meeting the project goals.

Mr. Cullen stated that there was one recommendation in project execution related to specific items that the vendor demonstrations should cover to make sure that these solutions can meet the needs. He reminded members that the Minnesota State RFP had 4,000 requirements for the vendors to respond to and ensure that key specific requirements were demoed. The project team took that feedback and incorporated it into those vendor requirements as part of the RFP process.

Mr. Cullen stated that this has been a very structured process for proposal evaluation from developing a scoring rubric specific to this project to scoring both the written proposals with numerous people, doing vendor demos with all the constituent groups, scoring those and coming to an overall conclusion.

Mr. Cullen noted that there were a total of 18 recommendations, 17 of which have been resolved by the project team, and the one that remains open related to the identification of internal control points within the system, will remain open for the time being because it cannot be addressed until the implementation piece starts.

Mr. Cullen stated that they will continue to perform their activities and serve as part of the steering committee in an ex officio capacity. The next checkpoint will happen sometime later this year, the exact timing will be determined based on the next phase of the project and the negotiations with vendors.

Trustee Hoffman asked if the process was clean and transparent. Mr. Cullen assured him that it had been. Trustee Nishimura asked if dash boards and reporting had been built into the requirements. Mr. Cullen stated that they were part of the 4000 requirements in the RFP.

2. NextGen Update

Mr. Ramon Padilla, Vice Chancellor – CIO, introduced President Scott Olson, Winona SU.

Mr. Padilla stated that the project is going according to plan and will be entering into vendor negotiations, the final milestone of Phase One. He highlighted the many accomplishments that have taken place so far.

Mr. Padilla stated that fifty-seven individuals from across Minnesota State helped to develop a very thorough and robust RFP. He thanked Campus Works for their help over the last four years. In addition, the RFP was reviewed by internal audit and external consulting firm BerryDunn. The RFP contained 4,000 requirements.

Mr. Padilla thanked all the vendors that responded to the RFP, stating it was no small feat. Four

vendors were selected to move into the next phase. Those were Campus Management, Ellucian, Oracle, and Workday. Mr. Padilla stated that they were very pleased with the proposals that came forward.

The demo portion of the process started in November 2019 ran through January 2020. The vendors followed a very precise script. The evaluation process lasted three days for each vendor. The evaluators completed a survey. The evaluators were the subject matter experts who will actually be using the tools. In addition, faculty and student experience sessions were published for community engagement in December and January.

President Olson stated that the process was efficient and impressive. Much attention was given to ensure that the right product will be chosen. He stated that when the process is done correctly you build stakeholder buy in and he added that this process was handled brilliantly. The process was broadly inclusive, it was data driven, and it was intense. He added that he had confidence that this process had a lot of integrity. President Olson offered kudos to the project team, Vice Chancellor Ramon Padilla, project leader Melinda Clark, and Campus Works. He stated that it was really good working with them and we're not done yet.

Mr. Padilla explained the RFP process and the number of scripts and questions the vendors had to answer during their three day demonstration process. He stated that it was as scientific as they could make the process.

Mr. Padilla explained the vendor selection process pending action by the Finance Committee. The next steps would be to enter into negotiations with one or more vendor(s), with the assistance of external counsel Dorsey and Whitney and a third-party owner's representative. He noted that until negotiations have concluded, the identity of the vendor(s) will not be announced. The selected vendor will be announced at a board meeting in the spring.

Mr. Padilla talked about the decision-making process. The entire process was an exceedingly rich change management opportunity, because through this intense and time consuming process, our community came away with a much deeper understanding of what ERPs can offer and how organizations select one. Those who took part in the RFP process and in the business process review are now more invested in NextGen and well prepared to be change champions at the institutional level.

Mr. Padilla stated that after going through this process for the last four years, and in particular business process review and the RFP reviews, Minnesota State is ready. The dedication, the intensity, and the energy that the subject matter experts brought to this work was absolutely incredible. They are excited to move forward. He added that he was amazed at how smoothly the business process went. He stated that he had all the confidence in the world that from an employee, and a student, and a faculty, and a leadership standpoint, Minnesota State can do this.

Mr. Padilla stated that it had been a four-year journey. Countless people shared their time, effort, and expertise to get to this point at the end of Phase One. We owe a great debt of gratitude to all of them. And he added with gratitude, that we got here because of the hard work and dedication of the evaluation teams.

Trustee Cirillo asked if the \$6 million spent included the cost of people's time. Mr. Padilla stated that travel and expenditures were included, but employee time was not.

Trustee Williams asked about the importance of student representatives during the first phase of the project. Mr. Padilla stated that they had good participation and at the appropriate levels. He noted that as we get closer to student implementation and planning that need will be greater, and we will need much closer involvement. He stated that there are transition management teams at each of the campuses and they have worked hard to make sure that all stakeholders are involved, and that message is getting out. We did receive comments from both students and faculty.

Trustee Cowles asked Mr. Padilla to review overall project timeline from the appendix materials. Mr. Padilla reviewed the timeline. He stated that there will be many streams of planning, but they will all be related to project planning and change management planning which will be happening simultaneously. He reviewed tentative timelines for Finance planning and implementation, HR/Payroll planning and implementation and Student Solutions planning and implementation. In addition, he noted that there were other things happening that have been going on behind the scenes to get ready. At the end of the day, the project plan for NextGen will be hundreds of pages long, and will go down to the minutia, including testing, validation, internal controls, and so on. He stated that it is a highly complex project that will require a great deal of energy.

Trustee Cowles asked if the Oversight Committee would change as a result of the change in work. Mr. Padilla stated that the intent is to keep the steering committee intact throughout the process if possible. Trustee Cowles asked if there was a process in place to handle turnover so that lessons learned and experiences would be transmitted to the incoming leaders. Mr. Padilla stated that everything that that was done in the steering committee was documented by the project manager. She keeps records of decisions that are made, and outstanding issues that need to be dealt with. He stated that the goal has been to create a process that is independent of individuals. With a 10 year project, you have to be able to build in turnover in individuals whether they're at the board level, at the steering committee level, or even at the subject matter expert level. He stated that they had worked to make sure that they either have backup, or third party representation that can step in if needed, in all areas in order to ensure that we continue to function.

Trustee Cowles thanked all the presenters. He stated that this has been a spectacular effort on the part of a large and diverse team throughout the system. The fact that it has resulted in energy building, and not energy depletion is a very good sign. He stated that as trustees, they needed to recognize that this was the execution of a major project, well done by staff at

Minnesota State who have been delegated great responsibility. He stated that we have reached an important milestone in the NextGen project. We are about to enter into negotiations with vendors, one of whom will supply us with forward looking, commercial, cloud based technology that replaces ISRS and becomes our new administrative and student system.

The team of subject matter experts that was assembled for this work came from across the colleges and universities, and the system office. One of the critical things that Vice Chancellor Padilla mentioned in his presentation was that the RFP team was made up of the very people who will use the software.

Trustee Cowles stated that he and his fellow trustees were grateful for the work undertaken by so many across the system, work that has gotten us just one step away from our launching point for phase two. He stated that they were also very excited about all that comes next as we select a vendor and implement the technology that will enable us, as Chancellor Malhotra has said, to increase the success of our students at every single step on their higher education journey from application to graduation and long afterwards. This is incredibly important to every one of us, because when our students succeed, so do the communities our colleges and our universities serve all across Minnesota.

Chancellor Malhotra expressed, on behalf of the 16,000 faculty and staff and 375,000 students, a deep debt and gratitude to all the teams that worked on this project.

The meeting adjourned at 1:52 p.m.

Respectfully submitted by Darla Constable