



**BOARD OF TRUSTEES
MEETING AGENDA
WEDNESDAY, MAY 20, 2009
9:00 AM**

**WELLS FARGO PLACE
FOURTH FLOOR, BOARD ROOM
30 7TH STREET EAST
SAINT PAUL, MN**

Chair's Report: *David Olson, Chair*

- a. Minnesota Office of Higher Education, David Metzen, Director (p. 1)
- b. **Minutes of Board of Trustees Meeting of March 18, 2009** (pp. 2-9)
- c. **Minutes of Board of Trustees Study Session of March 18, 2009** (pp. 10-15)
- d. **Proposed Amendment to Board Policy 1A.2 Board of Trustees (Second Reading)** (pp. 16-17)
- e. **FY 2010 Meeting Calendar** (p. 18)
- f. Recognition of James H. McCormick, Chancellor

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

INFORMATION ITEM
Minnesota Office of Higher Education, David Metzen, Director

BACKGROUND

Governor Tim Pawlenty appointed David Metzen as Director of the Minnesota Office of Higher Education. Metzen, 67, is a past two-term member of the University of Minnesota Board Of Regents and was Chair of the Board of Regents from 2003-05. He served the South St. Paul School District as superintendent from 1982-2000 and was previously an elementary school teacher, principal, and assistant superintendent specializing in curriculum in the district.

"Dave Metzen has a passion for education and the leadership skills to challenge our higher education system to reform and improve," Governor Pawlenty said.

Metzen graduated from the University of Minnesota with a bachelor's degree in elementary education in 1964. He later earned a master's degree and a doctorate in educational administration from the University. In addition to his education roles, he served as Executive Director of the Dodge Nature Center from 2001-2004, works as a leadership consultant, and has served on several non-profit boards.

MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD OF TRUSTEES MEETING MINUTES

MARCH 18, 2009

SAINT PAUL COLLEGE

ST. PAUL, MINNESOTA

Trustees Present: Chair David Olson, Duane Benson, Cheryl Dickson, Jacob Englund, Ruth Grendahl, Clarence Hightower, Dan McElroy, Thomas Renier, Christine Rice, Louise Sundin, Scott Thiss, Terri Thomas and James Van Houten

Trustees Absent: Allyson Lueneburg and David Paskach

1. Call to Order

Vice Chair Ruth Grendahl announced that Chair Olson was delayed due to a meeting and would arrive shortly. She called the meeting to order at 1:05 p.m. and reported that a quorum was present.

2. Chair's Report

a. Minutes of Board of Trustees Meeting of January 21, 2009

Vice Chair Grendahl stated that the minutes were approved as written.

b. Other

Vice Chair Grendahl announced that a revised agreement was made with the Fond du Lac Tribal and Community College, the Tribal College Board and the Minnesota State Colleges and Universities system. Vice Chair Grendahl introduced and welcomed Ms. Liz Jaakola, a member of the Fond du Lac Tribal College Board, and Interim President Larry Anderson of Fond du Lac Tribal and Community College.

Interim President Anderson commented that the positive outcome of the agreement was due in large part to outstanding support from Chancellor McCormick and his staff. Ms. Jaakola stated that she serves in a unique position as a member of the Tribal College Board, as well as a faculty member of Fond du Lac Tribal and Community College. She commented on the collaboration and work of everyone involved and thanked Chancellor McCormick.

Trustee Thomas Renier complimented Interim President Anderson and his staff, noting the challenges and the important milestone taking place in the relationship with the Tribal College Board. The Tribal Board is in the planning phase for a new tribal technical college. Vice Chair Grendahl thanked Trustee Renier for his role as the Board's liaison to the college and for his work and support. Chancellor McCormick thanked Interim President Anderson for his leadership.

3. Consent Agenda

a. Identity Theft Prevention Program

Vice Chair Grendahl stated that the motion for the Identity Theft Prevention Program was revised by the Finance, Facilities and Technology Committee. Trustee Renier stated that the revised motion includes language requesting the Chancellor to report any substantive changes in the program: The Chancellor shall timely report to the Board of Trustees any substantive changes in the program.

Trustee Renier moved that the Board of Trustees approves the Identity Theft Prevention Program and delegates to the Chancellor authority to maintain and update the Program as may be necessary to address regulatory changes, system operational changes and make other reasonable changes enhancing Program clarity and effectiveness consistent with regulatory requirements. The Chancellor shall timely report to the Board of Trustees any substantive changes in the program. Trustee Englund seconded the amendment to the motion. The motion carried unanimously.

4. Board Policy Decisions

a. Select External Auditors for Institutional Financial Statement Audits

Trustee Scott Thiss moved that the Board of Trustees approves the appointment of Kern, DeWenter, Viere, Ltd.; Virchow, Krause and Company, LLP; and LarsonAllen to serve as external auditors for seven colleges and universities. The firm of Kern, DeWenter, Viere, Ltd. will serve as external auditor for Hennepin Technical College and Normandale Community College. The firm of Virchow, Krause and Company, LLP will serve as external auditor for Century College. The firm of LarsonAllen will serve as the external auditor for Metropolitan State University, Minneapolis Community & Technical College, Rochester Community & Technical College, and Southwest Minnesota State University. The scope of these audit services shall include an annual audit of the general financial statements of the above mentioned colleges and universities. The term of these appointments begins upon execution of contracts and shall continue to fulfill external auditing needs for the three fiscal years from July 1, 2009, to June 30, 2011, with the exception of the audit of Normandale Community College which shall be for the two fiscal years from July 1, 2010, to June 30, 2011. The Board of Trustees authorizes the Executive Director of Internal Auditing and the Vice Chancellor/Chief Financial Officer to negotiate contracts with Kern DeWenter, Viere, Ltd., consistent with the terms contained in its proposal dated February 20, 2009; with Virchow, Krause and Company, LLP, consistent with the terms contained in its proposal dated February 27, 2009; and with LarsonAllen consistent with the terms contained in its proposal dated February 20, 2009. Vice Chair Grendahl called the question and the motion was approved unanimously.

NOTE: The motion approved by the Board erroneously stated the beginning of the three fiscal years as July 1, 2009 (not 2008) and the two fiscal years as July 1, 2010 (not 2009). The other supporting materials and discussion at the meeting, however, made the Board's intentions clear as to the auditor selection and the correct audit periods. Based on the Chancellor's authority to enter into contracts, staff has proceeded with execution of the necessary agreements.

b. Amendment to Board Policy 1A.11 (Second Reading)

Trustee Christine Rice moved that the Board of Trustees approves the amendment to policy 1A.11 College and University Names and Permanent Locations. Vice Chair Grendahl called the question and the motion was approved unanimously.

c. Inter Faculty Organization Bargaining Agreement

Vice Chair Grendahl moved that the Board of Trustees approves the terms of the 2009-2011 labor agreement with the Inter Faculty Organization (IFO) and authorizes the Chancellor to sign the agreement on behalf of the Board. Vice Chair Grendahl called the question, and the motion was approved unanimously.

Vice Chair Grendahl thanked President Rod Henry, Vice Chancellor William Tschida and staff for their efforts in the settlement agreement.

5. Board Standing Committee Reports

a. Finance, Facilities and Technology Committee, Thomas Renier, Chair

(1) Finance, Facilities and Technology Update

Committee Chair Renier reported that the committee heard an update from Vice Chancellor Laura King on the activities of the Finance, Facilities and Technology division.

(2) Revenue Fund Bond Sale (First Reading)

Committee Chair Renier reported that the committee reviewed the Revenue Fund Bond Sale. The project requests have been submitted to the Office of the Chancellor for inclusion in the next bond sale tentatively scheduled for June 2009. This item will be a second reading at the May meeting.

(3) FY 2010-2011 Budget Planning

Committee Chair Renier reported that the committee heard a report on the FY 2010-2011 Budget Planning. The report provided information on the impact of the Governor's unallotment, the state's most recent economic forecast, and the federal stimulus package and reserve levels.

Vice Chancellor Laura King reported that Governor Tim Pawlenty proposed to amend his budget recommendations following the February forecast and the federal stimulus proposal. The January base budget reduction was \$146 million, and the March recommendation is a base budget reduction of \$160 million with federal stimulus money of \$133 million.

Vice Chancellor King remarked that given the projections and the one-time stimulus money, a significant budget challenge remains for the system.

Committee Chair Renier emphasized that the stimulus is just one-time money. Vice Chancellor King added the presidents are urged to prepare a four-year plan for their institution and to provide a summary to establish a plan through the year 2013.

- (4) **Update on Winona State University Laptop Program**
Committee Chair Renier reported that a progress report of Winona State University's laptop program. Due to time constraints, the committee will review it at a future meeting.

b. Audit Committee, Scott Thiss, Chair

- (1) **Results of Annual Student Financial Aid Audit**
Committee Chair Thiss reported that the committee heard a report of the Results of Annual Student Financial Aid Audit. Federal law requires an annual review of major federal financial assistance, including student financial aid programs. The firm of Kern, DeWenter, Viere, Ltd. conducted the audit as part of its responsibilities as principal auditor for the system. In 2008, the system received \$189 million in federal grants, and students borrowed over \$426 million in federal loans. The report cites no significant deficiencies or weaknesses. It contains three administrative findings related to improvements needed to comply with certain federal financial aid regulations. Chair Olson congratulated the presidents and staff for a job well done.
- (2) **Office of the Legislative Auditor's Program Evaluation of Occupational Programs**
Committee Chair Thiss reported that the committee heard a report on the Office of the the Legislative Auditor's Program Evaluation of Occupational Programs. The program evaluation was conducted by the Legislative Auditor at the request of the legislators. A series of findings and recommendations are detailed within the report. Committee Chair Thiss summarized that the report was positive and supportive of the system.

c. Diversity and Multiculturalism Committee, Duane Benson, Chair

- (1) **St. Cloud Access and Opportunity Center**
Committee Chair Duane Benson reported that the committee heard a report on the St. Cloud Access and Opportunity Center. The Center offers opportunities for underserved students to prepare and take college ready courses. The report noted a 10 percent increase in participation rates of underrepresented students.
- (2) **Diversity and Multiculturalism Update**
Committee Chair Benson reported that the committee heard an update from Executive Director Whitney Stewart Harris on the activities of the Diversity and Multiculturalism division.

d. Advancement Committee, Christine Rice, Chair

- (1) Advancement Update
Committee Chair Rice reported that the committee heard an update from Vice Chancellor Linda Kohl on the Public Affairs division.
- (2) State Legislative Update
Committee Chair Rice reported that the committee heard an update on the State Legislative Session. Committee Chair Rice noted the deadlines for committee action. She added that the intention of the legislature is to have all budget, finance and tax bills sent to the governor by May 12, six days prior to the end of the session.
- (3) Federal Update
Committee Chair Rice reported that the committee heard an update on the Federal Legislative Session. She reviewed the federal earmarks detailed in the meeting materials and noted that the Pell grant increases shall be more than one-time money and will be included in the president's FY 2010 budget proposal.

e. Human Resources Committee, Ruth Grendahl, Chair

- (1) Personnel Plan for Minnesota State Colleges and Universities Administrators Update
Committee Chair Grendahl reported that the committee heard an update on the Personnel Plan for Minnesota State Colleges and Universities Administrators. The plan is under review for fiscal years 2009-2011.
- (2) Closed Session on Bargaining Pursuant to Minnesota Statutes §13D.03 (2008)
Committee Chair Grendahl reported that the committee met in a closed session on the Minnesota State College Faculty (MSCF) contract pursuant to Minnesota Statutes §13D.03 (2008).

f. Academic and Student Affairs Committee, Dan McElroy, Chair

- (1) Academic and Student Affairs Update
Committee Chair Dan McElroy reported that the committee heard an update from Senior Vice Chancellor Linda Baer on the activities of the Academic and Student Affairs division.
- (2) Bush Foundation's Goal to Increase Educational Achievement
Committee Chair McElroy reported that the committee heard a presentation on the Bush Foundation's Goal to Increase Educational Achievement. Peter Hutchinson, president of the Bush Foundation, provided an overview of the Foundation's goal and proposed efforts to recruit and retain teachers and to improve teacher preparation. Committee Chair McElroy stated that an agreement with the Bush Foundation will be proposed at the May meeting.

- (3) **Workforce of the Future: Leadership Reaches Out to Business**
Committee Chair McElroy reported that the committee heard a presentation on the Workforce of the Future: Leadership Reaches Out to Business. The presentation highlighted what companies report as their competitive advantage and the system's role in providing them with education and training.
- (4) **Overview of Academic Program Review**
Committee Chair McElroy reported that the committee heard a report on Academic Program Review. The report provided a framework of the process for pending system and Board actions.

6. Joint Council of Student Associations

a. Minnesota State College Student Association (MSCSA)

Mr. Jacob Littler, President, addressed the Board of Trustees.

b. Minnesota State University Student Association (MSUSA)

Mr. Chris Frederick, State Chair, addressed the Board of Trustees.

7. Minnesota State Colleges and Universities' Bargaining Units

a. American Federation of State, County and Municipal Employees (AFSCME)

Ms. Karen Foreman, President (AFSCME Council 6), addressed the Board of Trustees. Ms. Foreman complimented the system's Information Technology Oracle database conversion for becoming a successfully merged system.

b. Administrative and Service Faculty (ASF)

Mr. Shahzad Ahmad, President, addressed the Board of Trustees.

c. Inter Faculty Organization (IFO)

Mr. Rod Henry, President, addressed the Board of Trustees. Trustee Sundin thanked President Henry for his leadership and accomplishment in the efficient and swift agreement in settling the IFO bargaining contract.

8. Trustees' Reports

Chair Olson welcomed President Stover and the South Central College leadership cohort to the Board meeting. President Stover introduced the members of the group and thanked Chair Olson and the Board members for welcoming them to the meeting.

Trustee Cheryl Dickson commented that the Oracle database conversion has been a tremendous undertaking. She congratulated Vice Chancellor Ken Niemi for his extensive work and dedication.

Trustee Dickson reported that she attended the Academic Quality Improvement Program (AQIP) site visits at Hennepin Technical College and Minnesota State College - Southeast Technical College.

Trustee Dickson commented that she received a publication from Southwest Minnesota State University Foundation which included a pie chart of all inclusive actual costs to attend the institution. She commended the foundation for the publication's transparency.

Trustee Rice reported that she participated in All Minnesota Academic Team celebration. She reported that she also attended the AQIP visit at Ridgewater College in Hutchinson.

Trustee Van Houten reported that he met with President Phil Davis for a tour of Minneapolis Community and Technical College. He was invited to attend a cabinet meeting and noted that he was impressed with President Davis and the content of the meeting.

Trustee Van Houten reported that Century College sponsors the Twin City Elementary International School, a charter school in Minneapolis. He visited the charter school which is for kindergarten through fourth grade and is similarly in line with the Bush Foundation's assessment tool.

Trustee Sundin reported that she attended the AQIP site visit at Pine Technical College. She also reported that she enjoyed a tour of the college and visited the rifle/shotgun repair program classroom.

9. Chancellor's Comments

Chancellor McCormick welcomed the Board members, constituents and staff to the meeting. He thanked the bargaining units' leaders for their work and collaboration in difficult times and for arriving at an agreement.

Chancellor McCormick remarked that he remains focused on the core expectations of the 2009 Action Plan and reported on the following goals:

- **Reaching the Underrepresented Initiative**
The system is one of 19 other systems that are a part of the National Association of System Heads' Access to Success initiative. Chancellor McCormick noted that the goal is to cut the gap 50 percent by the year 2015 or sooner.
- **Science, Technology, Engineering and Math (STEM) Initiative**
The STEM initiative is being pushed with limited initiative grant funds for increasing the number of secondary teachers prepared for licensure in math and science or the percentage of students enrolled in STEM courses. Collaboration with the Minnesota Association of School Administrators to engage deans of education and school superintendents in regional action planning focusing on recruiting, preparing and retaining high quality STEM teachers. STEM work includes addressing the pipeline from K-12 to higher education, including "Project Lead the Way" and summer camps to engage middle and high school students looking toward STEM-related careers.

- **Workforce of the Future**

Chair Olson, Trustee Thiss, Chancellor McCormick and senior system leadership completed over 400 business and industry visits. The resulting recommendations will guide the system work for FY 2010 and beyond. The publication “Open for Business” presents an array of business and industry services offered by the system.

- **Support of New Presidents**

Chancellor McCormick stated that he works closely with the newer presidents, and he noted that they are doing very well.

Chancellor McCormick concluded his remarks by commenting on the budget challenges and the importance of looking forward. He commented that he remains focused on making changes that will lead the system into the future. He added that he plans to meet with leaders of the bargaining groups and the student representatives individually on the 2020 vision statement.

10. Requests by Individuals to Address the Board

There were no requests to address the Board.

11. Other

Chair Olson thanked Trustees Hightower, Renier and Thiss for their counsel and work related to the budget issues. He also thanked the Trustees attending the AQIP site visits.

Chair Olson stated that commencement invitations are being received, and he requested that Trustees promptly reply to inquiries. He added that it is a goal of the Board to attend as many ceremonies as possible.

Chair Olson reported that the next scheduled Board meetings are on May 19-20. The Board will host a luncheon recognizing recipients of the Board of Trustees Awards for Excellence in Teaching on May 20. The Finance, Facilities and Technology Committee and the Work Group on Technology will meet on April 15. Trustee McElroy added that the Academic and Student Affairs Committee would meet as well.

12. Adjournment

Chair Olson adjourned the meeting at 2:45 p.m.

Ingeborg K. Chapin
Secretary to the Board

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
MINNESOTA ONLINE STUDY SESSION
MARCH 18, 2009**

Board of Trustee Members Present: Vice Chair Ruth Grendahl; Trustees Duane Benson, Cheryl Dickson, Clarence Hightower, Dan McElroy, Thomas Renier, Christine Rice, James Van Houten, Scott Thiss, Jacob Englund and Terri Thomas.

Board Members Absent: Chair David Olson, Trustees Allyson Lueneburg, David Paskach and Louise Sundin.

Leadership Council Committee Co-Chairs Present: Senior Vice Chancellor Linda Baer and President David Danahar.

The Minnesota State Colleges and Universities Board of Trustees held a Study Session on March 18, 2009, at Wells Fargo Place, 4th Floor, Board Room, 30 East 7th Street in St. Paul. Vice Chair Grendahl called the session to order at 9:05 am.

The Board of Trustees met in Study Session to be provided an overview of online learning for Minnesota State Colleges and Universities.

Presenters:

Linda L. Baer, Senior Vice Chancellor for Academic and Student Affairs
Patrick Opatz, Chief Operating Officer, Minnesota Online
Alfred Essa, Deputy Chief Information Officer

Senior Vice Chancellor Baer presented a plan aimed at achieving the next generation of Minnesota Online learning. System colleges and universities have been providing online education for over a decade and student enrollment has grown substantially. The system's online student headcount has increased 220 percent in the past six years and in 2009 was estimated to be 77,075 students.

Earlier this year, the Governor issued a challenge of delivering 25 percent of higher education credits online. Senior Vice Chancellor Baer said the system is picking up the challenge, along with planning for the future of Minnesota Online, called Minnesota Online 2. Access, quality and low cost will be important factors in the planning, she said.

Students want greater access to online opportunities at system institutions, and it isn't uncommon for students to take courses from more than one institution at a time, Senior Vice Chancellor Baer said.

Also important to students is quality of online courses. In the past, students have indicated that the quality of online courses is inconsistent. Senior Vice Chancellor Baer said Minnesota Online is picking up the challenge to provide higher quality courses.

Cost is another student concern. Education, including online education, simply needs to be more affordable, students have said. Senior Vice Chancellor Baer said the challenge for Minnesota Online 2 will be to bring access, quality and cost factors into better balance.

Vice Chair Grendahl asked about online students being required to pay student fees, even though they don't use services such as parking lots or student unions since they aren't on campus.

Senior Vice Chancellor Baer said fee decisions are typically made locally and may differ from institution to institution. Some online students also take site-based classes and those fees then would be applicable. She said she would provide trustees with information related to fees for online students.

Trustee Van Houten asked where the cost advantages of online occur. In the past, the Board faced the challenge of upgrading technology infrastructure based on the premise that maintenance costs were becoming overwhelming and soon the online system would be susceptible to failure. Cost savings related to the upgrade have not been quantified, he said. It would be helpful to have an overview of cost savings, he said.

A cost study was done based on fiscal 2007 data, Dr. Opatz said, and data showed instructional costs for online and on-site classes were comparable. There cost variables that can affect costs were more likely to be institutional, faculty or course characteristics.

There are different cost structures because of course development and infrastructure costs, Dr. Opatz said. However, he added these costs are difficult to define. He said he has been working with the budget unit and information technology staff to develop the next round of the cost study. One of the challenges for MnOnline 2 will be to provide a cost structure for online and provide more information about the base and goals related to productivity and cost of online courses, he said.

Trustee Van Houten said he thinks they need to be timid in representing outcomes that cannot be proven at this point given the reaction to the last technology investment. Online education has many advantages, such as being able to fill a section of an online class by combining students from various campuses. He said he is not aware if there is coordination along those lines right now, but there are clearly some productivity possibilities available.

Senior Vice Chancellor Baer said meeting the Governor's challenge of 25 percent of our credits being online by 2015 may be a stretch. There will be a need for additional sections, new courses, additional trained faculty and an increase in the information

technology capacity. This growth probably can't be sustained by the current Minnesota Online model, she said.

The Board may elect to meet the challenge in a broader context, she said. Considerations include if generating additional online credit is the best way to serve students, how online addresses access, and the development of a plan that addresses long-term strategic directions of the system, including urgent workforce needs.

Immediate actions needed for workforce recovery include meeting the needs of dislocated workers, working with Department of Employment and Economic Development (DEED) in the Training Resource Center and providing customized training and continued education services.

It is expected that Minnesota Online will be the central “hub” for online learning in the system in the near term. The following actions are proposed to be undertaken by Minnesota Online between now and 2011:

- Provide greater access to all college and university courses and programs with ability to apply, register and pay online;
- Offer a full array of integrated support services to ensure the student can successfully navigate the system;
- Assist colleges and universities in developing shared online curriculum for targeted areas;
- Provide tools and support to faculty for developing online courses;
- Provide data to align programs with targeted student learner segments and state needs;
- Open new online markets, including enhanced services to businesses.

Senior Vice Chancellor Baer said the current funding level allows the system to continue to do the near-term strategy in incremental steps. Progressing to the next generation level would take additional investment.

The long-term strategy would involve the development of a new business model that would center on cost-effectiveness, enhanced quality and improved access by scaling the current online innovation and expanding the scope and depth of programs.

Possible long-term actions could include:

- Full integration of student support services;
- Extensive collaboration in curriculum development and delivery;
- Flexible services and delivery options;
- Competency-based learning;
- Programs designed for targeted economic sectors and student groups;
- Expansion of partnerships with K-12;
- Extensive use of action analytics.

Results that would be expected from these actions would include increased access and enrollment; higher retention and success rates; increased competencies; better services to

students and business; use of more effective teaching methods; improved data for decision making and accounting; and better use of limited resources.

Senior Vice Chancellor Baer said the criteria for the new online business model as presented would not have it as a new institution, but not a static portal either. It would select, package and scale best in class curriculum and services. It would be a new approach to a collaborative, she said.

Trustee McElroy said the Board needs to discuss if the system's online courses should continue to be place-based. For-profit competitors see online courses as a central utility. If that model is adopted, one institution could buy a course from the system's central utility but would still handle student services on an individual basis. Instead of having 32 institutions create courses individually, the system would create them and then sell them through the service delivery model.

Trustee Van Houten said this type of model has been in use by a high school cooperative in Ohio for years. Six or seven school districts that have formed a cooperative and that cooperative markets programs for students. They hire faculty who teach the course and students get credit at their local high school. All coordination comes through the cooperative, he said.

The Board needs to consider ease for the student, Trustee Englund said. A student may choose an online competitor because that institution will map out everything for the student. He said that may be more appealing to a student rather than going through the state college and university system, which is more of a build-your-own model.

The proposed plan is based on the belief that students should be able to draw from all resources available, Senior Vice Chancellor Baer said. A student would continue to have a home base campus for their financial aid, testing, advising and other campus services, but then can choose online courses from a variety of institutions.

For the future, a more collaborative model can be provided, she said. Students would begin with e-folio to create their personal educational map and then the powerful center would provide more coordinated, more integrated, more quality-based online opportunities.

Trustee Van Houten said what has been missing all along in discussions about online education is budgeting on the basis of an outcome being achieved. There is almost no tie-in between expectations and the budget, he said.

Senior Vice Chancellor Baer said the new business model has a strong foundation in analytics, such as how we know what is making a difference, how do we know the value added, how do we know the return on investment, and how do we know what works best for the student. This will allow them to improve education from information and data.

The next generation technology for Minnesota Online would likely be the Web 2.0 environment. That will be more a more interaction, customizable type of technology.

High quality instruction also will be a goal. Courses delivered on MnOnline 2 will need to meet quality and service standards, based on the technology and analytics, Senior Vice Chancellor Baer said.

The next generation technology model would have a sustainable funding model, she said. It would adapt some of the applicable elements of the for-profit models, but will align with our system mission and goals of access, affordability and quality.

Both Minnesota Online Council and an e-strategy workgroup worked to develop the near-term evolutionary strategy for online education, Dr. Opatz said. The workgroup consists of a cross-section of faculty, students, campus administrators and system staff who met for six months to develop the plan. To fully develop the plan for Minnesota Online 2 business model will take additional conversations with these groups and stakeholders, he said.

Trustee McElroy said he is concerned that the future planning is based on status quo assumptions. While those assumptions may not be bad, it is the role of Trustees to constantly challenge those assumptions, even if it is uncomfortable to do so.

Trustee Van Houten said the future of online education has been discussed by the Board before and he can't understand why the system isn't evolving it in a more aggressive manner. He said their discussion in the past have centered on three points essential to online learning:

- How to structure it;
- How to manage it;
- How to keep the costs low.

Trustee Hightower agreed that they need determine how to move online along while keeping an eye on driving costs down.

Trustee Dickson asked Trustees what their goals are for online education. Should more courses be available online? Are they convinced that online education is the best kind of education that can be offered to students? Should online grow even if it doesn't offer cost savings? Do for-profit competitors pose a real threat to the system? Do faculty members have a stake in teaching courses they didn't design? What does the system want to accomplish with online education?

The area is so complicated that focusing on the business model seems to take them a long way from education, which is the business the system is in, Trustee Dickson said.

Trustee Benson agreed that formulating a goal is important for online education. The Board needs to have ownership on why it is doing this. Defining a goal would be helpful to the board, as well as to external audiences, he said.

Trustee Rice said it is important to keep focused on customers, and in this case the system's customers are students. Online education opportunities are clearly something students are demanding and the Board needs to make sure they are listening to their customers.

Trustee Terri Thomas, who is a student, said she takes courses online and thinks Minnesota Online is fabulous. It is what students want, she said.

Chancellor McCormick said Minnesota Online is an important component of the system and offered his observations gained by interacting with students, faculty, presidents and legislators:

- Online education has been very successful, reaching 80,000 students;
- Students like it and it offers them access to coursework that they otherwise couldn't receive because of their location, work schedules, family commitments or other circumstances;
- What students don't like is administrative inconvenience – problems with financial aid, for example. Those issues need to attention;
- Many faculty members are excited about online education, and age isn't a limiting factor, he said. Many older faculty members say online provides them a new way to connect with students.
- There is some fear of technology and the changes it promotes. Some people have concerns about loss of jobs or the fact that it may alter educational missions;
- Presidents are proud of the success of online education;
- Online education has helped to keep many colleges in the small rural communities open. These colleges can concentrate on providing technical courses and students can receive the additional coursework online while staying in those communities.

Chancellor McCormick said he was adamant that the system launch Minnesota Online eight years ago and at the time there was discussion pertaining to creating a separate online university. It was decided that an individual, college-based approach for the creation and delivering of courses would be more a more successful approach to take with Minnesota Online.

Minnesota Online has grown far beyond expectations, he said, and now the system faces the challenge of dealing with this success and determining a future path. It is necessary to re-engineer Minnesota Online to be even better, the Chancellor said. If they are not innovative or cutting edge, the system will lose out to for-profit competitors.

The topic needs more discussion, Vice Chair Grendahl said. She said she will talk with Chair Olson and the Executive Committee will decide which committee should consider Minnesota Online planning.

The meeting adjourned at 10:35 am
Respectfully submitted,
Margie Takash, Recorder

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD ACTION

PROPOSED AMENDMENT TO POLICY 1A.2 BOARD OF TRUSTEES

BACKGROUND

At the Executive Committee meeting on January 21, 2009, a board member requested that the Board consider amending existing policy by changing the number of consecutive terms a board officer may serve from two terms to three terms. The attached draft is provided to facilitate Executive Committee discussion about the proposed change. It is also recommended that the Executive Committee consider amending the policy to address a technical issue that has arisen in the past and could be repeated:

1. That a newly elected officer may take office immediately if his or her successor is no longer in the position, such as when a trustee's term expires prior to the election and August 1.

RECOMMENDED COMMITTEE MOTION

The Executive Committee recommends that the Board amend Board Policy 1A.2, Part 4, Officers of the Board, Subpart B, Terms of Office, as proposed.

RECOMMENDED BOARD MOTION

The Board of Trustees approves the amendment to Board Policy 1A.2, Part 4, Officers of the Board, Subpart B, Terms of Office.

Date Presented to the Executive Committee: March 18, 2009

Date Approved by Executive Committee: March 18, 2009

Date Presented to the Board of Trustees: May 20, 2009

Date of Adoption: xx/xx/xx

Date of Implementation: xx/xx/xx

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD POLICY		1.A2
Chapter	1A.2	Board of Trustees
Section	4.	Officers of the Board

1 **Part 4. Officers of the Board**

2 **Subpart A. Officers.** The officers of the board shall consist of a chair, vice chair, and treasurer.
3 The chair, vice chair and treasurer shall be elected from the members of the board.

4 **Subpart B. Terms of Office.** The chair, vice chair, and treasurer of the board shall be elected for
5 a one-year term ~~that~~. An officer's term shall commence on August 1, or upon the office becoming
6 vacant, whichever is earlier, and shall serve until their successors begin their terms as officers.
7 No trustee shall hold the same office for more than threetwo consecutive terms.

8

9 *Date of Implementation:*

10 *Date of Adoption:*

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**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD ACTION

PROPOSED FY 2010 MEETING CALENDAR

BACKGROUND

1 The Executive Committee discussed dates for the FY 2010 meeting calendar in at their meeting on March
2 18, 2009. After the meeting, the proposed dates were distributed to all of the Board members for their
3 consideration. The proposed dates are listed below.

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5 July 21 and 22, 2009: Committee and Annual Board Meetings
6 September 8 and 9, 2009: Committee and Board Meetings
7 October 20 and 21, 2009: Fall Retreat, Rochester Community and Technical College
8 November 17 and 18, 2009: Committee and Board Meetings
9 January 19 and 20, 2010: Committee and Board Meetings
10 March 16 and 17, 2010: Committee and Board Meetings
11 April 20 and 21, 2010: Committee and Board Meetings
12 May 18 and 19, 2010: Committee and Board Meetings
13 June 15 and 16, 2010: Committee and Board Meetings

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16 In addition, the Chair is recommending July 20 and 21 for the annual meeting in 2010.

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18 The calendar is subject to change throughout the year as public hearings and special meetings are
19 scheduled. Changes to the calendar will be publicly noticed. As required by Board Policy 1A.1, Part 7, the
20 calendar will be presented again for approval at the annual meeting on July 22, 2009.

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23 **RECOMMENDED BOARD ACTION**

24 The Board of Trustees approves the FY 2010 meeting calendar.

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26 *Date Approved by the Board of Trustees:*