

MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
RETREAT
OCTOBER 20-21, 2009
ROCHESTER COMMUNITY AND TECHNICAL COLLEGE
COFFMAN 206-208
ROCHESTER, MINNESOTA

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

Trustees Absent: None

Tuesday, October 20, 2009, 10:05 a.m.

Welcome

Chair David Olson convened the retreat at 10:05 a.m. He introduced the facilitator, Thomas Horner, principal and founding partner of Himle Horner.

Chair Olson said that the goal for the retreat was to develop a to-do list and an action plan. He continued that the Board had good discussions at last year's retreat ranging from a model for financial stability, to organizational and cultural change, student preparedness, success for all students, teacher learning and innovation in technology and infrastructures. Some, but not all of the themes, were referred to committees for follow-up. Trustees agreed with the Chair's assessment of last year's retreat and offered suggestions on making the action plan or goals more prominent so that progress can be tracked. One member commented that the biggest issue before the Board is searching for a new Chancellor when Dr. McCormick's contract expires in 2011. The retreat is an opportunity to discuss what the Board is looking for in the system's next chancellor.

As a warm-up exercise, Trustee Christine Rice reviewed a ten-point quiz with questions about the system, ranging from the name of the college with the largest enrollment increase for the fall semester (Pine Technical) to what the average annual tuition and fees are for a full-time student at a state university (\$6,083).

Chair's Business Panel

Mr. Horner introduced the panelists: Diane Twedell, Nurse Administrator of Education and Professional Development, Mayo Clinic; Michael Good, Program Director, Advanced System Software Development Organization, IBM; and Donna Bird, Human Resources/System Administrator, Crenlo, LLC. The panelists had been asked to address the following questions:

- What is your company's expectation of higher education?
- Where do you recruit your employees?

- What problems have you encountered in seeking qualified and skilled employees?
- How would you change higher education to better fit your company's needs?

Dr. Diane Twedell spoke about the need for lifelong learning in the nursing profession. The importance of higher education cannot be overemphasized at Mayo Clinic. One in four of the clinic's nurses are from the Minnesota State Colleges and Universities system. Dr. Twedell commented on the need for multiple delivery education models.

Mr. Michael Good said that IBM is a global company that looks globally for talent. It goes where the talent is and that is a challenge for higher education in general in the United States. IBM has partnerships with Minnesota State Colleges and Universities, one with the Minnesota Job Skills Partnership. IBM looks for people that are "T-shaped," those with breadth. All employees need and are expected to have IT skills. IBM relies heavily on co-ops and interns for recruitment as a way for students to get real world experience.

Donna Bird commented that Crenlo, LLC has 550 employees, and they do most of their recruiting from University of Wisconsin-Stout. Crenlo wants employees who think critically, communicate clearly and see projects through to completion.

During a discussion moderated by Mr. Horner, Dr. Twedell commented that the Minnesota State Colleges and Universities has been a huge resource for nurses for Mayo Clinic. Flexibility is important; people want to do more, and they want opportunities to do more. Mr. Good added that language and cultural skills are very important. Time management skills also are very important. Ms. Bird noted the importance of engineering degrees. Dr. Twedell added that the ability for people to work in teams is something that is not taught. Nurses learn to work in teams on issues related to patients and safety issues. Mr. Good added that critical thinking is needed too, and that while technical skills are sufficient, a gap exists for leadership training or other broadening experiences. such as being part of a team for a successful product launch.

Mr. Good cited Rochester Community and Technical College adding "green" to the heating/ventilating and air-conditioning program. Ten years ago, green did not exist. Responding to a question about engineering degrees and why Crenlo recruits employees from UW-Stout, rather than MSU, Mankato, Ms. Bird replied that some employees have two-year associate degrees. A Bachelor's degree is not available in the immediate area.

Dr. Twedell commented that nurses who both work and teach – service-academic partnerships - are valuable. Mayo has a clinical instructor program for nursing. They solicited money to support this initiative. Development money supports the nurses salaries while they are working and teaching. Dr. Twedell said that Mayo hires nurses with two-year degrees from Rochester Community and Technical College's Nursing Associate Degree program. Winona State University has a large group in the Doctor of Nursing Practice Program coming in.

The discussion shifted to the quality and rapid growth of online learning. The panelists expressed the opinion that the technology has improved. A Trustee observed that it seems that the more you charge, the more customers you get. A lot of online individual customers are selecting higher-priced schools. There is a perception that the quality is better when you pay more. Would the

next step for Minnesota State Colleges and Universities be to move to high customer service, quick turn-around such as a four-year degree becoming a three-year degree?

The panelists commented that online institutions are flexible and can more quickly accept students. People want to get moving with their educational goals. Online learning is competency-based, and it is pushing down into the K-12 system.

Mr. Horner asked if the Minnesota State Colleges and Universities system has the ability to turn on a dime? The Trustees responded that the system's customized training program is very flexible. The system also is providing more online than anyone else in Minnesota. The tipping point with completion seems to be 45 credits. The current higher education model is still a nine-month system. What if we eliminate it and become a year-round school?

Other challenges discussed were the labor contracts and balance between centralization and autonomy.

In comparing a candidate who has a doctorate from a university to one with a doctorate from an online institution such as Capella, the panelists agreed that they would look at the outcomes and the individual's competencies. The Trustees and the panelists also discussed why Midwesterners are reluctant to move away for career advancement and why the system has fewer students of color compared to Capella University which has 42 percent. The ability to enroll at any time to start a program of study and the flexible times when courses are offered are some of the reasons why students are attracted to an online institution. A Board member spoke of Capella University's teaching model. Supervisors, mentors and faculty are in touch with one another; everything is available and under supervision and oversight. In the public system, faculty can do their own thing.

Chair Olson thanked the panelists.

Luncheon Speaker

Dr. Robert Zemsky, University of Pennsylvania, Chair and CEO of the Learning Alliance, and author of the recently published book, [Making Reform Work: The Case for Transforming American Higher Education](#), was the luncheon speaker. In his remarks, he commented that faculty are the system's fundamental assets. While listening to the Board's discussion earlier about Capella University, he observed that Minnesota has tough unions and long traditions in the public sector. Capella is tiny and has adult students, while the system has students of all ages.

Dr. Zemsky outlined his case for a three-year, 90-credit baccalaureate degree as a solution for reforming higher education. High school seniors are bored. With his plan, they would take their general education courses in their senior year, and start college with a program of study. Students are used to selecting their college courses similar to how they shop in malls. By partnering with faculty, K-12 school systems, legislators and others, the system could initiate systemic reform. Higher education offers lots of choices. The success of Phoenix University is that it is interchangeable, and that students can plug into their courses from anywhere in the world.

Large Group Discussion: Key Ideas

Following lunch, a video from YouTube was shown of a Kaplan University professor apologizing to students for the failure of an educational system steeped in tradition and old ideas. Trustee Rice explained that after last year's retreat, she and Trustee Scott Thiss were advisors to Chancellor McCormick and staff for a plan on 2020. The results were the "System's Draft Positioning Statements" (included in the retreat materials, as section 9.a). Trustee Rice recited the three positioning statements:

- Lead the world in education attainment and close the achievement gap.
- Educate a globally competitive workforce for the 21st century.
- Deliver on the promise of higher education as a public good.

Next, Trustee Thiss reviewed *Trends Over Time*, a PowerPoint presentation with data on enrollment growth, graduation rates, and number of system employees. FYE enrollment has grown 33 percent since 2000, and 13 percent since 2004. Headcount enrollment has increased 8.3 percent since 2005. Fall-to-fall success rates (full-time, degree-seeking students who graduate or transfer within three years for colleges and six years for universities) are flat. The graduation rate for colleges in Fall 2005 was 52.6 percent and 49.4 percent for Fall 2002 for the universities. The per-student state appropriate is projected to decrease by 16 percent from 2000 to 2010, while tuition for the same period is expected to increase by 100 percent. Adjusted for inflation, total spending for students during the same period is projected to decrease 8 percent. The number of system employees has grown from 16,479 in 2004 to 19,734 in 2008.

Mr. Horner asked the Trustees to reflect on the major challenges facing the system based on the data presented by Trustee Thiss, the panelists, Dr. Zemsky and the background reading materials. Is the challenge to be a good steady performer or an early adopter? Is the system capable of reforming as Dr. Zemsky suggested? What will the system look like in six, ten or more years?

A Trustee observed that the system has put a lot of resources and effort into diversity without success. There are private colleges in Minnesota with more diverse enrollment than the system. According to Clayton Christensen in the article "Disruption in Education," change cannot occur by nibbling around the edges. If change was accomplished, how could it be measured? Some innovations cannot be measured right away. For example, MinnesotaCare, the state's health insurance program for people who do not have access to affordable health care, could not be measured at first. The system's draft position statements have goals that seem more philosophically oriented. They are not nuts and bolts. One suggestion was to make a clear roadmap for the steps needed to obtain a baccalaureate degree. The perception is that the system is not flexible. Another suggestion was to develop "baskets of learning." The challenges are that there will be less money at a time when the system needs to attract more diverse students and improve its graduation rates. The system does not spend anywhere near the amount of money on marketing that the for-profits spend.

Besides moving to a three-year degree, what else can the system do to move people through more quickly? Mr. Horner observed that the panelists were not just satisfied with more graduates; they are looking for a different kind of graduate, with broader skills — employees who were adaptable and would continue learning. A Trustee commented that Clayton Christensen said that 50 percent of the undergraduates today are community college students. If

that is where the jobs and growth are, and if the tipping point is 45 credits, then should the system's resources focus there? The system does not have an access issue so much as a retention issue, but it is restricted from addressing these challenges because of how it is funded.

Mr. Horner summarized some of the issues that were identified:

One list: Culture; Perception; Enough students, but not underserved; Well-rounded; 2-year focus; and Change funding allocation.

Another list: Diversity; System change; Clearer map for a Baccalaureate/Associate degree; Baskets of learning; Less money, more graduates; Labor contracts; Centralized versus autonomy.

Mr. Horner asked "What does the system need to deliver for a good return on investment for students?" A Trustee mentioned accountability has been an important focus for the Board. Performance goals were established for the Chancellor, presidents and vice chancellors. Eventually, other employees also will be evaluated on performance goals.

A Trustee suggested making a promise to students that when they graduate they will have core competencies. Another suggested promising students that they will be job-ready. Who is the customer – students or employers? We had too many electricians, too many conservation officers, and too many elementary teachers. Remember the discussion with the Bush Foundation and its guaranteeing teacher education. Is the value proposition for a job or career, or is it to provide a core competency?

Mr. Horner distributed index cards to the Trustees and others who were present and asked them to describe the essence of the Minnesota State Colleges and Universities system in six words.

Some of the responses that were discussed were the following:

- We pay student loans. What student loans?
- Minnesota employers compete for MnSCU graduates
- Developing citizens who dramatically improve society.
- That was really valuable; I graduated.
- Fast, better, cheaper, students first, MnSCU.
- Tomorrow's community builders educated today.
- Came back later; learned new stuff.
- Build bridges for better lives.

The Trustees agreed that the students are the system's customers. Mr. Horner asked the Trustees to consider that the system may become unaffordable if stays on course. Costs are rising, employers are demanding more flexibility, and employees will change careers several times. Is the challenge to change affordability or to change the perception of the system? Is Minnesota State Colleges and Universities an affordable value?

Trustees stated that funding is tied to affordability. They also identified other core challenges such as Minnesota's demographics with more retirees and declining populations in rural communities. The system will be forced to compete with other public promises such as Social

Security and Medicare. Foundations and scholarships along with increased federal support for student grants and loans will help. A bold idea would be for the system to not increase its physical space. Is it efficient to have a central office?

Vision for System in 2020: Small Group Discussions and Reports

Mr. Horner assigned the Trustees into three groups to discuss the concerns about affordability, leadership and aligning the system with changes coming to Minnesota. They were asked to identify the challenge and some big bold ideas to address them? Audience members also participated in the exercise. The concerns and ideas generated by the small group discussions are outlined below:

Concern: Affordability

- Meeting students' needs in a timely fashion
- Create incentives to graduate more quickly
- Cap open enrollment
- Change K-12
- Public and business support
- Fix health care – afford = ability to pay
- Perception of cost/price are not-based
- Better persistence and success
- Tie affordability to likely success
- Maintain or increase public support dollars
- Increase business investment in students and institutions
- Challenge to K-12: graduate “ready students”; no more remediation

Concern: Leadership

- New organization structure – too large a span of control (direct reports)
- Split by type, i.e., college/university
- Split by geography, i.e., university and local colleges in regional grouping
- Rename Office of the Chancellor to MnSCU Central Office
- Board has sole authority in operation and policy decisions
- Board is willing to take a firm public stance in support of big ideas
- Board exercises full statutory authority
- Strengthen program coordination between colleges and universities
- Re-purpose buildings; add incentives to allocation framework
- Statewide academic and facilities master plan
- Meet industry standards – technical program
- Closer partnerships– formal with K-12 districts

Concern: Aligning Minnesota State Colleges and Universities with the Changes Coming to Minnesota

- We can't be a static system in a changing state
- Changing campus alignments to include 11-14
- More on-line options, simulation, gaming, etc., to increase percentage of online (our online has to be as good as the for-profits)
- Continue to evaluate Metro strategy for capacity and accessibility
- Add an 8th university
- More/less bricks and mortar
- Population shift in the Metro
- Demographics
- More education for fewer dollars
- Efficiency
- Faster path from enrollment to completion
- K-12 reform
- Tighter focus with the underserved money
- New pact with state government

At the close of the reports, Mr. Horner recessed the retreat at 4:55 p.m.

Wednesday, October 21, 2009, 8:00 a.m.

Rochester Community and Technical College Showcase

President Don Supalla gave an overview of Rochester Community and Technical College and the University Center Rochester. The UCR is one of the most unique higher education facilities in Minnesota. It is referred to as 3-2-1 – three public institutions, Minnesota State Colleges and Universities, Rochester Community and Technical College and the University of Minnesota all share a single campus. RCTC enrollment is up 6.8 percent for a record enrollment of 6,279 students. Almost 20 percent of credits this fall are online. RCTC, established in 1915, is the oldest two year college in Minnesota.

President Supalla highlighted RCTC's Community Partnerships. With 518 acres the campus has collaborated with the city of Rochester to build youth soccer, football and baseball fields. The campus needs to expand its parking facilities and will need to build replacement softball and football fields. The city of Rochester and its citizens voted to provide a portion of its sales tax for RCTC's sports complex for educational and recreational activities for its citizens.

Instructor Pam Benson gave an overview of the Computer-Aided Design Program that included examples of prototypes made by the students. Next, Dave Weber, Chief Strategic Operations Officer, and Christine Miller, Director of Institutional Research, gave an overview of the college's dashboard. It mirrors the system's dashboard, and it will be expanded to every academic area of the college. It tracks performance on trends and comparative scores and the college is in the process of setting targets for every single performance goal. After that, the Trustees went on a tour of the Health Science Center with Dr. Nirmala Kotoga, Dean of Teaching and Learning.

Review of Day One: Barrier Discussion

Mr. Horner highlighted the concerns and ideas that came out of yesterday's small group discussions. He stated that they had a strong alignment with the Draft Positioning Statements, and he asked the Board to consider whether those goals are strong enough or if they would rather go beyond them.

The four primary challenges in no particular order were:

1. Public funding is eroding
Business support is eroding
Federal and state role is shifting
2. Unprepared students enter what Dr. Zemsky calls "The Mall"
3. Affordability
High cost is equated with value by some people
Perception that college costs too much
Barrier to underserved, non-traditional students
4. MnSCU's cost per output is increasing significantly
Percent of graduates is flat; unsatisfied students
Costs are going up faster than the number of students

Large Group Discussion: Aspirations for the System

Mr. Horner led a discussion on Minnesota State Colleges and Universities as a leader or an early adopter. Can the system achieve its goal if it simply adapts its products to all of the changes, or does the marketplace need to change? What are the challenges and opportunities as the system prepares for a transition in leadership over the next 18 months? What is the system prepared to do, and does it have the resources and will to follow through on making changes? What is the role of the Board? Is the role of the Board to have ideas and then have them cascade to the colleges and universities?

A Trustee remarked that she did not know, for example, that RCTC already had a dashboard. There are good ideas and wonderful things happening on the campuses and the Board is unaware of them.

Mr. Horner offered three aspirational statements for the Trustees' consideration:

"MnSCU will be recognized as an innovative leader in identifying the changing demands stakeholders have of higher education and in creating effective solutions."

"MnSCU will provide an education that will be valued by students and other stakeholders."

"MnSCU will be the driver of education reform in Minnesota."

The Trustees broke into three groups to discuss which statements may be critical to the system's mission and where they fit in with the System's Draft Positioning Statements (9a of the retreat materials) and what might be some big, bold ideas? Chair Olson encouraged the groups to remember that they are trying to make the system work better for students.

Group One Report:

By 2020, students will view MnSCU as an innovative and cost effective leader in providing successful higher education tailored to fit their needs.

Bold idea:

Two percent of instructional costs are spent on remediation of recent high school graduates. Need to get out of remediation and set deadline by fall term of 2014 to no longer offer remedial education.

Group Two Report:

MnSCU will provide a high-quality, open access, most affordable education valued by students. That value will be recognized and endorsed by all stakeholders. MnSCU wants to be known as the "Target" low-cost value, not as the "Walmart" value. This fits with 9a, the System's Draft Positioning Statements. MnSCU's role is to close the achievement gap which it does through open access and enrollment.

The system demonstrates quality through integration and articulation that leads to pre K-10 system and 11-14 models for the future. The system demonstrates cost-efficiency as the MnSCU brand and by leveraging funding from partners.

Bold ideas:

1. Assume responsibility and deliver success for 11-14 as primary providers, not remediators.
2. Establish and create integrated regional delivery systems to ensure cost efficiency.
3. In the likely event that state funding continues to erode, MnSCU will narrow and focus program offering.

Group Three Report:

Does the Board know of the wonderful things happening on its institutions, or is the Board getting in their way?

Bold ideas:

1. Board should rewrite its compact with the State of Minnesota so that, for example, it has control over labor negotiations.
2. Write a compact with K-12 about student preparedness.
3. Rewrite the Board and the system's compact with its institutions. What does it mean to honor institutional autonomy, for example?

Mr. Horner outlined three approaches for accomplishing change: carrot and stick; collaborative approach; and disruptive change.

Presidents' Comments

Chair Olson invited the presidents to comment. President Kopischke explained that there are many initiatives, conversations around the state on remediation. One of the solutions is to rethink the model. Post-Secondary Enrollment Options (PSEO), concurrent learning opportunities; on-line high school for college courses are available. Critical, forward thinking on a new investment is needed – not more money, but money better spent for a model change. MnSCU can be a major player.

President Supalla commented that change cannot occur in isolation. It has to be done in collaboration. The system is already doing a lot of talking and working with K-12.

President Kopischke noted that Larry Litecky, President, Century College, has researched student readiness and student success with funding from a Gates Grant.

President Johns expressed concern that remediation is needed not only for newly graduated students, but also by adult students who return to college, new immigrants and others – sometimes for only one area of study, such as math.

President Davenport suggested letting the institutions bring forward innovative ideas and challenges. President Kopischke looks to the the Board as the system's "champion," with a visionary perspective. The Board can influence others in the community and around the state to make the systemic changes that need to occur. President Supalla commented that the Board provides the vision and sets the policies, and then the institutions will get it done.

Mr. Horner summarized what the presidents said:

- Be a champion – active, out there, be visible
- Set the vision
- Give the institutions the autonomy to implement the policy
- Get out of the way

Board members commented on the balance between centralization and autonomy. They also expressed a need for uniform best practices, standards among the institutions. The Board already has a vision and sets policies for the institutions to carry out within their means.

Mr. Horner noted that one group's bold idea was for MnSCU to set a higher education policy for the state. After several members had reservations about this approach, it was modified so that the Board would begin a discussion on higher education policy. Another member suggested including the System's Draft Positioning Statements in a paper.

Chancellor McCormick explained that the System's Draft Positioning Statements came from conversations with Trustees Christine Rice and Scott Thiss and some of the presidents. It grew out of staff work and consultation. It was envisioned as a draft for 2020, and it was hoped that the Board could believe in it and sharpen it up.

Mr. Horner observed that everyone agrees that something has to happen with the input – the students coming into the system need to be better prepared. Also, the system needs to produce

more graduates and that the cost per output is a challenge.

Board members asked about the role of the Board. Chair Olson explained that the original thought on the 2020 vision is that the strategic plan goes to 2012. Some members thought that we would agree on the vision for 2020, debate those and set policy on where we want to be in 2020. Now, we need to say, "What are we going to do about this list and get it done?"

Trustee Paskach suggested that the Board may want to revisit the strategic plan; it may be time for a new one. It will take a long time – about twelve months for all of the consultation to be carried out. Mr. Horner noted that the Board could begin the process over the next twelve months by working with local institutions to engage people in conversations asking three questions: what do you expect of higher education; how much should we spend; and who would pay? It would have enormous value in defining a strategic plan. Second, there is the challenge of leadership changes in the next 18 months, and the Board could set the vision for what they want in its next leader.

Chair Olson commented that the next step would be to have a discussion at the November Board meeting. Follow-up may be assigned to one of the committees, such as Executive, Academic and Student Affairs, or Human Resources.

Chair Olson adjourned the retreat at 12:26 PM.