

MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD OF TRUSTEES MEETING MINUTES THURSDAY, JANUARY 20, 2005 WELLS FARGO PLACE ST. PAUL, MINNESOTA

Trustees Present: Robert Hoffman, Chair, Tyler Despins, Cheryl Dickson, Ivan Dusek, Clarence Hightower, Vincent Ijioma, Lew Moran, David Olson, David Paskach, Ann Curme Shaw and Christopher Schultz

Trustees Absent: Will Antell, Mary Choate and Thomas Renier

1. **Call to Order**

Chair Robert Hoffman called the meeting to order at 9:45 a.m.

a. **Board of Trustees Major Topic Discussion:**

The 2004 Citizens League Report on Higher Education in Minnesota

Senior Vice Chancellor Linda Baer introduced and welcomed Ms. Rondi Erickson and Mr. Vance Opperman, Co-Chairs of the Citizens League Higher Education Study Committee, who were present to discuss and answer questions on the report.

Senior Vice Chancellor Baer also introduced and welcomed Ms. Erickson's mother, Dorothy Erickson, and the Executive Director of the Citizens League, Sean Kershaw.

Ms. Erickson thanked Chancellor McCormick and Senior Vice Chancellor Baer for their help and assistance through the work of the study group. She noted that they provided excellent information, both in printed format and in the way of expertise.

Ms. Erickson explained that in his State of the State speech in 2004, Governor Pawlenty asked the Citizens League to strategically re-think the future of higher education in Minnesota by assessing the current state of education, proposing a vision, and identifying strategic steps. She added that the study was an appropriate undertaking, as there are some serious issues facing higher education in Minnesota. Current rankings are due to past investment, and are not sustainable in moving forward. Thus, the title of the report: *Trouble on the Horizon: Growing Demands in Competition, Limited Resources, Changing Demographics in Higher Education*.

She stated that most of the recommendations relate to the University of Minnesota and the Minnesota State Colleges and Universities System. She noted that in reviewing other states in the nation, the budget constraints are

likely systemic. She stated that the recommendations include a mix of reforms that are relatively budget neutral, as well as recommendations for investment.

Ms. Erickson commented that Minnesota must increasingly be involved in an economy that is completely global. The key to success is to have a strong culture of innovation, research, as well as a diverse base of well-educated, knowledgeable workers. A challenge is the troubling demographic trends. Baby-boomers are retiring and K-12 is shrinking. She noted that 100 percent of growth in the 18 to 24 year-old population between 1990 and 2000 was from minority populations. According to the state demographer, over the next 10 years, caucasian students will decline by 19 percent, and students of color will increase by 52 percent. There is an achievement and access gap that needs to be met.

She questioned how Minnesota's higher education will compete with a retiring workforce, fewer replacement workers, and more challenges getting into and through higher education. Minnesota was ranked the eighth best high technology economy by the Milton Institute in 2004, up from ten in 2002. Thirty-six percent of nine through twelve graders are in upper-level math, twenty-two percent are taking upper-level science, and thirteen percent of eighth graders are taking algebra, according to *Measuring Up* and The National Center for Public Policy and Higher Education. It will be difficult to sustain a high technology economy with those percentages of K-12 students participating in science and math. The National Science Board places Minnesota in the bottom half in the United States in science and engineering degrees, as a percentage of higher education degrees. The United States graduates 60,000 engineers a year, while China and India graduate 600,000. Globally, the U.S. is down from second to fifteenth in the percentage of students participating in higher education. The United States ranks low in the number of science and math degrees granted. Thirty-one percent of Minnesota college students require remediation when entering higher education.

Ms. Erickson stated that a vision for higher education for Minnesota would be a vision of achievement for all, one of innovations and providing education, and of reaffirming the public good in higher education. She added that there are some interesting ways to strive for having the best educated workforce and to be globally competitive as the center of excellence for innovation and research, and to lead the nation in transferring knowledge through higher education.

Mr. Opperman explained that the recommendations were broken down into four categories.

- 1) Increase expectations – in high school and in higher education
- 2) Increase accountability and innovation
- 3) Promote excellence and improve institutional focus
- 4) Improve value and financial leverage

Mr. Opperman stated that there should be a seamless approach to educational expenditures in the state. Increasing expectations means raising the standards and participation in higher education, re-thinking the senior year, post secondary options, improving college preparation in the K-12 schools, and adopting the admission standards for higher education as the default curricula for public education in the state. Several recommendations related to improving accountability and transparency. He disagreed with the idea of shifting more money to students and away from institutions. The study group rejected and did not adopt that approach. He noted that the one thing absent from the statistics was a report card. To receive funding from the public, there needs to be a way in which students, teachers, parents and counselors can make informed decisions. He talked about fostering "Centers of Excellence" to promote greater specialization among the institutions. The University of Minnesota's Twin Cities campus should focus more on research and additional funding. The report also suggested that undergraduate education, workforce development, and access are the types of missions that Minnesota State Colleges and Universities does well and should continue to do.

Chair Hoffman thanked Ms. Erickson and Mr. Opperman and called upon Senior Vice Chancellor Baer to facilitate a discussion. Trustee Moran stated that there is a profound disconnect between the comprehension of public education as a public good and its funding source. He added that Europe and Asia are training more science and math-based individuals than the United States. He continued that there are structural issues about no or low taxes, or regressive taxes, or tax restructuring to prevent isolation of education, or public education funding, from the rest of the funding formula. He inquired if there are ideas or suggestions as how to close that performance and understanding gap.

Ms. Erickson replied that Minnesota is lagging in K-12 achievement, and soon will be lagging in quality of innovations. Mr. Opperman stated that there are two parts to that issue. The first is a connection to achievement in higher education or at least post K-12, and the other is income. He stated that personal betterment is a result of higher education and it is not unreasonable for students to be responsible for some of the funding.

Chair Hoffman stated that bold changes must be made and asked for suggestions that the Board may consider. Mr. Opperman emphasized the need for political cover expenditures and realignment in the way that higher education is delivered. Ms Erickson noted the importance of raising expectations in high school and beyond. She added the importance of teacher preparation programs to give students a higher sense of achievement. Trustee Shaw inquired if there is a plan for the Governor to look at K-12 reform, or a link to the Citizens League report with K-12. Ms. Erickson replied that the TRIO types of programs (term used to describe federal student assistance programs, originally three programs, now expanded to over six student assistance programs) to help young people identify what they need to attain

access and affordability. Mr. Opperman stated the importance of pilot programs and additional funds available from school districts to encourage and increase the knowledge or the involvement of those areas in higher education.

Trustee Hightower commented on increased expectations and an achievement gap between students of color and caucasian students is approaching a gulf rather than a gap. He continued that to impose stricter standards on those that are not meeting the standards as they are could create a problem. Ms. Erickson replied that in pilot programs that have been tested with communities of color, students of color are exposed to a highly rigorous K-12 curriculum with expectations that they will go on and seventy-one percent of them do continue on. Trustee Hightower added that to expect more, and not do anything will create more failure.

Trustee Dickson stated that there is a mounting frustration with K-12 education, and inquired if there would be a similar task force assigned to K-12. Mr. Sean Kershaw replied that The Citizens League has started a follow-up study looking at strategies to improve access to higher education in the district of Saint Paul.

Trustee Tyler Despins commented that financial aid is a complex and confusing system with the formula being outdated. He added that the costs of privates in comparison to public will hurt some public students. Ms. Erickson replied that the for-profit career colleges are eligible for aid as well. She added that competition in higher education at the institution level injects competition and will force higher education institutions, particularly place-bound traditional ones, to respond to offering education that is not place-bound, either on-line, or other kinds of outreach.

Trustee Dusek stated there is a great influx of immigrants in the state and inquired if consideration was given for the immigrant students while they catch up with English as a second language. He asked what could be done to provide education for an immigrant population that is also learning the language. Ms. Erickson replied that there are language issues to be addressed. Mr. Opperman stated that there are some models close at home that could be studied and applied.

Trustee David Olson stated that to lose a college would also mean a loss of a large community employer and inquired if the number of institutions and possibility of closure to an institution was considered by the Study Group. Mr. Opperman replied that one suggestion in the report was that many programs could be co-located, and it was suggested they be administrated either by contract or co-location with Minnesota State Colleges and Universities institutions. Ms. Erickson replied that a unified vision for Minnesota would be more appropriately made by the institutions and within the context of a strategic plan that reaches to the vision and mission.

Trustee Moran stated that in many cases the system is a last resort for students who cannot get into other colleges or universities. He continued that to not fund programs for the students who are already a part of the system is dramatically reducing the cost of educating students on a full-time equivalent basis. Ms. Erickson replied that there has to be a combination of spending smarter, plus investment, and it has to be on P-4, K-12 and in higher education. Mr. Opperman replied that the report does identify two areas where additional finance and investment should be made and the major of those two is in the research function from a public interest point of view. Senior Vice Chancellor Baer stated that the issue of how much structural change is required to accomplish providing education at a time when there is less money and that pilots have shown what works, but the investment has not been made due to a lack of additional funding.

Trustee Shaw inquired about the effects of high tuition as a model for higher education. Mr. Opperman replied that high tuition as a model is not and would not be the preferred model. Trustee Dusek stated that tuition is rising and inquired if education will be accessible to all, not only in Minnesota, but throughout the country. Ms. Erickson replied that about one-third of the people are taking advantage of the opportunity. She encouraged the Board to look at the report from *Growth and Justice* entitled: *Workforce First*, as it was an influence in the study.

Chair Hoffman noted that in reading the report, the performance council recommendation is perceived as adding another layer, and asked for an explanation meant by that design. Mr. Opperman explained that it was not to add another layer, but as an organization that informs the Legislature, the Governor, and the citizens of the State of the direction and quality of higher education and to act as a visionary. Ms. Erickson added that it would be a group that could measure against the vision. He added that the Board continues driving for and maintaining a competitive advantage in terms of being the most efficient in delivering the teaching and learning components that the System does so well. Trustee Shaw added that the Board would like to provide some leadership in shaping the direction of higher education and asked for suggestions. Mr. Opperman replied that a favorable effort was that of Chancellor McCormick meeting with each member of the Legislature. He encouraged that kind of activity and also commended the success with The Schwan's Food Company and its scholarship program.

Trustee Moran inquired as to alternative ways to attract investment for funding that does not necessarily fall into the categories of operating or building budgets. Mr. Opperman replied that there was a suggestion that there be a fund set aside that would reward curriculum reform.

Trustee Schultz inquired about the K-12 issues and Mr. Opperman replied that there may be more than one approach and in the subtext of the report it showed that the system could be more aggressive. Trustee Duane Benson asked for recommendations regarding the preparation of teachers. Ms. Erickson replied that there is a problem coming out of K-12 which is constricting with their union and tenure rules. With many students of color coming in to the K-12 schools, it is important to have teachers of color for visible role models to those students.

Chancellor McCormick thanked Ms. Erickson and Mr. Opperman and the Citizens League for giving their energy, talent and time to the project. He stated that the System's first strategic plan grew out of the conversations with 4,000 Minnesotans. Out of those conversations developed the strategic direction followed by work plans for the presidents, chancellor and staff. He added that he is currently working with the Board and constituents on the next work plan. He added that the strategic plan will also be reviewed and revised based on changes. He added that several of the report's recommendations will be considered by the appropriate committees of the Board. The concept of the "Centers of Excellence" is now in the Academic and Student Affairs Committee's agenda. He emphasized that each of the recommendations was taken seriously, particularly the ones on building the relationship with K-12.

Chair Hoffman concluded the session by thanking Ms. Erickson and Mr. Opperman for presenting and discussing the results of the report.

2. Adjournment

Chair Hoffman adjourned the meeting by consensus at 11:32 a.m.

Ingeborg K. Chapin
Board Secretary