

# MINNESOTA STATE COLLEGES AND UNIVERSITIES

## BOARD OF TRUSTEES MAJOR TOPIC MINUTES

APRIL 19, 2006

WELLS FARGO PLACE

ST. PAUL, MINNESOTA

**Trustees Present:** Robert Hoffman, Chair, Will Antell, Duane Benson, Michael Boulton, Cheryl Dickson, Ivan Dusek, Ruth Grendahl, Clarence Hightower, Lew Moran, David Paskach, Thomas Renier, Christopher Schultz and Ann Curme Shaw

**Trustees Absent:** Carol Ley and David Olson

---

### 1. Draft Minnesota State Colleges and Universities Action Plan 2006-2010

Chair Robert Hoffman reported that the Board approved the Strategic Plan 2006-2010 in January. Since that time, Chancellor James McCormick has been meeting with individual Trustees and college and university presidents to discuss priority items for the goals in the action plan. The Board will review the goals today; and the action plan will be approved in May.

Chancellor McCormick explained that the presidents and others have provided feedback on how the Office of the Chancellor operates and how its functions can be improved. Manuel López, associate vice chancellor for continuous improvement, helped with creating the system's first work plan and subsequent plans. One concern that was expressed over the past years is that the work plan was not integrated enough throughout the system. Chancellor McCormick continued that he heard the need to establish an office of planning and assessment, and that the function of this office reports to Senior Vice Chancellor Linda Baer. Dr. López has been assigned to working on the doctoral programs in the academic affairs unit with Dr. Baer. Leslie Mercer, associate vice chancellor for research and planning, has been working with Dr. Baer and Trustee Paskach on the Ad Hoc Committee on Strategic Planning, and also on the action plan.

While the previous strategic plans served the system well over the past four years, the new strategic plan is much more comprehensive, having benefited from conversations with all of the trustees and presidents. The purpose of the discussion today is to give the Board an opportunity as a whole to weigh in on the directions, goals and measures in the draft action plan. The next biennial appropriations request and capital budget request will be tied to the action plan. Once the action plan is approved, Chancellor McCormick and Senior Vice Chancellor Baer will meet individually with the presidents to see how they will build it into their campus work plans. This is the transition year for the plan that will drive the change to get things done.

Senior Vice Chancellor Baer explained that the goals that have followed the strategic directions have been integrated with action steps. Associate Vice Chancellor Mercer summarized the format for the draft 2006-2010 Action Plan. She explained that the strategic plan has been

incorporated into the draft action plan starting with strategic direction 1: increase access and opportunity. Particular action steps are added below each goal. For each goal, there should be an ultimate outcome measure. Many of the measures are already in the accountability framework. For example, the accountability framework already has a student success measure for successful completion, transfer and retention. Some measures are more of inputs or process, especially for the first year. Dr. Mercer emphasized that there is a difference between the ultimate outcomes that the Board wants to achieve and the process measures on getting to that point. Strategic directions 1, 2 and 3 have more outcomes whereas strategic direction 4 does not have as many clear measures. The single page titled, "Example: Cascading of the System Action Plan into Other Work Plans" uses goal 1.3 on the K-12 pipeline and shows how other divisions or organizations are listed as responsible units for implementing and carrying out the actions.

Dr. Baer noted that this is a complex process that staff has tried to simplify. The Board may ultimately want to ask us whether the goals we are proposing here will make a difference in students lives. Dr. Baer directed the board to goal 1.3 - work with other organizations to prepare all young people to graduate from high school and enroll in college ready for success. The overall measure is to reduce the number of students enrolling in developmental courses. Dr. Baer reviewed the action steps that ranged from coordinating improvements and increasing pathways to hosting regional dialogues between colleges and universities and K-12 leaders to working with the P-16 Roundtable and developing and implementing a new Perkins State Plan that will guide career and technical programs at secondary and post secondary levels.

A Trustee asked if one indication of success will be when the number of high school graduates enrolling in developmental courses will be reduced or will success be completing everything in 1.3.1 through 1.3.7? Dr. Baer commented that the ultimate goal is for all of the pieces to be accomplished to make a difference. How will the Board define success? The Chancellor and his staff will be accountable for and evaluated on the action plan. Another board member commented that this level of detail belongs to the staff and not the Board but that the action steps are for the first two or three years with the ultimate goal to be measured after the completion of the action steps. The strategies and action steps are best carried out by the staff. Another board member asked for more definable goals for some of the directions. For example, the reduction in the number of graduates requiring developmental courses will change by demographics alone. Dr. Baer replied that the research and assessment office tracks the number of students who are in need of developmental courses at the time they enter the college and university. Dr. Mercer explained that it would be reported as a percentage and the system tracks this data. Is this the best measure for goal 1.3? There might be better ones, and staff hopes to have more information in the next month or so. Dr. Mercer continued that trends will not improve dramatically in the next year or so but over time they will yield the ultimate goal. A Trustee asked if the K-12 system has adopted anything like this measure. Dr. Mercer said the P-16 Council of which Chancellor and Dr. Baer belong to, is developing standards for reading, writing and math in consultation with school districts and higher education. Their initial report went to the legislature about one month or so ago. The Trustee continued that K-12 is accountable for preparing students so they are ready for college success and that this is an issue that should be addressed.

Dr. Baer commented that many states determine that high school graduation standards equal college readiness; Minnesota does not.

A Trustee asked whether the success of the STEP program at Anoka Technical College would be captured in the action plan. Dr. Mercer explained that the STEP program would be reflected in the college president's work plan. She continued that most of the energy in the action plan is behind goals 1 and 4 in large part as an outcome of the visits with Board members. Several items are for 2007 and as the plan gets settled more items will be added and cascaded out for subsequent years. A member asked about 4.1.1.0 – Develop Campus of the Future – Capacity templates and whether it includes building capacity needs for the system. Dr. Baer responded that this goal is under strategic direction 4: innovate to meet current and future educational needs efficiently and that goal 4.1.7 seeks innovative approaches to academic and facilities planning while goal 4.1.7.2 explores models for understanding impact of increased online programs and services on facilities planning. Expanding on the question, the board member continued that the action plan also needs a strategic systemwide goal for how to repair existing roofs and boilers, for example.

With respect to future planning, Chancellor McCormick noted that an opportunity exists on how to address the changing educational needs in the Twin Cities region. Dr. Baer explained that goal 4.1.6 is to develop an academic and facilities plan for the metropolitan area that defines the role of Metropolitan State University, the Metro Alliance colleges and other state universities in meeting the needs of the growing and diverse population. Balancing the language for the urban growth is goal 3.3.2 that would position rural colleges as catalysts for promoting regional economic growth through interdependent strategies with their communities.

A Trustee stated that there is a need for a discussion or study on the system's building capacity that evaluates the pluses or minuses of each institution and needs of each region, including looking at shrinking the number of institutions in the system. The southeast region is growing as is the metropolitan area, and how will the system meet these needs when it cannot care for its existing properties.

Another member commented that he was troubled by goal 1.3 because one way to achieve it would be to have higher standards for admission and that would decrease access, especially for the growing urban population. Chancellor commented that this point drives home the complexity of the issues and that it might have unintended consequences by giving signals to presidents that would cause them to reduce access for students who need remedial courses. Dr. Mercer asked the Board to consider what would be a good set of high level measures that they could focus on that would also keep a good balance and tension between access and quality? Dr. Baer stated that there is a fundamental question to consider that says it is not doing more with less but doing more without enough and that the state is not contributing to this enterprise. We are proposing improving access and opportunity, quality and services, meeting regional needs and being innovative. The earlier people engage in math and science the more likely they are to enter and graduate from college. A board member remarked that a key measurement would be the contacts

with the different institutions and agencies that can work with K-12 to better prepare the students for college.

A Trustee commented on a statement made earlier by Dr. Baer about Minnesota not being one of the states that require high school graduates to be college ready. A goal would be for Minnesota to join the ranks of the other states so that the system will not have to reallocate resources for remediation. The focus should be on setting standards for the state so that high school graduates are college ready, and also on the students who are in the last two years of high school. How much is the free choice of courses in high school contributing to this gap when the best-trained math teachers are present but students are taking other courses. Perhaps we offer less of a choice in K-12? Another Board member cautioned against using improving student readiness as a goal because it will be used unfairly in the Board's evaluation of the Chancellor and his staff.

Chancellor McCormick explained that the action plan is resource neutral for the coming year, but it has financial implications for future years. The actions and their associated costs will be incorporated into the biennial budget planning process. Dr. Mercer noted that the goals for FY 2007 will be included in reallocating existing resources. The exception might be if the goal states to seek external funding for them. Vice Chancellor King explained that the work effort will be done in time to be included in the FY 2008-2009 biennial budget planning process. Chancellor McCormick commented that this plan is not about new money; this plan is about reallocating resources to accomplish these priority items. With a system of this scale, a Trustee asked if there were pockets for experimenting to see if they are working, whether it is STEP, or five other programs, or a region of the state, or collaborations with other high school programs, where outcomes could be isolated and evaluated for effectiveness. Dr. Baer commented that going to Strategic Direction 4: innovate to meet current and future education needs, the system is seeding six courses for redesign along the model of the National Center for Academic Transformation by Dr. Carol Twigg.

Another board member commented that the Board's role is to focus on the goals while the tactics are for staff. He continued that the system needs to have expectations for the pipeline, feeder system, and it is important that to send messages of expectations, so that parents become part of the equation, too. What are the expectations for the senior year of high school? It would be nice to have more money in the system but there already is a lot of money in the system and in the feeder system that is not being used correctly. How should the system behave differently to pay attention to what the customer wants? He summarized that while it is difficult to do all of these things; it is also a great opportunity.

Dr. Baer directed board members' attention to strategic direction 4, noting that there will be conversations with the Leadership Council. A board member asked about 4.1.1 - establish an innovations/futures advisory board. Dr. Baer explained that it was a suggestion from the Ad hoc Committee on Strategic Planning that was interested in having a futures advisory group. The membership has not yet been decided but it could include internal and external members. Chancellor McCormick explained that the model for the Ad Hoc Committee on Strategic

Planning worked very well with four board members, four vice chancellors and four presidents. He thought it was not too early to start looking at the future for 2009 and beyond. A board member suggested including representatives from the K-12 system.

Another Trustee asked about whether the action plan included academic and facility planning for future needs. Dr. Baer directed the Board to actions 4.1.6 and 4.1.7 which are specific for the metro area but could be expanded to 4.1.7.3 for long-term academic planning with facilities. Other areas within this goal include 4.2.1 to implement the innovations component of the allocation framework, 4.2.2 to create a board awards process and event to recognize excellence, innovation and efficiency throughout the system, 4.2.3, to identify contract provisions that permit incentives for innovation with the bargaining units, and 4.2.4 to implement relevant portions of the Human Resources work plan.

Responding to a question about the innovation language for the allocation framework, Vice Chancellor King explained that the allocation design includes the ability as part of the framework for the Board to direct any dollar amount and set it aside as a separate method. Up until now, the Board has not taken anything aside from the straight formula allocation, but the approved process provides the capacity to do this. For example, the Board could decide to hold \$10 million aside from the FY 2008 allocation for an innovation fund. Dr. Baer added that the system will also pursue funds from federal legislative and foundation sources as outlined in 4.1.4. Chancellor McCormick stated that the Centers of Excellence are creative, innovative and have resulted in collaborations that are promising for long-range implications.

A board member inquired about the cost per square feet on renovation, and the \$20 million for investing in technology? Vice Chancellor King explained that the enterprise technology innovation for FY 2007 includes \$6 million from the Office of the Chancellor and \$6 million from the campuses, with an expectation of another \$20 million that will be included in the next biennial budget planning.

Dr. Baer thanked the board members for the conversation. The plan will be brought before the Board of Trustees in May for approval. Chancellor McCormick asked members to continue to think about the goals and forward any suggestions to Dr. Baer or Dr. Mercer. Board members agreed that the plan needs to have some bold statements about the pipeline and the senior year in high school along with our expectations of the feeder system.

## **2. Strategic Plan Priorities for the FY 2008-2009 Biennial Operating Budget**

Vice Chancellor Laura King reported that launching the planning process of the biennial budget along with a discussion of the Strategic Plan is being done today for the first time. Also new this year is a plan that is being formulated for the campuses to discuss how they are spending their existing resources. Not only will it be a conversation of new money to request of the Governor and legislature, but a conversation with the Board and presidents of their current resources as they relate to the goals of the Strategic Plan.

A challenge is the equation between access and quality affordability and how much effort and leadership is placed on those elements. As an example one institution may lean towards quality and away from affordability whereas another may lean towards access with less new investment to improve quality. The challenge is to sort it out based on the Strategic Plan and have it also come together with the biennial budget request.

Vice Chancellor King stated that the goal of the staff's work for the biennial budget process is that the Board points the direction in terms of emphasis in the biennial budget request. She noted possible strategies in the planning and added that there is now a framework for identification of what should be stopped at the institutions in order to free those resources for other areas. The reallocation process requires identifying what needs to be moved in order to free those resources.

Trustee Duane Benson inquired what numbers are used based upon enrollment when building the budget request. Vice Chancellor King replied that the statute was amended last year eliminating the enrollment adjustment. However, internally the allocation of state appropriation is largely based on enrollment with eighty percent of the dollars being driven on the basis of enrollment and tied to the program costs. Enrollment numbers are estimated 3- 4 years out based on the enrollment figures given by the institution. Senior Vice Chancellor Baer stated that the role of the institutions is to use the demographics from their feeder schools to compare with the demographics of the districts and county in their area for projected data. Chancellor McCormick stated that the constituent groups are working to reintroduce enrollment adjustment at the legislature.

Trustee Clarence Hightower suggested reviewing the Strategic Plan to identify items that should be put into initiatives. The discussion continued with suggestions of changing and cutting programs; offering incentive rewards to teachers for doing more with less; and how to manage resource constraints. Chancellor noted that several programs have been dropped but just as many new ones have begun and that needs to be known.

Vice Chancellor King noted that inflation on salary and operating costs alone is a larger number than can be covered just by reallocation or cuts. She further commented that in the last four years the system has gone to the legislature with enrollment increases while the legislature was cutting the budgets. The Chancellor noted that the number of students has increased while there is less state money to each student. The increase in tuition is not just inflation but the shift in numbers and it has also shifted to the students and their parents as well.

Vice Chancellor King summarized that there is support for the three elements: the base budget; the reallocations; and the new requests. She noted that the Strategic Plan should be followed as an organizing and marketing document. Innovation and results are a large part and also how to work the enrollment management into the budget request.

Chair Hoffman commented on the continued downward trend of state appropriations with an upward trend of tuition increases that places the burden onto the students. Vice Chancellor King concluded noting that the work to develop the budget requests will continue through the summer with updates provided to the Board along the way. Chancellor McCormick will present the system budget recommendation to the Board in the fall.

### **3. Adjournment**

Chair Hoffman adjourned the meeting at 12:05 p.m. by consensus.

---

Ingeborg K. Chapin  
Secretary to the Board