

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES STUDY SESSION
LONG-TERM FINANCIAL SUSTAINABILITY WORKGROUP
JUNE 21, 2016
McCORMICK ROOM
30 7TH STREET EAST
ST. PAUL, MN**

Present: Chair Michael Vekich, Trustees Ann Anaya, Margaret Anderson Kelliher, Duane Benson, Elise Bourdeau, Kelly Charpentier-Berg, Alex Cirillo, Dawn Erlandson, Robert Hoffman, Philip Krinkie, Maleah Otterson, Thomas Renier, Louise Sundin, and Chancellor Steven Rosenstone

Absent: Trustee Erma Vizenor

Presenters:

Steven Rosenstone, Chancellor

Phil Davis, Associate Vice Chancellor and Director of the Campus Service Cooperative

Laura M. King, Vice Chancellor for Finance

Jim Schowalter, former Minnesota Commissioner for Finance and current CEO of MN Council of Healthplans

Convene and Introduction

Chair Vekich convened the study session on the Long-Term Financial Sustainability Workgroup at 10:00 a.m.

Chair Vekich's Introduction

The success of the Minnesota State Colleges and Universities depends in large measure on our fiscal sustainability

member of the workgroup, will join them. Following that presentation, there will be an

perspectives. Associate Vice Chancellor Davis acknowledged the members present and asked them t

Recommendation Three

Calls on the system to build and expand partnerships with K-12 and other external agencies and groups to meet the needs of our changing student population. Some strategies suggest that we work to ensure students are prepared to enter college, and to grow the numbers of students who see college as possible and practical in their lives.

Recommendation Four

Asks the system to look at creative modifications to current labor practices in order to ensure that our students are able to access higher education where and when they need it.

Recommendation Five

Asks the system to re-calibrate its physical plant and space capacity to ensure access and opportunity for all students.

Vice Chancellor King gave closing remarks noting the principles that animated the group's work were guided by the system's strategic framework and an underlying belief that improving student success is key to the long-term financial sustainability of the colleges and universities. At the end of the presentation Chair Vekich welcomed clarifying questions.

Discussion

Trustee Anderson Kelliher asked if costs had been projected for all of the items. Vice Chancellor King referenced slide 13 and stated that the workgroup did not cost out the recommendations. After the work was completed and the report was compiled, the chairs took a look at the financial opportunities and the implementation requirements. That work will be done in the months ahead as the consultation process unfolds and the chancellor identifies the sequencing of the recommendations he's interested in pursuing.

Trustee Hoffman asked what is the state's role or commitment to higher education. Associate Vice Chancellor Davis responded that the workgroup does not see significant increases in the state's investment as a measurable contribution to the solution. Trustee Anderson Kelliher commented that it is disappointing that we are not asking for more from the state. Vice Chancellor King responded that the full report shows what has been happening and there can't be a focus on incremental change.

Trustee Benson thanked Mr. Schowalter for his participation and pointed out that there are a lot of similarities between healthcare and higher education and he would like to see a more brutal, deep review. Associate Vice Chancellor Davis pointed out that the report was cautious about diving too deeply into metrics in order to avoid being presumptive about decisions but recognizing frustration about not having some of the details. These are the kind of conversations that it was hoped that the reposl,

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in absolute dollars.

many institutions will still be in place, how many people can still afford to have the ability to educate?

Trustee Sundin commented that the committee should consider changing our requests, and being

Hoffman asked if our market share is growing every year. Vice Chancellor King commented that the colleges and universities have been gaining market share modestly over the years. Trustee Krinkie commented that the information provided is great and the recommendations are excellent. He asked whether there are any opportunities for thinking outside the box. There are only two people on the workgroup who are not directly involved or connected to the state college and university system.

Associate Vice Chancellor Davis commented that the composition of the group for the most part was connected to higher education and our system. However, all participants were provided with outside reading to draw their attention to other systems and creating new paradigms and encourage broad and creative thinking.

Trustee Krinkie commented that, “out of the box thinking” might include some or all of the following... campus closures, drastic reductions in the number of course offerings, more proportional tuition costs, sales tax options, national recruitment/marketing for online students. Vice Chancellor King responded that the report contains a lot of the flavor suggested and it wasn't taken all the way to the finish line, but would expect in the days ahead that several of the ideas mentioned are included in the thinking, with the exception of the sales tax suggestion.

Trustee Cowles commented that one of the virtues of the project was a very good exchange of ideas across the organization. The workgroup participants exemplified very good listening skills, constructive conversation, and there was a great hunger for more of these discussions. One of the things that was very informative and helpful to the group was the amount of good details and factual information. As the variables and assumptions are considered in framing the recommendations we need to be mindful of the student demograp