

QUARTERLY REPORT
Minnesota State Colleges and Universities Work Plan for 2005-2006
Actions for First Quarter

October 19, 2005

OVERVIEW

The Minnesota State Colleges and Universities System 2005-2006 Work Plan was approved by the Board of Trustees in July 2005. The plan includes five annual priorities:

- Increase Revenue
- Improve Productivity
- Create Centers of Excellence
- Update the System Strategic Plan
- Serve the Underrepresented

This report represents only a summary of the major achievements in addressing these five priority areas and the challenges stated in each for the first quarter (July-September) of this year. What is especially noteworthy is that all five of the priorities were the topic of discussion and action at this month's meeting of the Board of Trustees. We have succeeded in increasing the link between the Annual Work Plan and the work of the Board of Trustees.

RESULTS

Focus Area One: Revenue

Challenge One: Develop a sustainable financial model that meets the system's strategic directions and is consistent with the state's higher education objectives.

The Revenue Model Project is right on schedule. The Board had a productive and informative presentation and discussion in September with national higher education finance expert, Dennis Jones, President of the National Center for Higher Education Management Systems. Dr. Jones provided trend information that shows higher education is experiencing a national trend in the decline of state support. The outlook is clouded by state budget pressures in other expenditure areas such as health care and corrections. The Finance Committee this month received preliminary policy options which center on alterations to our tuition policy. Final recommendation is due to the Board in March 2006. This is a very important issue for us and for our students and warrants careful deliberation in the months ahead.

To support the work of the project, staff in the Office of the Chancellor prepared background information on financial aid and net costs of attendance for System students and developed a simulation model to assess impacts of alternative financial models on students and institutions.

Challenge 2: Begin to implement strategies to expand support from the legislature, corporations and business, foundations and citizen groups.

Foundation Visits

Two visits to area foundations have been completed: the Archibald Bush Foundation and the UPS Foundation. The meetings have been mutually beneficial, enabling the foundations to share their interests and thought on future directions for the Minnesota State Colleges and Universities, and providing us the opportunity to describe some of the many innovative and important activities that are going on at colleges and universities throughout the system. Six additional visits are scheduled in the upcoming months.

Legislative and Executive Branch Visits

Government relations and facilities staff have accompanied House and Senate members on their fall bonding tours throughout the state.

- Trustees Hoffman and Paskach, Chancellor McCormick, Leslie Mercer and Bernie Omann met with Governor Pawlenty to update him and his staff on the status of the Centers of Excellence process.

Planning for the Governor's trade mission to China

The Strategic Partnerships Unit, Academic and Student Affairs, served as liaison between the Minnesota Trade Office and the system's delegates to facilitate preparations for the November 2005 China trade mission and to ensure that the Education Delegation itinerary meets the objectives of our system. Two meetings of the system's delegates to the China trade mission were convened to discuss this.

In cooperation with Public Affairs, the Strategic Partnerships Unit began preparation of Chinese language publications, electronic media, and business cards for distribution by system delegates while in China. Development of a mission statement and system highlights for delegates to use as background while in China was also initiated.

In addition, the system developed an ongoing working relationship with the University of Minnesota's China Center that resulted in five meetings between system officials and visiting delegations of Chinese higher education administrators.

Focus Area Two: Productivity

Challenge One: Examine goals, objectives and strategies to assure better management of expenses and increased productivity.

The Productivity Initiative progress report to the Human Resources Committee was postponed until the December meeting of the Board of Trustees.

Institutions are held accountable to the Higher Learning Commission (HLC), our regional accrediting agency, for reviewing data and for measuring effectiveness with those data in mind. Colleges and universities accredited through either the of the Higher Learning Commission's Academic Quality Improvement Program or Program to Evaluate and Advance Quality (PEAQ) accreditation processes must engage in active data gathering and analysis. The improvement of institutional efficiency and effectiveness is at the core of these processes.

Greater detail will be forthcoming at the December Board of trustees meeting when the full report, including a detailed example of the data-driven decision-making process, is delivered to the Human Resources Policy Committee.

Challenge Two: Focus further attention on the development of key measures of progress in the System-level Accountability Framework.

This quarter, the Research Unit in the Office of the Chancellor has developed the methodology and prepared draft human resources measures that have been presented to the Institutional Research Directors Group, Office of the Chancellor Human Resource staff and selected college and university academic affairs and human resource staff for review and refinement.

The unit also continues development of an institution version of the student success dashboard for colleges and universities to use to monitor their progress and improvement in retaining and graduating students. They also have begun to collect National Survey of Student Engagement and Community College Survey of Student Engagement data from System universities and colleges to be used to develop measures for student satisfaction and engagement.

Challenge Three: Make significant progress to create a system in which students can easily move from one institution to another without encountering financial or organizational barriers.

Over the last quarter, the Business Practice Alignment Committee (BPAC) has progressed in its continuing drive to eliminate business practice variances that hinder access, impede seamlessness, and drive up internal maintenance costs. Most particularly and most visibly, the committee's recommendation for alignment of "drop for non-payment" practices has been reviewed and approved in policy by the Board of Trustees. The BPAC also has forwarded its recommendation for a common term start date, and that new policy will be in front of the Leadership Council in short order. At present, sixteen of the committee's recommendations have been implemented and are complete, while the remainder is in the Office of the Chancellor consultation process under the guidance of the Vice Chancellors for Academic and Student Affairs and for Finance.

Focus Area Three: Centers of Excellence

Centers of instructional program distinction are designed to address Minnesota's needs for a trained and educated workforce. Centers of Excellence will focus investment, reduce duplication, and strengthen programs and partnerships.

Challenge One: Initiate a process to identify distinct programs and partnerships among colleges and universities.

Consultation took place with the Department of Employment and Economic Development and the Board of Trustees in July to identify the following four areas for potential Centers of Excellence:

- Biosciences
- Business/Technology
- Healthcare
- Manufacturing/Engineering

Challenge Two: Position the system to attract faculty, respond to business and industry needs, and define and develop exceptional programs.

Conducted industry meetings in late August for the four areas above that resulted in over 200 faculty and administrators and approximately 25 industry panelists in attendance to discuss industry needs and review a proposed Request for Proposal.

Challenge Three: Develop a process to select three to eight centers.

In a very rapid process, the Office of the Chancellor issued a Request for Proposals (RFP) on September 9 after consultation with the Board of Trustees, Leadership Council, faculty unions, and other stakeholders. We received 11 proposals by the RFP deadline of October 4, including two in the biosciences and three in the other three industry areas.

Under the leadership of Senior Vice Chancellor Linda Baer, we conducted a two-stage proposal review process on October 10-11. The first day included a review of the proposals by industry evaluation committees consisting of a cross-section of system faculty and administration and industry and external higher education representatives, including individuals from centers of excellence in other states. The second day included a review of the top seven proposals from the first round by an evaluation committee consisting of system leadership from faculty and administration, president emeriti, a cross-section of industry representatives, other higher education representatives, and senior administration officials.

The Board of Trustees considered the recommended proposal this morning and heard presentations by the recommended awardees before selecting:

- Business/Technology: Metropolitan State University
- Healthcare: Winona State University
- Manufacturing/Engineering: Minnesota State University, Mankato
- Manufacturing/Engineering: Bemidji State University

Focus Area Four: Strategic Planning

Challenge: Support the ad hoc work group on Strategic planning of the Board of Trustees to review the existing strategic plan; reaffirm or revise the system's vision, mission and purpose statements; and assess the role of the system in economic development.

The Ad Hoc Work Group consisting of four Trustees, four presidents and four senior staff from the Office of the Chancellor, has revised the Mission, Vision and Purpose Statements for the Minnesota State Colleges and Universities System. The work group also revisited the four strategic directions and developed draft goal for the first three. . A draft plan will be ready for full Board discussion at its November retreat.

Focus Area Five: Serving the Underrepresented

Challenge One: Create a standing committee on diversity in the Leadership Council.

The Leadership Council established a diversity committee in July 2005. It is composed of six members. The committee has met three times. Its current projects include providing advice to the Office of the Chancellor on the American Indian Initiative and the establishment of a Community Diversity Advisory Council. The chair and co-chair of the committee also have worked with the ad hoc committee on diversity of the Board of Trustees in the development of its charge. The staff is currently assisting the Board's committee as it writes its work plan.

With regard to the American Indian Initiative, the chair and co-chair of the diversity committee have visited the Red Lake Nation and White Earth reservation, and met with the Minnesota Chippewa Tribal Education and Human Services Sub-committee at the Grand Portage Lodge. Plans are currently underway to complete visits with all of the tribal chairs on their reservations. This initiative is staffed by Diversity and Multiculturalism.

Challenge Two: Implement the Diversity Task Force plan to assure access and maximize opportunities for students in underrepresented populations.

Best practices have been identified and a protocol for establishing the Community Diversity Advisory Council will be developed by October 31, 2005. Selection of members will occur during November and December 2005. The first meeting of the council is scheduled for February 2006.

Plan and coordinate implementation of changes in the collection and uploading of student race-ethnicity data form the placement testing process to reduce variation and improve completeness of race-ethnicity data.

CONCLUSION

We have made significant progress with this year's objectives.



Minnesota
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QUARTERLY REPORT

Minnesota State Colleges and Universities Work Plan for 2005-2006 Actions for September to December 2005

Meeting of the Board of Trustees January 19, 2006

Focus Area 1: Revenue

The revenue project to develop a sustainable financial model has adhered to the schedule published in the work plan and is scheduled to come to the Board for consideration at the January 2006 meeting. Staff will incorporate any resulting new policies into FY 2008-09 budget request (April 2006).

The Board will be asked at the January meeting to make a policy decision concerning the desirability of tuition discounting as a strategy for raising additional revenue. The staff committee work was completed, and the committee will recommend not to pursue tuition discounting as it fails the policy goals of improving access and affordability across the state. Adoption of discounting, it is believed, might only succeed at selected universities because of student demographic profiles.

Several activities have been conducted to more fully develop a system-level major gifts and grants program and provide leadership in the development of a major gifts program that will put the chancellor, the system governing board and the foundation's board into stronger collaboration with college and university presidents, staff and volunteers.

The work plan calls for the Chancellor to undertake 20 or more visits to corporate and foundation leaders to seek input into the system's strategic plan. Fifteen of the 20 visits have been completed or scheduled with promising results. Each visit has resulted in extended opportunities to work together on projects and/or possible future grant opportunities.

The Foundation office continues to work with six to ten colleges/universities to create solicitation strategies for \$100,000 individual donor prospects in partnership with the college/university, using the chancellor and campus president where appropriate.

We also are working with foundation board members, trustees of the Minnesota State Colleges and Universities and other community leaders to identify additional donor prospects. To date, we have identified primarily corporate/foundation donor prospects, the majority coming from colleagues within the Minnesota State Colleges and Universities and others in the community. The 20 foundation visits have gone a long way toward achieving this objective. Further, we pledged to initiate a corporate and foundation relations program. The recent hiring of a director of corporate and foundation relations, Maria McLemore-Sklar, will move us toward that goal.

In order to provide leadership to foundation and development staff on all campuses as they build their capacity to raise private funds, we held the first of two staff development retreats for development teams from the institutions designed to enhance capacity for fundraising through training and the dissemination of best practices. A November staff workshop was held with approximately 60 system colleagues in attendance. This workshop was in partnership for the first time with the Marketing and Communications staff.

A Web presence for the Foundation will include information on how to make a gift, links to campus foundations, and information on available funds. While the initial roll-out was completed in December 2005, final revisions to the content are being addressed before going live.

Systemwide grants have included:

- The McKnight Foundation notified the Office of the Chancellor in December that a grant of \$235,000 was awarded to the system to pilot an integrated business/industry services strategy in two regions of the state. The Office will facilitate efforts of colleges and universities to work with regional initiative foundations, industry associations and the Department of Employment and Economic Development (DEED) to develop and implement this strategy with a goal of replicating it in other regions around the state.
- Twelve of Minnesota State Colleges and Universities received 15 Minnesota Job Skills partnership (MJSP) grant awards totaling \$2,445,250, or 77.5% of total funds awarded in October. These grants will serve incumbent workforce training needs of the manufacturing and energy, social services, pharmacy, warehousing, architectural services and software development industries.
- The Minnesota State Colleges and Universities was a partner in a three-state grant proposal submitted to the Department of Labor Education and Training Administration (ETA) by the Governor's Workforce Development Council (GWDC) on behalf of the governors of Minnesota, North Dakota and South Dakota. The grant sought \$15 million over three years to develop the Minn-Kota Innovation Marketplace, an alliance integrating education, workforce and economic development, and entrepreneurial opportunities to support the energy, renewable energy and manufacturing industries. The grant proposal was in

response to an RFP issued by ETA dubbed WIRED (Workforce Innovation in Regional Economic Development). ETA anticipates issuing eight to 10 grant awards in late January 2006.

Visits to college and university sites recommended for inclusion in the 2006 legislative bonding cycle are nearly completed. The 2006-07 capital budget, approved by the Board in June 2005, was submitted on time to the Department of Finance. Individual projects continued to be reviewed by staff, fine tuning project scope descriptions and cost estimates. Legislators are completing their statewide tours to review bonding projects and will be ready to start the 2006 session informed on the \$280.4 million Minnesota State Colleges and Universities request. Government Relations staff have accompanied legislators on all of the bonding site tours where capital requests, including repair and replacement projects, were viewed. Feedback from these visits has been very positive, particularly with respect to the need for major repair and renewal funding for basic infrastructure work. I have visited 18 sites included in the capital budget and will visit the remaining five, while staff have been to each of the sites.

In conjunction with the Facilities division, the Public Affairs division completed *Space to Learn: Shaping Minnesota's Future*, a publication outlining the system's capital budget request. The publication is being distributed to trustees, presidents, legislators, foundation board members and other opinion leaders to clarify and build support for the system's request.

I know that the Board is very interested in expanding our role in global education and understanding. As you know, six representatives from the Office of the Chancellor and system institutions were part of the Education Delegation on the Governor's Trade/Cultural Mission to China in November 2005. The group's primary findings include the following:

- To ensure the competitiveness of Minnesota and its students, the system must enhance its capacity to provide international competencies and perspectives throughout its education and training programs.
- The Chinese education market presents enormous opportunity for the state of Minnesota and the system.
- Because of the rapid pace of economic progress in China, India and other global markets, it is critical to significantly strengthen our efforts and investment in innovative international education and training initiatives immediately.
- The state colleges and universities are the only institutions in Minnesota that are uniquely positioned to provide associate/bachelor/applied master's joint degrees, which are in high demand in China.
- Through participation in the trade/cultural mission, the system strengthened relations with the University of Minnesota and its China Center, and explored

new relationships with Shanghai University and Beijing Normal University (Zhuhai Campus). During the mission, participants attended several events with the governor and corporate executives representing the spectrum of key industries in Minnesota.

Following the China trade/cultural mission, the Board of Trustees authorized the system to seek \$3.5 million from the legislature through a supplemental budget request to support a Global Initiative. This initiative would create and expand faculty and student exchange programs and customized training opportunities in China and other growing markets, and build the capacity and infrastructure to support Chinese language and cultural instruction throughout the system.

Focus Area 2: Productivity

To meet the work plan's goal, *examine goals, objectives and strategies to assure better management of expenses and increased productivity*, the Leadership Council named the Human Relations Committee of the Leadership Council to be the Improved Productivity Work Team at their July 2005 meeting. The team assessed the tools available to the campuses to monitor productivity and surveyed selected campuses to determine their use of the available tools. A presentation on how the tools were used at Lake Superior College and how they drove decisions at that campus; the connection between productivity and the funding formula; and the current status of key human resources measures in the System-Level Accountability Framework were made at the December 2005 meeting of the Human Resources Policy Committee of the Board of Trustees.

At the December Board meeting, the Human Resources Committee heard and discussed several accountability measures related to productivity, including Student to Faculty and Student to Staff ratios. (This report was postponed from its original October date due to time limitations of the committee.) Staff continues to refine the measures and develop trend information that will enable the Board to monitor changes from year to year.

The Business Practice Alignment Committee (BPAC) reports extensive progress during this reporting period. Although effort continued to oversee implementation of financial business practice alignment recommendations, the committee analysis emphasis shifted to student business practice alignment opportunities.

Variations 59 through 124 are the variations that are predominantly student business practices. Of these 65 variations, 48 have now been resolved with recommendations for alignment or acceptance and six are active in referral committees such as the Assessment and College Placement Task Force or the Data Integrity Group. Only 11 student business practice items have yet to be addressed by the BPAC group.

In line with the extensive progress made to date on both finance and student related business practice variations, the emphasis of the committee discussion is now shifting to a strategic look at various system processes and to managing implementation of alignment activities currently underway.

Information Technology (IT) Services continues to provide support to the BPAC in the analysis of the IT implications of varying business practices across the System. Ongoing progress continues in the estimation, planning, scheduling and execution of IT projects and initiatives to implement revised business policies and procedures as they are approved. A development plan for implementing all approved business practice alignment projects is being included as a part of the Enterprise IT Strategic Investment Plan being developed, and the full development plan for BPAC IT initiatives will be in place by the end of this fiscal year.

Focus Area 3: Centers of Excellence

Toward this goal, the Office of the Chancellor, in consultation with system institutions, developed a grant evaluation process that ensured representation by industry, faculty, administration and the system office. In addition to establishing a fair and representative selection process, a secondary consequence was that the evaluation proceedings allowed the system to strengthen ties with existing industry partners and develop relationships with new industry partners. These partners learned much about the system and its resources during the evaluation process, and had the opportunity to articulate their needs to the system.

The following four Centers of Excellence were selected by the Board of Trustees in October:

- Minnesota Consortium for Manufacturing and Applied Engineering
Lead University: Bemidji State University
- Center for Strategic Information Systems and Security
Lead University: Metropolitan State University
- Minnesota Center for Engineering and Manufacturing Excellence
Lead University: Minnesota State University, Mankato
- Center for Integrated Health Science Education and Practice
Lead University: Winona State University

While no grant was awarded in the bio-science category, the Office of the Chancellor will continue to work with system institutions and industry as it pursues \$3 million in supplemental budget funding to build and strengthen bioscience programs at system institutions.

Since their selection in October, the office and the centers have made significant progress toward full implementation. Initial efforts have focused on developing the governance, leadership and personnel of each Center of Excellence. The centers have in place or are confirming an advisory committee of industry and higher education representatives. In addition, the institutions involved in each center have been meeting regularly to address the allocation of resources, confirm the objectives and leverage the strengths of each partner.

Each center also has focused on marketing and promotion opportunities with the recent public interest in the October Board of Trustees' announcement. Promotional efforts have included visits to some of the lead universities by the Governor or the Commissioner for the Minnesota Office of Higher Education. In addition, many of the partnering colleges have conducted their own regional celebrations. Other events have had workshops held in conjunction with industry partners to heighten interest in economic development and other collaborative opportunities, as well as joint meetings with K-12 to promote student recruitment.

The programming efforts of each center have focused on expansion or refinement of articulation agreements among two and four-year partners. Work also has focused on sharing of effective practices in academic programming and services and related opportunities for replication. Finally, new program development and related grant opportunities are being pursued.

The Office of the Chancellor has addressed a number of issues requested by the Board of Trustees in making the awards. Of particular note is the negotiation of award amounts with the individual centers to adhere to the \$10 million available in FY06. The office also has been working with the lead universities to conduct a cluster program evaluation to address the legislative reporting requirements and individual center outcomes. A Request for Proposals was issued for a cluster evaluation, which will provide for a common approach to the evaluation while allowing for the different designs of the four centers. A selection panel with a representative of each center, faculty who are evaluation experts and staff of the Office of the Chancellor, will interview three finalist firms on January 20, 2006, and make a recommendation to the Senior Vice Chancellor for Academic and Student Affairs.

The Public Affairs division issued a news release regarding the Centers of Excellence selection and also assisted the individual colleges and universities with their news releases to local media. A meeting of communications specialists from participating institutions was convened. Continuing public relations assistance is planned as the centers get up and running.

Focus Area 4: Strategic Planning

Over the past seven months, the Ad Hoc Work Group on Strategic Planning has developed a renewed and revised plan that will take the Minnesota State Colleges and Universities to 2010. The entire Board participated in a retreat in November that resulted in a new Strategic Direction on Innovation that I believe will put the system on a path to achieve its vision to *enable the people of Minnesota to succeed by providing the most accessible, highest value education in the nation.*

The board will be voting on the plan at the January meeting. Once approved, work will begin immediately on the 2007 work plan. In the next six weeks, I anticipate visits with each trustee to discuss ideas for the work plan.

Focus Area 5: Serving the Underrepresented

We have made significant progress in implementing the Diversity Task Force plan. Whitney Harris has provided sound leadership, but work in this area is a priority for all divisions/area in the Office of the Chancellor.

The work plan included a goal of creating a Community Action Council. Diversity consultant Christopher Metzler was retained to give advice and counsel on the establishment of a Community Action Council. Dr. Metzler met with Trustee Antell, President Roy Saigo, members of the cabinet and the staff of the Diversity and Multiculturalism division, and me. The consultant has submitted his report and recommendations. The Leadership Council's Diversity Committee will discuss the report at its next meeting and develop a set of recommendations for creating the Community Action Council. The goal is to convene an organizational meeting of the council on March 20.

Of course, the Board of Trustees has created its own Diversity and Multiculturalism Committee. This committee is charged with "the oversight of strategic planning and ongoing endeavor to better serve all Minnesotans toward increased growth, progress, and appreciation of traditionally underserved students, faculty and staff throughout the system." Trustee Will Antell is chair, and Trustee Clarence Hightower is the vice chair. The committee has adopted a work plan for 2005-2006.

The Board of Trustees' Diversity and Multiculturalism Committee, Craig Schoenecker (Institutional Research), John Asmussen and Whitney Harris have worked to reduce the number of students reported as "unknown" with regard to their race/ethnicity. A comprehensive report was developed and presented to the Board of Trustees' Diversity and Multiculturalism Committee. This report is currently being reviewed by both the Board's committee and the Leadership Council. Actions are being taken to improve the accuracy of students' demographic data. This is an on-going project.

The American Indian Initiative is a key activity. A general meeting of the system's American Indian faculty and staff is scheduled for January 20. The focus of the gathering will be on the experiences and insights of the participants from their perspectives as individuals of American Indian heritage who are professionally involved in higher education. This is one phase of a multi-phased endeavor that has included visits with tribal leaders, along with follow-up sessions with the educational leaders of those same communities by appropriate college and university administrators, and Office of the Chancellor staff. Visits have been made with the Red Lake, White Earth, Grand Portage, Mille Lacs, Upper Sioux, Lower Sioux and Bois Forte reservations. The follow-up team has visited or has scheduled visits with the educational leaders of these bands. In addition, opportunities for others with expertise in this area to share their insights are part of the total strategy. Data collected at the January 20, 2006, meeting will be used in conjunction with information from the visits with the tribes, as well as from other research activities will be used to develop a proposed initiative to be presented to the board within the next few months.

There are a number of other small but important developments that help us move toward the larger diversity goals. We are developing affirmative goals for employees. A professional development day was held for all affirmative action officers at St. Cloud State University. The program focused on techniques and resources for creating diverse pools of candidates. Participants were given an opportunity to express their expectations of the Diversity and Multiculturalism division. A person from the Office of Federal Contract Compliance Program also presented information on the development of an affirmative action plan.

The staff of the Diversity and Multiculturalism division met with Martha Brechlin, Director of Affirmative Action, Department of Employee Relations, to gain clarification on various items and additional information regarding the preparation of the 2006-2008 affirmative action plans. A follow-up meeting with the system's affirmative action officers is scheduled for March 2006. Ms Brechlin will be invited to attend that meeting.

Renée Hogoboom, Manager and Investigator, is leading a committee that is revising the 1B.1 Nondiscrimination Policy and Procedure. The committee is composed of representatives from throughout the system. Several consultations with the Attorney General's office were held. It is expected that the committee will recommend several substantial policy changes. In accordance with the requirements of the Office for Civil Rights (OCR) of the Department of Education, on-site reviews were conducted at Northland Community and Technical College and Minneapolis Community and Technical College. The reviews evaluate compliance with OCR's equal opportunity policies and guidelines.

The division has offered several professional development programs and presentations. These programs have included such topics as, internal investigations of allegations of discrimination, diversity in higher education, diversity councils and presentations to various search committees, including the three presidential search committees.

Raúl Ramos has been active with the Higher Education Anti-Racism Team (HEART) project. HEART was formed in 2004, to provide higher education initiatives a forum for discussing the struggles and strategies and to refine models of anti-racism training. Minnesota State University Moorhead, St. Cloud State University and the Office of the Chancellor were among the founding members. Other colleges and universities from our system are expected to join with the HEART group.

Using a competitive grant process, Academic and Student Affairs, in consultation with Diversity and Multiculturalism, allocated one million dollars of legislative initiative appropriations to 11 colleges and universities for projects. The projects are intended to improve outreach, transition to college and retention for underserved students. Projects are required to use best practices in retention such as learning communities, intrusive advising and supplemental instruction. We also have issued a call for presentations for the annual Student Affairs Conference on Recruitment and Retention of Underserved Students. The conference is scheduled for March 2 and 3.

We were able to secure Perkins funding to support a joint pilot project by the Metro Alliance colleges and universities for outreach services to underserved students and students in nontraditional occupations. The Alliance has hired an outreach specialist who is housed in the Office of the Chancellor.

Other Significant Areas

Work on the model to develop a facilities reinvestment strategy was completed on time in August 2005, and presented to the Leadership Council in October. The model describes the backlog of facilities repair and renewal needs across the system, as well as predicts reinvestment requirements for the next ten years. A proposed reinvestment strategy will be presented to the Leadership Council and Board in greater detail in March in preparation for new capital budget guidelines for 2008-2013 to be proposed to the Board in April and May.

Notable progress has been made on this item in connection with the heightened interest regarding the long term status of the Owatonna College and University Center. Modeling criteria was developed which is now being applied to the interest evidenced in Fairmont. Chair Hoffman and I met with members of the Owatonna community in December and shared an initial report on needs and opportunities in the I-35 corridor from Faribault to Austin. We agreed to set up a joint committee composed of representatives of the Owatonna Center Board, the Office of the Chancellor, Minnesota State University, Mankato, Riverland College and South Central College. The first meeting of the group will be in early February.

We continue to build awareness and understanding of the system among external constituencies, successfully placing stories in statewide media on technology transfer at St. Cloud State University, systemwide agriculture programs, the Dakota County railroad conductor program, Trustee Antell's lifetime achievement award, MSU Moorhead's professor of the year, our injured Iraqi veteran in the Century College prosthetics program, Mankato's expert on marketing to children, and the MSU Mankato wired-up exercise machines. Linda Baer and Craig Schoenecker appeared on the "Talk Education" show regarding the *Getting Prepared* report.

In December, we presented the 2006-2007 strategic marketing and communications plan to the Board, along with a three-year integrated marketing and communication plan. We continue to make improvements to the system's public Web site, including developing new templates for office division sites, a new resources site, updated graphics and updated statistics.

There are new or updated publications available on the system's biosciences programs and health care careers. The *Amazing Facts* booklet already has been updated to reflect the most recent information and statistics with the help of the Research and Planning offices.

Finally, and in keeping with the work plan, to build awareness and understanding among internal constituencies, we have launched *The Review*, a monthly electronic newsletter. The publication is for all system employees and is geared to inform them of initiatives throughout the system, board actions and other interesting systemwide activities.



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QUARTERLY REPORT

Minnesota State Colleges and Universities Work Plan for 2005-2006 Actions for January 2006 to March 2006

Meeting of the Board of Trustees April 19, 2006

Good afternoon Board of Trustees, Minnesota State Colleges and Universities system colleagues and friends.

I hope you have seen some of the art work that now is exhibited in the system office. The display areas have been enhanced immeasurably, thanks to the rich talent of some of our own faculty and students. The art is on loan for a year and will be rotated annually.

It is always important to acknowledge the work of our faculty and staff. Among them is a group of athletic coaches who guide our student athletes. This year, the Winona State University men's basketball team with mentor/coach Mike Leaf captured the NCAA Division II championship. Congratulations to the Winona State Warriors, Coach Leaf and his staff, and President Judith Ramaley.

With Winona in mind, the university community also is congratulated for a fine inaugural event on April 7. Private resources supported the events that recognized President Ramaley in this traditionally academic way. The inauguration was a wonderful tribute to the relationship that the university has with the community, as well. Trustee Cheryl Dickson delivered the oath of office on behalf of this board.

Today, the staff and I bring you the third quarterly review for the system's current work plan. It reflects our attention to the plan from the beginning of the calendar year through March.

Focus Area 1: Revenue

- *Develop a sustainable financial model that will allow the system to meet the educational needs of the state, maintain quality and accessibility and advance the system's strategic directions*

A final presentation was made to the Board of Trustees in January 2006. At that time, the work group conveyed its finding that there was no new revenue source that met the evaluative criteria established at the beginning of the project and presented itself as a

viable alternative to the funding method currently used to finance Minnesota State Colleges and Universities system. While the Board accepted that conclusion, it did not foreclose future examination of other potential funding sources that may be identified. Consequently, at this time, there is no policy recommendation on an alternative revenue model for incorporation into the FY 2008-2009 budget request.

- ***Begin to implement strategies to expand support from the Legislature, corporations and business, foundations and citizen groups***

In support of the current Minnesota State Colleges and Universities work plan, several goals were identified to develop more fully a system-level major gifts and grants program. At least 20 visits were planned to corporate and foundation leaders seeking input into the system's strategic plan. All 20 visits have been completed or scheduled, and the results are quite promising. Each visit has resulted in extended opportunities to work together on projects and/or possible future grant opportunities. We are working with six colleges/universities to create solicitation strategies for \$100,000-plus individual donor prospects in partnership with the institution, using the chancellor and campus president where appropriate.

We continue to build relationships with the assistance of foundation board members, Trustees and others. To date, the most active work continues with BlueCross BlueShield, Grotto Foundation and Blandin Foundation. We have initiated a corporate and foundation relations program and hired Maria McLemore Sklar as director of corporate and foundation relations. Our goal was to develop and submit eight grant proposals to support system level, college and university initiatives. To date, two proposals have been submitted, two are in progress, and others are pending.

The establishment of standard accounting principles and practices for use by all foundations in counting private donations and pledges must still be done. However, we have made the move from a system-generated means for the Gifts and Grants report to a national measurement tool for FY2006 reporting. We also have created a Web presence for the Foundation that includes information on how to make a gift, links to campus foundations and information on available funds. The initial roll-out was completed in December 2005, and will be live this month.

In addition, the Minnesota State Colleges and Universities Foundation has been active in its work to add value to the campuses. Along with campus visits, 13 to date, to promote joint investment opportunities, we have been working with campus development officers to design a board development opportunity for their foundation boards.

Finally, at this time last year, the Foundation had raised \$52,989. This year, we have reached \$245,432, an increase of \$192,443.

We continue to tell our story and be vigorous advocates with external audiences:

- A number of new or updated publications and Web sites promoting system products and services are available, including a Web site for the system's new Teacher Center and a post card promoting it; a bookmark for the Career and Technical Education program; notecards featuring a pen-and-ink drawing of the system's Wells Fargo Place entrance; and a new brochure promoting transfer.
- Representing the system, the chancellor spoke to a number of audiences that included business and opinion leaders and legislators, among them, The Collaborative's Changemakers' event as a panelist, the Phi Theta Kappa awards luncheon, to which a number of area legislators were invited, and the Woodbury Lions Club.
- The Public Affairs area conducted its annual consultation with high school and workforce center counselors on the "Go Places" publication, seeking input on how it can be improved and understanding how counselors use it. A two-week photo shoot is in progress to update photographs for "Go Places" and other system publications.
- We began production of a new television advertisement series to enhance visibility and awareness of the system's contributions to the state of Minnesota among business and opinion leaders. The "Amazing Facts" print ad alumni series has been continued in *Minnesota Monthly* and *Twin Cities Business Journal*, and a new bioscience ad was created for *Twin Cities Business Monthly* in February. A new round of radio sponsorships on Minnesota Public Radio has begun, building on the success of last year's sponsorships. The ads run on stations 89.3 and 91.1 in the Twin Cities and on affiliate stations throughout the state and on the station's streaming video.

This year's legislative session continues to be very demanding. Last month, we reported on the bonding presentations for our request of \$280.4 million, and we learned that the Senate recommended \$223 million in funding. Since then, the House bill has come out, and it includes \$187.7 million for our system's bonding projects. These figures are well above the Governor's recommendation of \$142.6 million. The legislature returned to work this week, and we expect conference committee members to be announced soon. We are confident that our bonding requests are well positioned.

Our supplemental request had originally received support for technology infrastructure and global education in the Senate Higher Education Omnibus Bill, but the funds never made it into the full supplemental bill voted out of the Senate Finance Committee last night. The House bill, which does not include funding for the supplemental request, will be heard in Ways and Means today.

Several issues have arisen during session to which we have been responsive. Dr. Susanne Williams from Minnesota State University Moorhead offered compelling testimony related to alcohol abuse. Dr. Steve Frantz of the office's student affairs area provided commendable information on his work promoting educational services for our returning veterans.

Of considerable concern at this time is an amendment that passed on the House floor last week and was subsequently included in the House State Government Finance bill that was tabled yesterday. This amendment would limit the number of persons employed on the staff in the Office of the Chancellor to the number in place on the effective date, should this provision be included in the conference committee report. Our government relations team will, of course, work to educate our legislative members as to how such a provision would restrict the Board of Trustees' ability to drive change, especially as we build our technology infrastructure and capacity. This proposed limitation demonstrates that while we have come a long way in the ten-year history of our merger, we still have work to do to inform the Minnesota legislature about how our colleges and universities work together as a system to serve Minnesota.

On the federal level, Congressional members were contacted to mitigate some of the language in the House reauthorization of the Higher Education Act. Issues remain, including the single-definition for higher education institutions, but it is uncertain whether or not this reauthorization will be completed this year.

We have engaged in several activities to advance our state and federal budget requests:

- The "HEAPRman" video was broadcast on Twin Cities Public Television promoting the system's bonding request and its top priority, \$110 million for repair and replacement projects throughout the system.
- A one-page handout summarizing the system's supplemental budget request for distribution to legislators and legislative staff members was prepared.
- One-page handouts on each of the system's 22 federal appropriation requests were used by Trustees and Office of the Chancellor staff for visits to members of the Minnesota congressional delegation and their staff.
- Two op-ed pieces, one on the need for math and science education in the *Business Journal* and the other supporting the findings of the "Mind the Gap" report and urging business to support higher education were placed in the *Pioneer Press*.
- An update of the Economic Impact Study of the Minnesota State Colleges and Universities system will be used in preparing and planning for the 2007 biennial budget session and in a new publication highlighting state universities.

- Several stories were promoted to news media that ran as news or feature stories in the *Pioneer Press*, *Star Tribune*, Minnesota Public Radio and *Business Journal*. These included a profile in the *Star Tribune* of a Normandale Community College student who had four jobs while attending school full-time and maintaining a 4-point GPA; a feature on Minnesota Public Radio on the Dakota County Technical College railroad conductor program; and a story in the *Pioneer Press* about Post-Secondary Enrollment Options courses offered in high schools.

Focus Area 2: Productivity

- ***Examine goals, objectives and strategies to assure better management of expenses and increased productivity***

The Human Resources Committee of the Leadership Council will provide its final report on the goal as information in the May board materials. The report will note productivity tools already in place before the Board articulated this focus area; cite those new steps taken to address areas of concern which the Board identified at its study session in February 2005; and will recommend future actions for incorporating productivity efforts into the system's performance evaluation processes and sharing best practices in this area.

- ***Make significant progress to create a system in which students can easily move from one institution to another without encountering financial or organizational barriers***

The Information Technology Services (ITS) division has continued a number of efforts to build the technology base for improvement of seamless delivery.

During this quarter, hardware migrations to new platforms were completed to provide both D2L and ISRS users with improved capacity. Growth in numbers of users and functions in both systems resulted in significant contention for available resources in the fall semester. Following the implementation of the new systems, both ISRS and D2L had ample capacity to support a spring start.

The movement of the Central Region institutions to the new hardware platform in February also was the culmination of a six-month process to consolidate regional centers. Four regional computer systems were consolidated into one, resulting in a more efficient and standardized operation. The new consolidated center is located at the University of Minnesota in the West Bank Office Building.

We are engaged in a process to leverage cooperative purchasing of hardware, including personal and laptop computers, a convertible tablet and monitors. The negotiated savings will be between 6 percent and 44 percent off existing contract prices. Through the setting of statewide standards and aggregation-based pricing, Minnesota will see immediate and significant dollar savings in purchasing activity, as well as savings in the state's total cost of ownership through simplified technical support and purchasing processes. This

accomplishment follows an effort in which teams from state agencies, Minnesota State Colleges and Universities and K-12 educational entities worked together to develop and negotiate enterprise-class technical specifications and service requirements in creation of the Minnesota standards. The team conducted research across the Minnesota public sector to understand buying patterns and then negotiated with current IT commodity vendors and value-added resellers for new lower pricing and higher performance capabilities based on volume discounts.

Working with a Project Advisory Committee composed of campus leadership and vice chancellors, a recommended Enterprise Information Technology Investment Strategic Plan has been presented to the Technology Committee of the board. Development of the recommendations was assisted by the In-Sight Consulting firm with Leadership Council involvement. The process included extensive campus input via five regional open forums facilitated by campus administrators serving on the IT System Development Steering Committee.

Strategic goals identified as the starting point in the planning follow:

- “Best in class” educational support services;
- Integrated, seamless core administrative services;
- Strong, flexible statewide technology backbone;
- High levels of system availability, data security and user support;
- Accelerate enhancement, expansion and integration of enterprise systems; and
- Improve ITS and system-wide efficiency in the use of available IT resources.

To achieve these goals, resources needed to stabilize the enterprise, improve the organization, and support innovation were defined. Comparative data from other systems was assessed as a part of the analysis, and the process culminated in a set of recommended work plan goals. The report and recommendations were presented to the Board of Trustees in March. Discussion continued this month and resulted in making a recommendation to the board today for the plan's adoption.

The Student/Faculty/Administrator Survey process is nearly complete. Culminating a full year effort, ITS is completing the analysis and distribution of the results of a system-wide technology assessment. The assessment began last spring with release of customized online survey instruments to students, and continued through the fall with online surveys for academic and administrative staff. The release and administration of the survey process was done with support from the Organizational Effectiveness Research Group at Minnesota State University, Mankato. Over 50,000 surveys were released, resulting in responses from nearly 9,000 students and employees as follows:

Survey Component	Surveys Released	Respondents
Student	40,471	5,074
Faculty	8,556	1,644
Leadership	378	202

Campus CIOs	45	30
IT Employees	562	314
Academic and Administrative Staff	6,419	1,714

(The student survey was conducted between April 19 and May 18, 2005; the faculty survey took place between January 19 and February 17, 2006; and the four other surveys took place in December 2005.)

Although analysis and presentation work continue, the results show an overall system-wide information technology satisfaction rate in excess of 75 percent, with only an overall 6 percent dissatisfaction rate. System-wide reports have been created for the six survey components. Local reports are being sent to colleges and universities for all components where responses were received in sufficient number to prevent identification of the respondents. The series of surveys was sponsored by the System Technology Strategy Council and the Vice Chancellor for Information Technology. The results were presented to the System Technology Strategy Council in March. They will be used for technology planning and college and university planning purposes.

After an intensive, nationwide search, we have brought Alfred Essa to serve as an Associate Vice Chancellor in Information Technology. He replaces Dr. John O'Brien, who left the office in June to serve at Century College as Vice President for Academic Affairs. Prior to accepting the position, Mr. Essa was the Executive Director of LRN, a national open source collaborative. He comes to the office with extensive experience in administrative positions at MIT and Yale University, among others. He also has been on the faculty at Yale and Austin College and is an active national speaker and contributor to the higher education technology environment.

Focus Area 3: Centers of Excellence

We continue to work with and shape the four Centers of Excellence selected by the Board of Trustees in October 2005:

- Minnesota Consortium for Manufacturing and Applied Engineering
Lead University: Bemidji State University
- Center for Strategic Information Systems and Security
Lead University: Metropolitan State University
- Minnesota Center for Engineering and Manufacturing Excellence
Lead University: Minnesota State University, Mankato
- Center for Integrated Health Science Education and Practice
Lead University: Winona State University

The centers have made significant headway since the second quarter report. Each is in the midst of hiring an executive director and other positions to address marketing, administration, K-12 connections and faculty support. They are taking varying approaches to governance based upon the unique strengths and goals present.

In all cases, industry and institutional leaders have been convened to provide overall direction. However, inter-institutional teams have varied in the structure and use of faculty councils, focused project teams, staff design teams, and program discipline groups.

The Centers of Excellence have created innovative ways of connecting the multiple institutions, K-12 and industry organizations to advance operational issues. This includes the use of collaborative work spaces and other technology to connect project teams and advisory groups. Some of the centers have invested in equipment needs at partnering institutions through formal requests for proposals and other allocation strategies. The centers also have taken part in activities to enhance sustainability and leverage resources.

The Centers of Excellence also have varying recruitment and program strategies based on student readiness and interest in the respective areas. Strategies have focused on everything from program expansion efforts to respond to capacity issues in health education programs, to recruitment needs aimed at attracting students into science and engineering. With regard to the later, both centers in engineering and manufacturing are strongly promoting “Project Lead the Way” among K-12 schools. All four centers are in some way expanding on the pipeline of students, including the expansion or development of new 2+2 programs and seeking new opportunities with K-12 and Postsecondary Enrollment Options.

The Office of the Chancellor has been working with representatives of each center to develop a common look and other guidelines for marketing materials. This will allow them to be recognized for individual partners and designated names while recognizing the Centers of Excellence as a larger system initiative.

Finally, on-going program evaluation of the centers is very important and is being coordinated by the Office of the Chancellor. Two percent of the Centers of Excellence appropriation was set aside for an external evaluation to meet legislative reporting requirements and inform the Board of Trustees, Office of the Chancellor, and institutions about the centers’ implementation and achievements. In January, Wilder Research was selected to design and carry out the program evaluation during the next three years. The team has visited each of the centers and kicked off development of the evaluation design with a stakeholders’ meeting in April.

Focus Area 4: Development of the 2006-10 Strategic Plan

The new Strategic Plan, *Designing the Future, 2006-2010*, was approved by the Board of Trustees in mid-January. The Public Affairs office designed and produced an attractive printed version of the plan, as well as a one-page summary. Both are being distributed widely and have been posted on the system’s Web site.

Immediately following approval of the plan, staff in the Office of the Chancellor began to work with various stakeholders on developing the companion Action Plan that will drive actions and results. During this quarter, visits took place with each of the trustees and 32

presidents to engage in conversations about priorities and strategies for the Action Plan. Everyone was generous with time and thoughts. While we heard ideas about nearly every one of the goals, all agreed that we must focus on a few key goals in the first year of the action plan. Strategic Directions One and Four elicited the most responses and passion. Almost to a person, the need to improve the high school to college pipeline for students was voiced, along with a special concern about the growing numbers of underserved students and the wide achievement gap. Using and sustaining the capacity for innovation was the other clear focus of many conversations. There is a growing recognition that the ways that served us well in the past simply will not be adequate for the future.

Among the themes presented time and again are the following:

- Improved, systematic linkages to high school students, parents, teachers and administrators to promote planning and readiness for college;
- Better retention programs for underserved students; several successful models exist, but we need to support and promote those who can show improve outcomes;
- More development and support for leadership focused on change and continuous improvement;
- Institutionalized innovative practices by understanding the change process and finding ways to encourage and reward excellence and innovation; and
- Need to do the best for today's students while keeping an eye on the trends and needs of the future.

Focus Area 5: Serving the Underrepresented

Affirmative action officers representing the Minnesota State Colleges and Universities system's institutions attended a professional development program at the Office of the Chancellor in March. Training was given for the preparation of the 2007-2009 required affirmative action plans. These plans are due in July 2006. The plans assess the progress and establish goals for increasing the diversity of the system's workforce. The participants were encouraged to begin developing systematic means of evaluating the effectiveness of current search processes.

Two significant events were hosted as part of the American Indian initiative. At our request, Dr. Lee Antell, executive director of the American Indian Opportunities Industrialization Center, convened a meeting of urban American Indian leaders with representatives of the Minnesota State Colleges and Universities system. Trustees Will Antell and Ivan Dusek joined Presidents Donald Day and Phil Davis and office staff at the meeting. Approximately 30 leaders took part; several presented oral and written testimony. The information is being used to develop a comprehensive initiative designed to enhance the access and success of American Indians in Minnesota State Colleges and Universities system's institutions.

A meeting of American Indian students also was convened. The students emphasized several interests and concerns: 1) American Indian advisors and counselors for each campus; 2) increase of the number of American Indian faculty and staff; 3) more financial assistance for American Indian students; 4) more instruction on the concept of American Indian sovereignty; and 5) the desire to see a person of American Indian descent in the Office of the Chancellor.

We are reaching out to underrepresented groups and potential new students in several ways, including a new and improved site for the Diversity and Multiculturalism division on the system's public Web site; an ad in the program materials for an upcoming TRIO conference; and promoting College Goal Sunday, a statewide event organized to help underrepresented students understand and complete financial aid forms.

Final Note

Our work plan and seeing to the mandated and operational needs of our system have captured your staff's attention throughout this last quarter. We look forward to filling you in on other projects next month and as we work our way toward the last quarter of the year. Thank you for your attention.



Minnesota
STATE COLLEGES
& UNIVERSITIES

QUARTERLY REPORT

Minnesota State Colleges and Universities Work Plan for 2005-2006 Actions for April 2006 to June 2006

Meeting of the Board of Trustees July 19, 2006

Good afternoon Board of Trustees, Minnesota State Colleges and Universities system colleagues, and friends. I am delighted to join with Vice Chair Shaw and the trustees in welcoming Trustees McElroy, Rice, Thiss, and Van Houten to the leadership of the system. There are few tasks that are as daunting or as demanding than the accepted duties of the trustee for the Minnesota State Colleges and Universities. It is the exceptional volunteer who understands and accepts this role. The trustee has been described as the moral compass for an organization. This system is entrusted in your care, and we thank you.

With this opportunity, I wish to share with the new trustees, especially, the process that has brought us to this, the fourth and final report on the goals of the 2006 Work Plan. With the adoption of a systemwide strategic plan, we take up the challenge of developing a single year or multi-year action plan to focus upon specific areas of our strategic outlook. The resulting action plan is reviewed carefully by the board. It is my responsibility to report on our progress from one quarter to the next; the 2005-2006 plan is concluded today. The presidents, staff, and I stay on course with these parallel blueprints to meet the expectations of you, the governing board, the campus communities, and our citizen stakeholders.

The majority of the work plan's goals were completed and reported upon in previous quarterly reports. Rather than focus upon the limited few remaining activities, therefore, this report also highlights significant achievements in each of the five priority areas which go beyond those listed in the work plan.

Focus Area 1: Revenue

Advance the system's capital budget request.

- A final appropriation of \$191.4 million was provided to the Minnesota State Colleges and Universities system to improve our capital investments. This amount represents 68 percent of the \$280.4 million request and about 20 percent of the total bonding bill.
- The culmination of the advocacy plan for advancing the system's capital budget request came in May with the adoption of the bonding bill. The campaign, developed in

conjunction with the Government Relations, Finance and Facilities, and Public Affairs divisions, included publication of *Space to Learn*, highlighting the 27 capital projects on the Board of Trustees priority list; development of presentation materials for use by leadership and other system spokespersons; coordinating activities of institution presidents to advocate for the bonding bill; and scripting of “The Adventures of HEAPRMAN” for broadcast on Twin Cities Public Television.

- Even though it was a capital budget year, there were several other successful legislative outcomes related to Higher Education Veteran Assistance, the University of Rochester campus language, Minnesota State University, Mankato College of Business, K-12 School safety, and automotive engineering hybrid vehicle research. In addition, all of our employee contracts and plans were ratified.
- A new Economic Impact Study of the Minnesota State Colleges and Universities system is not yet ready for release but will be used to prepare and plan for the 2007 biennial budget session.

Provide federal budget request advocacy.

- Relationships with our Minnesota congressional offices continue to grow. Three projects were funded for a total of \$1 million in earmarked appropriations in the federal FY2006 budget, and we have several projects currently pending in the FY2007 federal budgets.
- Work was completed on the federal advocacy plan, which included the preparation of one-page handouts on each of the system’s 22 federal appropriation requests. The Government Affairs and Public Affairs divisions worked together to produce the publication which was used by trustees and Office of the Chancellor staff during visits with members of the Minnesota congressional delegation and their staffs. As of June 30, federal legislation was still pending on the requests.

Build recognition of and support for the system among key stakeholders.

- Completed production and placement of a new television ad series to enhance visibility and awareness among business and opinion leaders of the system’s contributions to the State of Minnesota. The series of three 30-second ads ran on 26 cable and network television stations throughout the state. By the end of June, the spots had run 2,655 times and had been seen by an estimated 65.5 percent of Minnesota residents.
- Completed the 2005-2006 Strategic Marketing and Communications plan and reported the results to the Leadership Council and Board of Trustees. Highlights included production and distribution of the popular *Go Places* publication to 120,000 high school students and counselors, which resulted in the return of more than 10,000 paper and electronic reply cards and generated an estimated 45,000 leads forwarded to our colleges and universities. Also, placement of sponsorship ads on Minnesota Public Radio resulted in 256 announcements that were heard by an estimated 15.1 percent of Minnesota residents; placement of print ads featuring our alumni continued this year in about a dozen newspapers and magazines.

- A new series of ads to recruit students and employees of color to the system has been developed and will run over the next several months in minority newspapers throughout the state. The ad series was developed as a collaboration of the Diversity and Multiculturalism and the Public Affairs divisions.
- The Public Affairs unit wrote 115 speeches and greetings throughout the year for system leadership, spokespersons, and other system representatives; advanced 75 story proposals to news media resulting in at least 28 stories; responded to approximately 140 media inquiries that generated at least 90 stories; and issued 60 news releases, generating dozens of stories.

More fully develop a system-level major gifts and grants program.

- With the Chancellor, more than twenty visits have been completed or scheduled. Each visit has resulted in extended opportunities to work together on projects and/or possible grant opportunities. Best progress was made with the Grotto Foundation, the Blandin Foundation, and the BlueCross/BlueShield Foundation. The Kellogg Foundation, Wallin Foundation, and 3M Foundation and Bush Foundation relationships also are very promising.
- We continue to work with six colleges and universities on specific strategies. Three joint solicitations have been conducted with strategic involvement from Saint Cloud State University, Saint Cloud Technical College, South Central College, Metropolitan State University, and Minneapolis Community and Technical College.
- By the end of June, six grant proposals to support system level, college, and university initiatives or proposals were being submitted: Alliss, Grotto, Peregrine Capital Management, Schwans, 3M, and Taylor Foundation. We have received funds from the Allis Foundation and Taylor Foundation and 3M Foundation. The other three are pending.
- To provide leadership to foundation and development staff on all campuses as they build their capacity to raise private funds, a June staff workshop was held with approximately 50 system colleagues in attendance.
- The FY06 Gifts and Grants report will use a national reporting tool that requiring the use of standard principles and practices.
- The Foundation has a Web presence that includes information on how to make a gift, links to campus foundations, and information on available funds.

Focus Area 2: Productivity

Make significant progress to create a system in which students can easily move from one institution to another without encountering financial or organizational barriers.

- Over the last quarter, the Business Practice Alignment Committee (BPAC) has progressed in its continuing drive to eliminate business practice variances that hinder access, impede seamlessness, and drive up internal maintenance costs.
- System policies, procedures, and guidelines continue to be developed or revised, reviewed, and adopted. Certain adoptions are contingent on completion of specific information technology (IT) development projects.
- Project plans were created and IT enhancements were and continue to be developed to support the implementation of two significant system initiatives in anticipation of the new academic year: “registration cancellation for nonpayment” and the offering of standardized payment plans.
- Planning began for a comprehensive “payment front end” to coordinate pending and final financial transactions with class registration activities.
- The BPAC obtained Leadership Council agreement for implementation of a common term start date by 2007-2008. The committee also established uniform policy and procedures for course placement (college readiness). These represent significant milestones for the BPAC and seamless initiatives.
- Action has been taken on each of the initial 124 business practice variances brought before the committee. Many variances have been eliminated, others have been reduced, some accepted (as common/best business practices), and a few remain in the Office of the Chancellor consultation process under the guidance of the Vice Chancellors for Academic and Student Affairs and for Finance.
- The Enterprise IT Strategic Investment Plan was completed and endorsed by the Board of Trustees, who supported the new strategic investments in IT recommended in the report.
- The IT offices, in consultation with college and university chief information officers and the Leadership Council Technology Committee, has developed a detailed plan for the FY07 IT investments suggested in the Enterprise IT Strategic Investment Plan. The investments are focused on stabilization activities enhancing reliability and availability of systems and in building a base of IT organizational capacity for future innovation.
- Eight new or revised policies and associated procedures were approved by the Board, including the procedure naming the Accuplacer as the sole system-endorsed course placement instrument, and the following: 2.9 Academic Standing and Financial Aid Satisfactory Academic Progress - amendment and revised title; 3.3 Assessment for Course Placement - amendment, revised title, and new procedure; 3.4 Undergraduate Admissions - amendment, revised title, and new procedure; 3.15 Advanced Placement -

amendment and new procedure; and 3.33 College-Level Examination Program (CLEP) Credit - amendment and new procedure.

- Developed the accountability measures: student to instructional faculty ratio, student to staff ratio that focus on employee productivity and a measure on investment in human resource development. These measures which are part of the Board's Accountability Framework were presented to the Board in recent months.
- Developed two new accountability measures on student satisfaction and student engagement.
- Developed and deployed an interactive Web-based dashboard to make the finance accountability measure available to internal and external constituencies.

Focus Area 3: Centers of Excellence

Establish Centers of Excellence.

- Permanent directors were recently named for each of the four Centers of Excellence:
 - *Minnesota Consortium for Manufacturing and Applied Engineering*
Lead University: Bemidji State University
Director: Karen White, currently the Assistant Director for Engineering Operations at North Dakota State University's Center for Nanoscale Science and Engineering and will assume her new position in August
 - *Center for Strategic Information Systems and Security*
Lead University: Metropolitan State University
Director: Bruce Lindberg had been serving as the interim director and previously was with Inver Hills Community College as the Executive Director of Business Partnerships and Outreach
 - *Minnesota Center for Engineering and Manufacturing Excellence*
Lead University: Minnesota State University, Mankato
Director: Tsuguhiko Takamura served as advisor and engineer in the research and development office for the SuSumu Company of Japan, parent company of Thin Film, North Mankato
 - *Center for Integrated Health Science Education and Practice*
Lead University: Winona State University
Director: Susan Klaseus was the Vice President of Institutional Advancement and Community Relations at Augsburg College
- Continued to develop an external evaluation system for the four Centers of Excellence.
 - Wilder Research staff conducted campus visits and ITV meetings with each center to discuss legislative reporting requirements and individual center interests in measurement of activities and outcomes to develop a single logic model that will guide the evaluation.
 - Logic models unique to the activities and outcomes also were developed for each Center of Excellence.

- A meeting with all four Centers of Excellence was held in early July to identify data sources, baselines, potential challenges, and other factors for meeting the legislative and other data requirements.
- The Center for Engineering and Manufacturing Excellence has several projects underway.
 - Alexandria Technical College has received certification in advanced automation education, one of only four colleges worldwide.
 - Minnesota State University, Mankato is redesigning opportunities for two-year college students to complete a four-year degree in engineering as non-residential students.
 - Participating two-year colleges are expanding curriculum in science, technology, engineering, and math to prepare students for bachelor's degree in engineering.
 - Itasca Community College of the Northeast Higher Education District has seen a 100 percent increase in applicants for their engineering program.
 - Hennepin Technical College has purchased of a new "robotic arm" for students in automation and machine technology programs. The college also has developed a traveling "road show" to introduce high school students to manufacturing and engineering technology.
- The Center for Strategic Information Technology and Security has developed the following:
 - Nine new courses, a two-year degree program, and a bachelor's program are being developed to support the fast-growing need for Internet Protocol telephony for technicians and managers (supported by \$243,000 Minnesota Job Skills Partnership grant).
 - Minneapolis Community and Technical College is designing a two-year degree in computer forensics (supported by \$197,000 grant from Office of Justice).
 - A mobile computer forensics laboratory is being developed for use at all partner locations, as well as remote training sites.
 - A career portal has been launched to manage job postings, internships, and other career opportunities.
- The Center for Integrated Health Science Education and Practice accomplishments include:
 - A new critical care Registered Nurse certification preparation course is being developed to focus on patient care and outcomes.
 - Training for lean practices in healthcare management is being developed; these practices promote cost containment and improve the return on investment.
 - A new curriculum in bio-informatics is being designed.
 - Winona State University is expanding clinical education sites through industry partnerships for its newly accredited clinical laboratory science program.
 - New programs are being developed to increase diversity in the health care workforce through outreach to Boys and Girls Club, a Postsecondary Education Option recruitment project, and offering training to low-wage incumbent workers for entry into higher-skilled health careers.

- The Consortium for Manufacturing and Applied Engineering has initiated the following:
 - Planning for the programs of Engineering Technology and Applied Engineering (utilizing an online format) has been completed. Both programs are scheduled to begin fall 2006.
 - A *Project Lead the Way* conference will be held August 3, 2006, to update center partners, industry representatives, and high school instructors, secondary, and post-secondary administrators.
 - Preparation for engineering camps for summer 2007, is in progress with newly-equipped labs in biotech, materials and processing, and electronics.
 - The Center for Advanced and Emerging Technologies is expected to be ready for occupancy on August 5, 2006. Significant upgrades in automation, machining, and metal forming, plastics, electronics, and computer technology equipment have been made in the Technological Studies Department due to the center's funding.
 - Center collaboration with Northwest Technical College in the Industrial Model Building/Prototype Engineering and construction site management programs have provided students with internship opportunities for this summer.
 - Development of the 3D Holographic Projection program of distinction has put Bemidji State University on the cutting-edge of technology in this area.

Focus Area 4: Strategic Planning

Develop a strategic plan to guide the work of the Minnesota State Colleges and Universities.

- *Designing the Future: 2006 - 2010 Strategic Plan* was completed and approved by the Board in January 2006. Other planning linked to the overall strategic plan completed and accepted by the board in the fourth quarter were the Systemwide Diversity Plan and the Systemwide American Indian Plan.
- As a review, recall that this past year, the Board formed an ad hoc committee on strategic planning comprising six Trustees, four presidents, and staff in the Office of the Chancellor to revisit the strategic plan.
- The plan approved in January retained three of the earlier strategic directions and added an important fourth: increase access and opportunity; promote and measure high quality learning programs and services; provide programs and services integral to state and regional needs; and innovate to meet current and future needs.
- Following approval of the strategic plan, we began work on a four-year Action Plan which the Board approved in May and which carries specific measurable targets for several goals. They will be presented to you for consideration at the September meeting.
- Professional development sessions on the implementation of the above-mentioned plans to chief student affairs officers, chief academic affairs officers, and diversity officers have been conducted.

Focus Area 5: Serving the Underrepresented

Affirm our mission and commitment to serve underrepresented populations and maintain educational access for Minnesotans.

- Established the Community Action Diversity Council.
 - The Community Action Diversity Council, comprising a cross-section of business, professional and community leaders, advises and supports the Minnesota State Colleges and Universities system's mission and goals by providing information regarding issues of diversity that impact higher education. The council's collective expertise and influence will help the system's leaders design effective tactics, measures of success, and communication vehicles to increase access and opportunity to higher education for all Minnesotans.
- Updated student demographic data and Office of the Chancellor employees' demographic data in conjunction with institutional research and the auditor.
- Guided multiple events for campus staff to enhance knowledge and share information.
 - Presented professional development sessions to affirmative action officers on best practices for improving faculty/staff diversity.
 - Presented professional development sessions to affirmative action officers on assessing the effectiveness of search committees.
 - Convened the Student Affairs Conference: Focus on Underserved Students, which attracted over 300 faculty and staff members from throughout the system.
- Secured funding to support this goal.
 - Provided funding from a 3M grant to two state universities for projects aimed at increasing retention of underrepresented students by focusing on improvement of math and English skills.
 - Provided \$1 million in legislative initiative funding to 11 colleges and universities for projects including outreach, transition, and retention services for underrepresented students.
 - Secured Perkins funding for a joint pilot project by the Metro Alliance colleges and universities for outreach services to underserved students and students in non-traditional occupations.
- Developed process to establish system targets for six accountability measures, including two focusing on improving retention of all students measured by gender, race, and ethnicity and reducing the achievement gap between students of color and other students. To assist in this endeavor, we developed and deployed two interactive Web-based dashboards to make the student success accountability measure available to internal and external constituencies.

Our Students

Curt Christian, a student at St. Cloud State University, is conducting cutting-edge biomedical research this summer at The Jackson Laboratory in Maine. He was selected for this prestigious ten-week student program from a pool of almost 400 applicants. The Jackson has a research staff of more than 450, and is best known for its investigations of the genetic basis of cancer, heart disease, osteoporosis, Alzheimer's disease, glaucoma, and diabetes. The Laboratory is also the world's source for nearly 3,000 strains of genetically-defined mice and home of the Mouse Genome. I am told that 80 percent of summer program's 2,200 alumni have gone on to careers in medicine or biomedical research and has two Nobel Prize-winning alumni.

Final Notes

I am pleased to tell you that your system was a feature of the recent Education Commission of the States conference. We joined with Commissioner Alice Seagren to talk and teach about the Minnesota P-16 partnership work. Our version, the P-16 Roundtable, is now chaired by Commissioner Seagren, but it first found its way into the system's work plan in 2002-2003. The system began the partnership, and now it is a model for a start-up, collaborative that is making basic education-higher education ties stronger.

Some of our longer term board members may recall that we believed we were named as a beneficiary of the trust established by Warren Robens and Henry Dembiczak. Though we have been aware of this since 1997, we had no documentation of the value of the estate, nor did we know specifically what percentage was designated to the Minnesota State Colleges and Universities Foundation. We have been informed that the foundation is the sole beneficiary of the trust which has a current value of \$2.5 to \$3 million. The gentlemen have signed a statement of intent which will allow us to count their gift commitment in FY06.

Neither Mr. Robens nor Mr. Dembiczak is a graduate of any of our institutions. Rather, Mr. Robens holds a degree from Macalester, and Mr. Dembiczak holds a degree from the University of Minnesota. They both spent the majority of their careers at 3M. Interestingly, Mr. Robens had a brother who attended St. Paul Vo-Tech many years ago and went on to do very well. It is clear that public higher education simply is very important to them. Their generosity will make a difference for this system's students.

Thank you for your attention. We are looking forward to the upcoming academic year and pursuing the new action plan together.