



# Steven Rosenstone, Chancellor, MN State College & University System

Interview with The Civic Caucus

8301 Creekside Circle #920, Bloomington, MN 55437

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## **Notes of the Discussion**

**Present :** Verne Johnson (chair), David Broden, Janis Clay, Paul Gilje, Jim Hetland (phone), John James, Curt Johnson, Sallie Kemper, Ted Kolderie, Dan Loritz, vice chair (phone), Tim McDonald, Jim Olson (phone), Clarence Shallbetter

**Summary of discussion :** Steven Rosenstone, recently installed chancellor of the Minnesota State College and University System (MnSCU), describes challenges facing higher education, opportunities for improvements, and his plans for the state's largest post-secondary system.

**A. Welcome and introductions** - Steven Rosenstone has had a distinguished career in higher education beginning with his *summa cum laude* B.A. degree from Washington University and his M.A. and Ph.D. degrees from the University of California, Berkeley. He was professor of political science at Yale University until 1986 when he joined the University of Michigan as professor of political science and program director in the Center for Political Studies. He is the author of *Who Votes?, Mobilization, Participation, and Democracy in America*; *Third Parties in America: Citizen Response to Major Party Failure*; *Hispanic Political Participation, Forecasting Presidential Elections*; and numerous scholarly articles on elections and political participation. He is a member of the American Academy of Arts and Sciences.

Recruited to the University of Minnesota in 1996 to serve as Dean of the College of Liberal Arts, Rosenstone earned a reputation as a farsighted and effective leader. Under his leadership, the college transformed the undergraduate experience; dramatically increased the quality, diversity, and success of its students; forged new partnerships with Minnesota businesses and cultural institutions; and created new, state-of-the-art facilities and interdisciplinary centers. Over the years, he led system-wide initiatives on scholarships, access to higher education, long-term financial strategy, e-education, and student success. In recognition of his service to the University of Minnesota, he was awarded the McKnight Presidential Leadership Chair in 2004 and was promoted to Vice-President for Scholarly and Cultural Affairs in 2007.

Named chancellor of Minnesota State Colleges & Universities (MnSCU) in February 2011 by the Board of Trustees, Rosenstone began his term in August 2011. As Chancellor, Rosenstone is responsible for leading the seven state universities and 24 community and technical colleges that serve over 400,000 students in 47 communities across the state.

**B. Discussion** - During the course of the discussion the following points were raised:

## **THE PROBLEM: WORKFORCE SHORTAGE AND THE NEED FOR BETTER STRATEGIES TO PREPARE MINNESOTA'S WORKFORCE**

### **Minnesota is facing a significant workforce shortage.**

Minnesota's workforce needs higher levels of education than ever before, Rosenstone said. The state needs a more robust pipeline of increasingly skilled workers, innovative and creative thinkers on the leading edge of knowledge creation who can solve problems and can bring those solutions to market. Minnesota's workforce must be equipped to meet the needs not only of state or regional businesses but also of the global production, assembly, delivery, and distribution systems that have an increasing impact on the state's economy.

Beyond the challenges posed by an aging population, Rosenstone outlined three ways the workforce shortage will manifest:

- 1. Minnesota has an immediate and growing skills gap** that is holding back our economy and further job creation. There are many good jobs available, but there is a shortage of people with the skills to do those jobs. Companies across Minnesota are in dire need of workers, particularly in the manufacturing, biotech, and health care sectors. Many of the 167,000 jobless Minnesotans lack the education needed for the jobs emerging with the new economy.
- 2. By 2018, 85 percent of all new jobs in Minnesota will require some postsecondary education**. As much as 85 percent of the new jobs will require some postsecondary education with over half of those jobs requiring a certificate or associate's degree, not a baccalaureate degree. "If we fail to meet our state's evolving workforce needs Minnesota's economy will be in great jeopardy," Rosenstone said.
- 3. K-12 needs to provide stronger preparation for post-secondary education.** About one-quarter of Minnesota's students entering high school don't graduate on time, and too many of those who do graduate are not prepared for post-secondary learning. The state's fastest growing populations - people from communities of color and families of modest financial means - are the least prepared for the jobs that lie ahead. Minnesota business needs a diverse workforce to compete in the global economy. And going forward, there will be virtually no jobs that will provide a decent standard of living to those who do not complete some post-secondary education.

### **Post-secondary education has been squeezed by the state's structural deficit.**

These workforce preparation challenges must be met at the same time the state is coming face-to-face with its long-term structural budget problem. This budget shortfall has been a constraint within which Minnesota's education systems have had to operate.

State funding of higher education has "dropped like a stone" with Minnesota's investment in higher education decreasing faster than the national average. Post-secondary spending has been squeezed out by increases elsewhere in the state budget - particularly in health and human services.

Between FY 1999 and FY 2010, Minnesota's support of higher education per full-year equivalent student fell 40 percent in constant dollars compared to a 19 percent decrease for the nation as a whole. Over the past two years, only nine states in the country decreased higher education spending more than in Minnesota. Minnesota's cuts to higher education were five times deeper than the national average.

"Minnesota's support of higher education is no longer above average at a time when above average is no longer good enough," Rosenstone said. The state now ranks in the bottom half nationally.

#### **Minnesota's funding of MnSCU has dropped 46 percent in real terms in 12 years**

The impact of all this on students has been profound. State funding (in constant dollars) per full-year student in Minnesota State Colleges and Universities in real dollars have dropped 46 percent over the past twelve years.

#### **Increasing value: the cost of educating a student in MnSCU has been lowered 10 percent.**

The cost - in constant dollars - of educating a student in MnSCU is actually 10 percent lower than it was a decade ago, Rosenstone said. The payer is what has changed, with the education bill moving from the state to the students.

Even with this decrease in cost per student, MnSCU is serving more students than ever before and it is serving more educationally challenged students. "The students we're serving span a huge range. The fastest growing student population is a population that has not been traditionally served by higher education," he said.

Given the lowering cost and more challenging student population that we are serving, Rosenstone argued that MnSCU is a remarkably good value.

Within MnSCU, two-year college tuition and fees average \$5,170 per year - about one-third the cost of private trade schools. The tuition and fees at MnSCU's four-year universities average \$7,025 per year, or approximately one-half the cost of the University of Minnesota and one-fifth the cost of a private college or university.

"Our goal is to continue to be the highest-value, most cost-effective higher education option in the state," Rosenstone stated.

## **THE GOAL: CONTINUALLY EVOLVE TO MEET WORKFORCE NEEDS**

MnSCU aims to meet the workforce needs of Minnesota by providing graduates who are prepared for the work that needs to be done to keep Minnesota's economy and communities vibrant and growing.

## **THE STRATEGY: SYSTEM INNOVATION**

"To address this challenge," Rosenstone said, "MnSCU needs a comprehensive plan that leverages its assets in new, more effective ways."

Minnesota State Colleges and Universities are playing a lead role in delivering solutions, he said, and his team is working with Governor Dayton and his administration, the Minnesota's legislature, workforce centers, faculty and staff, foundations, business and industry, the Chamber of Commerce, and labor to develop a plan that will accomplish the goal of meeting Minnesota's workforce needs.

### **The plan addresses five challenges.**

#### **1. Map the workforce needs of Minnesota going forward, sector-by-sector, and region-by-region.**

Rosenstone will move from "planning by anecdotes" to a "systematic assessment" and precise projections of the needs the system must meet. To forecast future educational demands, we must know with great precision how many workers and professionals, with what kinds of skills, are needed in which regions, for what kinds of jobs. MnSCU's colleges and universities will work with its partners to lead such an assessment in April of this year. It is a process of mapping that will be an ongoing practice, he noted.

#### **2. Align college and university programs with Minnesota's workforce needs.**

The system needs to respond to leading indicators, he said - ensuring that we are developing and delivering the courses and programs that will be needed for the jobs of tomorrow.

MnSCU needs to have the right programs, in the right places, to prepare the right kind of graduates - with the skills needed to lead every sector of Minnesota. This includes aligning certificate and degree programs, advanced certification programs, programs aimed at retooling workers, and customized training programs to provide graduates with the foundational and work skills that Minnesota's businesses and communities need.

Minnesota State Colleges and Universities play a crucial role in this, Rosenstone said. Each year more than 400,000 Minnesotans from all walks of life attend MnSCU colleges and universities for training and retraining, for degrees and for graduate programs.

### **3. Prepare graduates more effectively for jobs of the future.**

Good programs must become excellent and excellent programs must become preeminent. This spring, across the entire state, MnSCU faculty will be examining how to better facilitate learning, and how to use technology and collaboration to serve more students better and more cost-effectively. Retention and graduation rates and time-to-degree also must all improve, Rosenstone said.

The system will be focusing on outcomes - the capabilities of its graduates, not the test scores of its freshmen - as the measure of success. Each academic program will have measureable learning outcomes that identify the proficiencies that each graduate will meet.

"I don't think we should be judged by how many students we turn away or the ACT scores of the incoming students, but on the quality of the education those students receive." So far, in his estimation, MnSCU has done an extraordinary job with the resources it has received. But his goal is to do even better.

### **4. Ensure that there is a pipeline of high school graduates who are "college-ready."**

To meet this challenge, MnSCU is partnering with the Department of Education, the Office of Higher Education and with schools across Minnesota to ensure that students from all walks of life are all "college ready." They are working to redesign grades 11-14 to enable more students to start and succeed in appropriate post-secondary education.

"We also need to realize that not everyone needs or wants to pursue a baccalaureate degree," Rosenstone argued, adding that they are working to connect high school students interested in technical careers with programs in technical colleges that are aligned with the jobs of the future.

"In short, we are working to make the grades 11-14 more cost-effective, more flexible, and more responsive to student and workforce needs."

### **5. Redesign the MnSCU system to improve the quality of the graduates, increase the effectiveness and efficiency of its operations, and keep tuition affordable.**

"The final area, system redesign, is where I'm trying to be the most thoughtful and courageous," Rosenstone said.

To this end, MnSCU has created a Campus Service Cooperative to deliver higher quality business services to MnSCU schools at much lower cost by sharing non-academic functions such as purchasing, payroll, information technology, human resources, and the processing of student financial aid.

They are examining the incentives that are implicit in the current way funds are allocated to our colleges and universities to ensure that the incentives are aligned with the outcomes need to be produced.

MnSCU colleges and universities have begun working together to develop regional academic plans to meet regional educational and workforce needs.

Conversations have begun with the University of Minnesota and Minnesota's private colleges to identify new opportunities for collaboration to leverage the strengths of each system, boosting quality and efficiency.

### **MnSCU is a responsive system**

"I'm not a command and control guy," Rosenstone commented. "MnSCU is an extremely decentralized system, reflected in the speed and agility with which our colleges and universities respond to new opportunities."

The challenge is meeting Minnesota's needs for a highly educated workforce at a time when the resources to do so have been dramatically slashed.

To a question regarding the number of campuses needed to provide access, Rosenstone said he doesn't know the answer to that. "We need to ensure that we are providing access to higher education in ways that meet the needs of students and ensure the vitality of Minnesota's diverse regional economies. Our students are on average aged 26, with families and full-time jobs. They can't just drive to a campus 200 miles from home and move into a dorm, and we know that many of our educational offerings can't be all online either. Online learning will remain part of the solution, but it is not a silver bullet."

"We're not worried about the new federal standards concerning online learning - we exceed them, and at \$5,000-7,000 per year we're beating the for-profit schools in cost many times over."

### **C. Closing**

Rosenstone closed by saying that he is thinking about the design of MnSCU and strategies of collaboration that will enable the system to meet its long-term commitments to the people of Minnesota.

"If we can get the right architecture in place, then we'll be putting the power of everybody together toward the common goal."

He listed his levers for making change: The bully pulpit of the chancellorship in attempting to raise awareness and engage MnSCU's partners, the ability to empower the faculty and staff to chart a smart course, the ability to hold MnSCU presidents accountable, and, through some "heavy lifting," the ability to align incentives with the desired outcomes.

This will take determination. "After taking this job one of the things I heard most often was 'What you will need most is courage,'" he said.

The chair thanked Rosenstone for the very informative visit.