

Minutes*

Senate Committee on Finance and Planning
Tuesday, March 22, 2011
2:00 – 3:45
238A Morrill Hall

- Present: Russell Luepker (chair), Steen Erikson, Lincoln Kallsen, Kara Kersteter, Lyndel King, Judith Martin, Fred Morrison, Kathleen O'Brien, Paul Olin, Richard Pfitzenreuter, Michael Rollefson, Karen Seashore, S. Charles Schulz, Mandy Stahre, Jeremy Todd, Michael Volna, Lori-Anne Williams, Aks Zaheer
- Absent: Jon Binks, Devin Driscoll, Will Durfee, Shruti Patil, Gwen Rudney, Terry Roe, Thomas Stinson
- Guests: Assistant Vice President Greg Hestness (Department of Public Safety); Thomas Bilder (Financial Systems User Network)

[In these minutes: (1) public safety update; (2) Financial Systems User Network; (3) legislative budget proposals]

1. Public Safety Update

Professor Luepker convened the meeting at 2:00 and welcomed Vice President O'Brien and Chief Hestness to provide an update on public safety on campus.

Vice President O'Brien thanked the Committee for the opportunity to provide the update, focused primarily on the Twin Cities campus. They see two spikes in problematic behavior, in the fall up to Thanksgiving and then again in the spring ("cold weather is our friend" when it comes to crime, she observed). It seemed timely to present a report to the Committee because spring is coming and they made a report recently to the Board of Regents.

Chief Hestness distributed copies of slides and began by noting that he has been at the University for eight years, following 28 years with the Minneapolis Police Department. He reviewed the Regents' policy "Health and Safety" guiding principles as well as the structure of the Department of Public Safety. The latter has three divisions, the Police Department, Emergency Management, and Central Security. Mr. Hestness summarized the responsibilities of the three divisions for the Committee.

Central Security includes 24/7 System Monitoring Services, which includes monitoring cameras, intercoms and call boxes, initiating emergency police/fire/medical responses, and providing data for policy, human resources, and General Counsel investigations. It also includes access control systems, consultation services (security systems and plans), and security services. Chief Hestness provided information on the number of card readers, video cameras, and burglar-alarm systems on campus. He also reported on the adoption of "intelligent video" that can, for example, watch a single person walking across the Washington Avenue Bridge. Previously they would have called police dispatch to send an officer. Now they are combined into the Public Safety Emergency Communications Center. They can

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now inform the dispatcher of the need to send police and show that dispatcher the real-time image of what is taking place to update officers in real time.

Emergency Management includes emergency medical services, emergency planning (including establishment of the Officer of the Day and complies with the National Incident Management system), and coordination. They staff football games, provide H1N1 preparedness, and deal with chemical spills and weather emergencies. They also have a mobile command post (provided by the Department of Homeland Security) and emergency operations center. Mr. Rollefson asked about the University having its own police force but not a fire department. Vice President O'Brien said the University has had its own police force since 1939, but rather than establish a fire department, the agreement with Minneapolis was that the University would have a fully-authorized Fire Marshall. Mr. Hestness said that he knows of only one university that has a fire department but that it is common for these institutions to have their own police departments.

The Police Department is fully licensed by the state and includes field operations, criminal investigations, and administrative services. Chief Hestness outlined some of the capabilities of the department and noted that all information is shared with the Minneapolis Police Department. He described the Computer Aided Dispatch system and how it works with the 911 system; he also provided data on the number of calls they received, including from neighborhoods surrounding the Minneapolis campus. (There are very few crimes reported from the St. Paul campus.) They see from 0-31 events per week, mostly property crimes. He noted the data on personal and property crimes on campus (property crimes are down dramatically since 2002, from 938 to 631 in 2010; personal crimes increased during 2005-2008, but have now dropped back to the levels seen in 2002—about a dozen per year). In surrounding neighborhoods, robberies spiked in 2005 and 2006 but are now back to levels seen in the late 1990s, about 60-65 per year. Chief Hestness also noted the number of mandated (by federal law) crime alerts; there were 12-14 per year, 2006-2009, but 19 last year. They are accountable to the Department of Education and must issue timely alerts, he said, and abide by the law, although the alerts make some people feel unsafe.

The Police Department has partnerships with many units on campus, including Student Affairs, Housing and Residential Life, and so on, as well as with community and neighborhood organizations and other public safety organizations. They also have a pool of about 100 part-time officers (from the cities and suburbs) who can be drawn on for major University events; they become University officers for a day.

Mr. Hestness also touched on mental health emergencies, given the events in Tucson. They receive questions about how they will respond to an active shooter on campus, but that is not the typical situation; more often it is depression and suicide. University police officers do respond to mental-health situations, and they are trained to deal with active shooters, but it more likely they will deal with a depressed student. Professor Schulz commented that they have found (in Psychiatry) that the less time it takes to get help for someone, the less likely it is the police will need to be called in. Chief Hestness noted the resources that are available on campus for mental-health questions. Ms. Kersteter said that she has had to call on the Behavioral Consultation Team and complimented Mr. Hestness on having it available.

Mr. Rollefson asked about the budget of the Department of Public Safety. Chief Hestness said the budget is \$14.2 million and includes 180 FTEs (60 of the FTEs are over 100 student monitors). Of those funds, 69% comes from central (cost-pool) funds, 20% from fees for services, 4% from fines and 7% from other sources.

Professor Martin asked if the Department is involved in planning for the light-rail traffic changes and disruption. Mr. Hestness said it has become his life; the next shoes that drop will be closing Washington Avenue, so all eastbound traffic will be diverted to the West River Parkway, the increased traffic around the knoll area, and that Beacon Street will become a major artery through campus. Vice President O'Brien said that in thinking about safety and traffic, it is also necessary to think about bikes—there will be more signage and more enforcement of bike rules. Professor Seashore asked if there was a reason for decreased enforcement of bikers riding fast on sidewalks; Chief Hestness said there will have to be a culture change and that it will require both education and enforcement. Ms. O'Brien said they are increasing education, providing maps of bike and pedestrian routes, and then will come warnings and, after that, enforcement.

Professor Luepker thanked Chief Hestness and Vice President O'Brien for their report.

2. Financial Systems User Network

Professor Luepker now welcomed Mr. Bilder to discuss the activities of the Financial Systems User Network (FSUN). Professor Luepker related that he had no knowledge of FSUN until Mr. Bilder's predecessor as chair of the FSUN board contacted him. This Committee has been particularly interested in the new financial system, EFS, and any information that Mr. Bilder could provide would be appreciated.

Mr. Bilder began by explaining that he is the fiscal officer for Boynton Health Service and then outlined the structure and history of FSUN. It is a user-initiated group of about 528 members who are the hands-on users of the financial system; it has a board of directors (that meets once per month), participates in committees that deal with financial-system issues, and has a monthly newsletter. The Controller's Office funds the activities of FSUN. The aim of the group is to provide feedback to the Controller's Office on the financial system and to network in order to provide answers to questions and resolve problems.

Professor Martin thanked Mr. Bilder for the information and noted that this Committee has been hearing from financial staff about EFS for the last four years, and has never heard of FSUN. Mr. Bilder agreed that they need to do a better job of communication. They are the end users who do the hands-on work and may not have been as effective as they could have been.

Professor Martin asked Mr. Volna about SWAT teams and whether FSUN paralleled the SWAT teams. The SWAT teams have slowed down since EFS went live, Mr. Volna said, and now meet with various groups—and are available to meet units that wish them. They are different from FSUN, which started when CUFS was being "buttoned up." FSUN is self-organized and self-perpetuating; his office supports it but does not own or control it.

Professor Zaheer said it would not be an exaggeration to say that dealing with EFS has been extraordinarily frustrating for users. Does FSUN have official legitimacy and receive feedback on how issues are resolved? Is there a process whereby concerns are raised, disposed of, and people are informed? They typically follow up questions with users, Mr. Bilder said; they identify responses to problems that can be shared. They have a wide range of users—some do only a few things, some do many things. They would like to be able to deal with anyone who needs help; they are a big enough group that someone should be able to provide an answer for a problem.

Ms. King asked if Mr. Bilder had any sense from the FSUN membership how things are going. There has been a certain amount of frustration, Mr. Bilder said, but it takes time to get acclimated to a

new system. He said he thinks EFS is great, compared to CUFS, and that EFS is doing what it is supposed to. It is not perfect, but he has never seen a transition between systems go smoothly, and there will always be those who are disoriented and who badmouth the system. He chooses to be optimistic and to dig in and solve the problems. That is what FSUN is about—one has to look for an answer and not accept "no" for an answer.

Professor Seashore said she has heard that local units sometimes find ways to make the system work better for them (that is, have shadow systems), but do not share the information with other units (because those responsible for EFS do not want those systems being spread around). Where does FSUN stand with respect to creative solutions to bureaucratic regulations? Everyone has tried work-arounds, Mr. Bilder said, and FSUN hears about them. They are looking for answers; they have to have financial reports or they are in the dark. He heard about that issue from across the University, but there have been enhancements. Professor Seashore said that she was asking about the adjustments between what the system wants and what the users need. His perspective, Mr. Bilder said, is that every user does things differently. End users have brought questions to the board, and each is unique and must be addressed. He said he is pushing for someone to be a point person to assist colleges and units. No system fits all; there needs to be one person or group to work with units.

Before he received the email from Mr. Bilder's predecessor, Professor Luepker related, he had not heard of FSUN. The discussion today makes it seem like there is a parallel universe, because what the Committee is hearing today is different from what it and the Faculty Consultative Committee heard, both several years ago and recently. FSUN has a newsletter, a logo, an acronym—under whose auspices does it operate? Is it totally voluntary? Mr. Bilder said they see it as totally voluntary. He received permission from his superior to participate; those who participate on the board must have the permission of their superiors. Mr. Rollefson noted that Mr. Volna's office pays for FSUN meeting expenses.

Professor Luepker said he was trying to resolve the disparity between today's discussion and previous discussions. They have heard there are a lot of problems with EFS and people want to quit their jobs because of them, but Mr. Bilder says it is a good system and some staff are not adapting to it. Is it the case that the users enter data and information but the higher-ups are not getting the reports they need? Is he missing something, Professor Luepker asked? He is not, Mr. Bilder said; they saw problems. There are a lot of factors affecting morale, not one simple thing.

Professor Luepker asked Mr. Volna if this is an entirely different connection with users and groups. There are a number of audiences that they deal with on systems issues, and some are different from the others, Mr. Volna said. There are about 600 members in FSUN and they provide a good representation of end users who process transactions. During EFS implementation, they have not had good feedback from the higher-up users, such as finance directors or RRC managers, and they are trying to bring those different perspectives to their discussions, which are not the same as those represented by FSUN.

Professor Luepker thanked Mr. Bilder for joining the Committee.

3. Legislative Budget Proposals

Vice President Pfutzenreuter joined the meeting and reported on the budget proposals from the Minnesota House and Senate. The gist of the numbers is this.

In the current fiscal year (FY11), the University is receiving \$591.1 million in state funds. The Governor proposed \$603.6 million for FY12. The House higher-education committee has proposed

\$528.7 million for FY12; the Senate higher-education committee has proposed \$520.5 million. Most of the money for these cuts (which must be doubled to get the biennium total) would be taken in the first year. The projected base budget for FY12 was \$642.1 million; reductions/additions are calculated on that base, and the net result, given the way that biennial appropriations are calculated, is that the Senate proposal would result in a cut of \$243.2 million (that is, a cut of \$121.6 million in FY12 that would remain in place for FY13 from the projected base of \$642.1 million, or a total cut of \$243.2 million over the biennium). The parallel cut proposed for MnSCU is \$167 million.

No one at the capitol will likely be happy with any of the bills, Mr. Pfutzenreuter said, but because the legislature will not raise any new revenue, the arithmetic is dictated by existing revenues. The House and Senate bills roll back the appropriation to levels not seen since 1998. The new freshmen at the University were five years old the last time state funding was at this level; these bills look backward, not forward.

Both the House and Senate bills have a tuition provision, and both respect the University's autonomy by indicating that they "expect" the University will do certain things. Mr. Pfutzenreuter expressed doubt that the votes are there to pass a bonding bill at this time but said that it still may be part of the final solution to the overall budget.

Mr. Pfutzenreuter and the Committee discussed the implications if the state government were to shut down as a result of a budget impasse between the legislature and the Governor.

Professor Morrison noted news that the Pell Grant system could be heading for collapse. "Are we at the point where we need to think completely differently about finance?" Mr. Pfutzenreuter said "yes." In the Governor's budget, the University is 3.2% of the state budget; in the House and Senate bills, it is about 3.1%. That number will only shrink in future years. If one looks at where state funds are allocated in the University, it is inevitable that eight or nine colleges will have become self-supporting. What does that say about the University's planning? What does it say about the mission? Does the University give up on service? What does that mean for the state? Will the University get to that point on a transaction-by-transaction basis each year, or will it choose to get there and plan for the situation?

Ms. Stahre asked about the percent of the budget that comes from indirect-cost funds. It is about \$120 million of a \$3-billion budget, Mr. Pfutzenreuter said. Professor Schulz commented that grant and indirect cost funds pay for about 85% of the cost of research, so many departments, as grant funding increases, must find more and more money from other sources. Professor Luepker said he had asked Vice President Mulcahy how the University loses money on every federal grant dollar—and it loses a lot less on those funds than it does on foundation grants, for example. There is beginning to be a conversation that there may be grants the University will not be able to take, Professor Martin said; Professor Schulz reported that the Dean of the Medical School has already said "no" to grants without adequate indirect-cost payments. Professor Martin said that Vice President Mulcahy has reported that as grant funding has increased dramatically, the unrecovered costs of supporting the grants has gone up proportionally.

Professor Luepker adjourned the meeting at 4:00.

-- Gary Engstrand