

Minutes*

Senate Committee on Finance and Planning
Tuesday, November 18, 2008
2:00 – 3:45
238A Morrill Hall

Present: Judith Martin (chair), Jon Binks, Joao Boavida, Steen Erikson, Steve Fitzgerald, Zachary Gunderson, Lyndel King, Thomas Klein, Russell Luepker, Mikael Moseley, Kathleen O'Brien, Paul Olin, Justin Revenaugh, Terry Roe, Michael Rollefson, Karen Seashore

Absent: V. V. Chari, Adam Faitek, Lincoln Kallsen, Kara Kersteter, Joseph Konstan, Richard Pfutzenreuter, Gwen Rudney, Thomas Stinson, Michael Volna, Warren Warwick, Aks Zaheer

Guests: Leslie Krueger (Office of the Vice President for University Services), Monique Mackenzie, Orlyn Miller (Capital Planning and Project Management); Brian Swanson (Budget and Finance), Athletic Director Joel Maturi, Associate Director Phil Esten

[In these minutes: (1) consultation on cost pools; (2) Twin Cities campus master plan; (3) football game-day planning]

1. Consultation on Cost Pools

Professor Martin convened the meeting at 2:05 and turned to Vice President Pfutzenreuter to comment on consultation on cost-pool rates.

That has been a sore spot in the new budget model, Mr. Pfutzenreuter. The way it was to be approached, and the way they would still like to see it approached, is to have the cost-pool "owners" (e.g., Vice Presidents O'Brien and Cawley, Librarian Lougee, etc.) develop advisory groups. Some have done so, some have been less successful. They also encourage including the deans in these groups.

One cause of angst, Mr. Pfutzenreuter said, is the administrative cost pool, which consists of "everything else" that's not in one of the others—it is a collection of administrative offices. (It includes, for example, the President's office, the Regents' office, the Provost's office, his office, etc.) Consultation on that one is more difficult because there is no obvious owner as there is with the others. That is the one that gets all the attention. One can grasp the reasons for increases in others (e.g., increase in the cost of software licenses), but it is not as easy with the administrative cost pool

Professor Martin asked if there is a way to talk to those cost-pool owners who have not established a good consultation process to point out good practices where they exist. They have done so, Mr. Pfutzenreuter said.

Professor Roe asked if Mr. Pfutzenreuter keeps track of administrative costs at the college level. Faculty ask about administrative costs; is there a place where data are kept so that comparisons can be

* These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate; none of the comments, conclusions, or actions reported in these minutes represents the views of, nor are they binding on, the Senate, the Administration, or the Board of Regents.

made? Professor Martin agreed that it is fair to ask about college costs if the Committee is going to ask about administrative cost-pool rates. The central costs are much more transparent, Professor Roe added. Mr. Pfutzenreuter explained the data that exist.

The deans complain about the cost increases, Professor Luepker noted, and asked what the trends in cost-pool rates have been in the last several years. Mr. Pfutzenreuter said they can show the trends since the cost pools were implemented. It is easy to pick on the cost pools, he said, even setting aside the administrative one, but they are driven by salary plan decisions or utilities or financial aid. There are not a lot of new initiatives or programs that are not the result of financial aid or facilities (utilities or new-building costs for buildings everyone wanted). The administrative cost pool has the most discretionary funding, and most complaints are not about the others, they are about the administrative cost pool.

Professor Luepker asked about fuel costs; Mr. Pfutzenreuter said the University has saved a lot of money on fuel costs because it locks in prices for 9-14 months in advance. In the case of Xcel Energy, however, for example, the University has no choices. Professor Luepker then asked if that cost pool just pass charges through to the units. It does, Mr. Pfutzenreuter said, and the University needs to do more to achieve energy independence. The University has not done a good job in lowering energy costs; it has changed pipes and valves and so on but has not done a lot to change behavior. Just turning off computers at night would save a lot of money. The President has agreed that changing behavior is one step; much of recent HEAPR money was devoted to energy savings in buildings. If the University invests money up front, the cost pool rates would go down.

Mr. Klein said that conversations around the budget and budget model indicate that people do not understand how cost pools work. How can they focus on the ideas Mr. Pfutzenreuter has mentioned that can be implemented and produce cost savings at the college and department levels? People tend to focus on the administrative cost pool, Mr. Pfutzenreuter said, and while it is "real money," by doing so they miss the big picture and items that could save a lot of money. How might this Committee or the Budget Office or some part of the University make a big deal of the others, Mr. Klein asked? Mr. Pfutzenreuter said he talked a lot about energy a couple of years ago but didn't make much headway. Mr. Rollefson recalled the UBEEP program to save energy, which was successful, but that's been gone for a decade. Mr. Pfutzenreuter said there is still a loan program for units to achieve energy efficiency, but right now the University saves money primarily by controlling prices. Mr. Fitzgerald wondered about the possibility of campus-wide building hours so that lights would go off at certain times.

Professor Roe asked if, under the rubric of contingency planning, there had been any discussion about reducing the University's contribution to the Faculty Retirement Plan. Mr. Pfutzenreuter said he had heard no such discussion. There may be discussions to rearrange the contribution, Professor Martin added. They are looking at changes in some of the fringe-benefit cost pools, Mr. Pfutzenreuter said, but not at pushing more costs to employees.

Professor Roe next asked if financial pressures could cause the University to rethink its ability to help low-income students. Mr. Pfutzenreuter said he believed that assistance is safe, in the money raised for the Founders scholarships, but he worries about what the state might do to the state grant program. If the latter is cut, the Founders program could perhaps make up some of the funds, but he said he did not know how much it could cover.

How long will the hiring "pause" last, Mr. Rollefson asked? Through the fiscal year, Mr. Pfutzenreuter responded.

Professor Seashore asked if there is any effort to look at faculty workload. The units are hiring more and more P&A staff to do faculty work. She said she can see what is happening in her unit but has no idea what is happening across colleges. The hiring freeze will have consequences in this regard. Mr. Pfutzenreuter said the issue has not come up. He said he is aware that the number of adjunct faculty is increasing while the number of tenured and tenure-track faculty remains flat. Student numbers have not increased at the same rate as the P&A staff appointments, Professor Seashore said, and the University needs to focus on how it uses its most valuable resource, the doctoral-level faculty who are doing teaching and research.

Mr. Klein asked if they compare cost-pool increases to college revenues. They do not, Mr. Pfutzenreuter said; they finish the cost-pool decisions in the fall and then do the colleges. Mr. Klein said the deans are interested in reviewing income vis-à-vis cost-pool increases because they feel stuck when revenues do not match cost increases. When they make academic budget decisions, Mr. Pfutzenreuter said, they know college compensation costs, tuition revenues, cost-pool charges, and state funds, and they look at all of them in deciding how to fund the colleges. The colleges are given money, they are asked to pay for some things from tuition revenues, some from reallocation, or they may receive a reduced budget—and all of those things are likely to happen this year.

The deans have said they took a hit because when planning, they are not sure what the collegiate revenue will be and have to cover the increased allocated costs, Mr. Klein said. Mr. Pfutzenreuter said he has been explaining to the deans and faculty for four years that everything is on the allocation sheets—and he doesn't know how he could be any clearer. Mr. Klein said that it is a shared frustration among deans, department heads, and the budget office that was heard in the budget model conversations.

Professor Martin thanked Mr. Pfutzenreuter for his comments.

2. Twin Cities Campus Master Plan

Professor Martin next welcomed Vice President O'Brien and her colleagues, Ms. Krueger, Ms. Mackenzie, and Mr. Miller, to discuss the Twin Cities campus master plan.

Ms. O'Brien began by saying that she returns to the Committee on this topic with a sense of satisfaction and accomplishment after having appeared several times in the last few years. The discussion today is an overview of the master plan and they will return in January with the final version, after which it will go to the Board of Regents.

The Regents in 1993 called for each campus to have a master plan. The Twin Cities plan dates from 1996; it has now been updated now with internal expertise (rather than an outside consultant), which will mean greater campus ownership in the plan. She noted that she and Professor Martin served as co-chairs of the master planning Steering Committee and turned to Ms. Mackenzie and Mr. Miller to review the plan.

The Committee was provided with a set of slides with information about the planning process, including the definition of a master plan, the direction provided by the Regents in 1993, the charge to the Steering Committee to update the 1996 plan, the Steering Committee membership, and the issues that arose during the process.

They learned what is important from the point of view of the University community in discussions with faculty, staff, and students. That includes enhancing the campus experience (improving amenities such as gathering and dining spaces both inside and out, improving the pedestrian experience,

and more opportunities for recreation), the importance of green space (more on the West Bank, amenities in St. Paul, and connections to the river), sustainability (included in the charge from the President, and encompassing the use of the campus as a living laboratory, energy-efficient buildings, and "green" operations), balancing the needs of all modes of transportation (pedestrian safety, bike trails/lockers/showers/safe operations—and these two, pedestrians and bikes, should be given priority—campus bus routes, vehicular access), relationship of the University to the community (awareness of impact, being more supportive, designing buildings to be open to the community), campus design (the importance of signature buildings, balance of eclectic design with historic campus elements, enhancing the design of the learning environment, the need for inviting spaces, and public art).

They also learned things from other community partners, through neighborhood meetings. They would like mutually-supportive environments, alignment with community vision, campus traffic management and use of transportation alternatives (so traffic is less disruptive), pedestrian and bicycle connections to the community, clear campus boundaries (so buildings do not run down because owners are uncertain about them), and well-marked and attractive gateways (that is, openness but also a clear demarcation between the campus and community). They would also like a transparent process for planning significant developments, the communities to be a home for University employees and "life-long learners," and that operationalizing the connections will be critical. There were specific themes for St. Paul: support for sustainability, open space seen as an important community amenity, and the importance of signage and interpretation of research areas is important.

Professor Seashore asked if, at community meetings, there were distinctive concerns. Marcy-Holmes versus the West Bank, for example. Each has unique features, Ms. O'Brien said. The West Bank has a shared vision to reurbanize the area, Marcy-Holmes has done a lot of planning to infill and upgrade housing, St. Anthony Park has an investment and ownership in the St. Paul campus and concern about the University's plans for it. Other Big Ten universities are thinking about relationships with, for example, retirement housing, Professor Seashore noted. That came up, Professor Martin said, and there are a lot of developers chomping at the bit to start doing things. The University is in the unique position of not having to issue an RFP or use University resources, Vice President O'Brien added; the question is how to influence the developments, and the city and developers have been very cooperative.

Ms. Mackenzie next reviewed the trends and assumptions for campus master planning for the next 5-10 years. They include: a stable undergraduate student and staff population; slight increases in graduate students and faculty; no significant addition to on-campus housing (which has grown significantly in the last 10 years); growth in biomedical research facilities; growth in clinical medical facilities; continued demand for physical upgrades in existing buildings; and active engagement with adjacent communities on areas of mutual interest.

They have also made small adjustments in the master planning guiding principles, Ms. Mackenzie reported. New ones include "an environmentally and operationally sustainable campus" and "utilize the campus as a living laboratory to advance the University's mission." While still in the principles in spirit, the specific principles of "increase the mix of uses on the campus, including housing" and "facilitate and ensure healthy collaborative ventures" have been deleted. In terms of (revised) "developed integrated transportation systems emphasizing pedestrians and transit," there are about 80,000 visits per day to the campus (faculty, staff, students, visitors), many of them on foot. They also want to amplify on and improve connections with the adjacent communities want to pay closer attention to open spaces.

With respect to trends and assumptions, Mr. Fitzgerald commented, a possible additional consideration is mobile computing and knitting together the informal and formal study spaces.

Vice President O'Brien observed that it is not always evident that the University works hard to improve itself and control costs. As they see the next financial difficulties coming, the University will need to deal with the issue of what space it needs. Space drives costs because it requires funding to operate it and keep it in good condition. Units must ask if this is space they really need or if space should be taken off line. Professor Martin agreed that decommissioning space should be added to the elements of the master plan. Ms. O'Brien said there would be some decommissioning in the next few years, and that a decision to demolish a building is related to how usable it is. She said she would rather see space taken off line than decreased support to the academic community.

Mr. Miller pointed out that the master plan does not say which building(s) should come down but it does provide principles for making the decision. Where is the translation from the master plan to decisions, Mr. Klein inquired? The master plan provides aspirations and a structure, Mr. Miller said, and can provide maps with gaps. The plan provides direction in two ways: at the next level of study (e.g., for the East Gateway area), it indicates what the area should look like, and with a number of buildings coming in the next few years, what is to be controlled in order to achieve objectives, and second, as new buildings are built, the plan is enforced and the buildings are measured against it. There will also be other documents dealing with the built environment, Vice President O'Brien said, such as for transport and utilities.

Mr. Klein asked if there is another area similar to the East Gateway. The knoll and the arts quarter are two, Mr. Miller said. A bigger one is the West Bank in its own right. The goal is to both reurbanize the West Bank as well as make it more green, Vice President O'Brien added. Ideally they will do all and set priorities where the need exists, Mr. Miller explained. In the case of the knoll, for example, the work is fairly simple in terms of determining what should be preserved and what few things should be gotten rid of.

There were five work groups that worked about a year on different elements of the master plan: enhancing the campus; community connections/collaborative ventures/safety; natural features and open spaces; movement and access; and design and preservation. The work of the groups was organized into four themes; the guiding principles and key messages for each of the four were reviewed for the Committee.

One theme was community connections; the guiding principles include cultivating a sense of community, fostering a safe, secure, and accessible campus environment, strengthening connections to adjacent communities, and using the campus as a living laboratory to advance the mission. The key messages are to create learning communities through coordination of academic resources, not just classrooms, to establish clear campus boundaries (neighborhoods want certainty where the University will go next), to support the continued enlivening of the St. Paul campus, to promote the University district as a premier place to learn, live, do business, and visit, and to encourage teaching, applied research, and service-learning connections with the surrounding communities.

The second theme was natural features and systems; the guiding principles include preserving and enhancing natural features, developing a campus that is environmentally and operationally sustainable, and creating a cohesive, memorable system of public spaces. The key messages were to reduce the physical impact on natural resources through design and management decisions, plan and develop along the river corridor to it is defined as the primary open space that integrates the east and west banks, promote the use of campus lands and spaces as research, teaching, and demonstration lab for outreach and scientific endeavors, and identify critical areas to be held open in perpetuity based on environmental significance (it will be a big effort to identify and agree on these areas).

The third theme was movement and circulation; the principles include developing integrated transportation systems emphasizing pedestrians and transit (the pedestrian is to be primary), providing a compatible and distinctive built environment, and developing a campus that is environmentally and operationally sustainable. The key messages are to give priority to pedestrian movement on core campus streets, accommodate bicycles in commuter lanes at critical locations and design other areas so that bicycles share space and circulate with pedestrians or vehicles, maintain high-frequency, easily-accessible transit service to link all campus districts (the Central Corridor light-rail project will disrupt this for awhile but then provide part of the links), limit vehicular access to the core of the campus to service, loading, or short-term access to buildings, and build or retrofit centralized building services and loading facilities whenever possible.

The fourth theme was public spaces and buildings, and the guiding principles were to provide a compatible and distinctive built environment, optimize the use of campus land and facilities, foster a safe, secure, and accessible campus environment, provide stewardship for historic buildings and landscapes, and create a cohesive, memorable system of public spaces. The key messages were to enhance the unique character of the campus through preservation of key unifying visual pathways, ensure that paths between public spaces and buildings support pedestrians as the primary means of transportation, preserve historic resources through adaptation of new needs to existing buildings, design new buildings located on the edges of campus to be sensitive to neighborhood concerns, increase recognition of the river's presence through public spaces and building design, and use renewable materials and sustainable methods in campus buildings and landscapes. One question is how the University supports architectural diversity and also maintains a sense of the whole; Professor Martin said the group was clear on the point that there is no single architectural style on the Twin Cities campus.

Professor Martin thanked Vice President O'Brien, Ms. Mackenzie, and Mr. Miller for the report.

3. Football Game-Day Planning

Professor Martin now welcomed Messrs. Esten, Maturi, and Swanson to review the planning for football game days.

Mr. Maturi reviewed the history of the development of stadium and noted that it is unique in his profession: no one brings football "back" to campus because virtually everyone already plays on campus. He said he did not know of any institution that has done what the University is doing but that the seven Saturdays/weekends will be different as a result and he expressed the hope they will be positive for alumni and friends as well as the University community.

Mr. Maturi said he is also aware that there are challenges, such as in traffic and parking. The President appointed a game-day operations committee that he and Associate Vice President Scheich co-chair; it in turn has six subgroups and about 150 people involved in meetings on campus operations, communications, tailgating, etc. The purpose is develop a plan for the transition to playing football on campus.

Mr. Swanson explained that the parking and transportation planning began in 2005 with the Environmental Impact Statement. The key will be to maximize the number of people who walk, bike, or use buses—but there will still be a lot of cars and they will probably use all available parking on the Twin Cities campus, including the State Fair grounds.

Of the 50,000 seats in the stadium, 10,000 will be for students, 5,000 will be premium seating or for the visiting team and the balance will be almost entirely season-ticket holders. The current plan is to

encourage season ticketholders to purchase parking with their seat package. The idea is to get people into a routine so they know where they park so they do not drive around the campus and neighborhoods looking for available parking. Ticketholders with a parking package will receive a parking voucher for a particular parking facility. This system requires that Parking and Transportation Services (PTS) know exactly the number of spots that will be available in each facility for every game. Faculty and staff parking contracts will be valid on game days but not in their regular contract spots. People using their parking contracts on these 7 Saturdays a year will be directed to the East River Road Garage (East Bank contracts), the 21st Avenue Ramp (West Bank contracts), and the Gortner Ramp (St. Paul contracts). PTS has also working with Metropolitan Transit, Hennepin County, and the City of Minneapolis. Conversations with Metro Transit have focused on increasing the number of buses on game day, and also, Mr. Maturi said, about busing individuals from the downtown light-rail stations to the game.

Professor Seashore said she tries to make the Office of Classroom Management happy by teaching on Saturdays, so there are students on campus during game days. Nolte parking spaces will be unavailable; how will students get to class? These are older students, not ones who live in residence halls. They are working on that problem, Mr. Swanson replied. Vice President O'Brien said they will develop a plan to direct students to the right place because they do not want them frustrated. Professor Seashore said the East River Road ramp would be fine—it is just important that they know. The Game Day Planning team has had discussions with the Registrar's Office, as well as Admissions and the Carlson School, Mr. Swanson related, and they are working on those conflicts as well. It might make more sense to put the classes on the West Bank, Professor Martin observed.

Dr. Esten reported on the tailgating planning, done by a work chaired by former Vice President and former Law School Dean Robert Stein and June Nobbe, Student Affairs Office. They considered what it would look like, where it could take place, and what hours it would take place. The Game Day Planning team has looked at what other Big Ten schools are doing and where there have been efforts to control activities that have gotten out of hand. The question about alcohol has been brought to the Board of Regents for discussion. The current recommendation would make alcohol available only in certain premium spaces but not to the general public. There are a number of questions and a lot of interest in this topic, he acknowledged, but the point of game day atmosphere, and the point of tailgating, is a lot about food and company, not beer.

But one can drink while tailgating, just not when in the stadium, Professor Martin asked? That is the way things are done at most schools, Dr. Esten said. They plan to license the club areas in the stadium as well as Mariucci Arena and Williams Arena, Vice President O'Brien said, which requires strictly defined areas. Can one get beer in one of those areas and then walk around, Professor Martin inquired? The idea is that the alcohol does not leave the licensed area.

Professor Seashore said the Fairground lots would be a great space for tailgating; will it be encouraged there? If it happens around the Minneapolis campus, it will spill into the neighborhoods, something the University does not want to happen. Dr. Esten said they anticipate sending RVs to the Fairgrounds as early as Friday evening and accommodating any parking needs that the campus cannot. They do, however, anticipate that a great deal of game day activities will occur on campus and around the stadium. There remains the concern about the neighborhoods, and Mr. Maturi said they will work with these groups to encourage responsible tailgating on campus. In the end the events will be determined by the fans but the department will do its best to lead. Mr. Swanson also pointed out that the University does not own the Fairground lots so must negotiate for their use. They have had a lot of neighborhood people involved in the discussions, and the more attractive tailgating is on campus, the less likely people are to go into the neighborhoods.

What all must take away from the discussion, Vice President O'Brien commented, is that the University has not experienced what a game day is like on campus for over 25 years and a lot of people are working on it so it is a positive experience.

Mr. Fitzgerald said he assumed that in addition to the concern about the neighborhoods, there is thought being given to the impact of game-day events on campus buildings. Dr. Esten said there is thought being given to this issue. The campus operations subcommittee has looked at whether buildings should be open or not, the potential trash problems, and the need for porta-potties.

Professor Martin said that with seven game days in the fall, there is likely to be a conflict with events at Northrop Auditorium. Mr. Swanson said that the Environmental Impact Statement for the stadium committed the University to not having events in Northrop, Mariucci, or Williams during football games. The Game Day Operations team is working to communicate this information to all event schedulers on campus. He pointed out, however, that early-in-the-day football games may not affect evening events.

Mr. Gunderson commented that about one student in ten is over 21 and that they are used to drinking at football games—something the department now plans to take away. Students will be angry, he said. He also wondered about the loss of revenue due to lack of beer sales and added that people will be mad because those in the upper echelons will have alcohol but not those folks sitting in the stands. Mr. Maturi said that athletics is not making the determination and that he agreed with Mr. Gunderson; he said he would allow beer to be sold throughout the stadium. But they understand there are alcohol problems on campus and he said there are virtually no campuses in the country that sell beer to the general public at football games because of the message doing so would convey. He is also aware that the failure to sell alcohol in the stadium could lead to more drinking before the games. Many people were opposed to selling alcohol even in the club rooms and boxes, but at \$45,000 per box, it is a business decision, and businesses would not be inclined to buy boxes if alcohol were not permitted. So they asked the Regents for permission to allow the sale of alcohol in premium sections. In doing so, they are following best practices in the country. He said he is hearing the charge of elitism a lot, but his answer is that it is a business decision to sell alcohol where there will be little abuse. It is a culture change, Professor Martin agreed.

Many fans do not expect to be able to buy beer at a game, Dr. Esten commented, and there is the misperception that the NCAA does not allow alcohol sales. The lack of beer sales is one thing that distinguishes college and professional athletics.

They have worked hard with the stakeholders to plan the game days, Mr. Maturi told the Committee, and he said he hoped people would see the change as an improvement. For most people it is a neat activity; for some, it will be a pain because of the lack of alcohol sales. But their goal is a minimum impact on the academic mission and an enhanced campus life. That is one reason he has been opposed to hosting the Vikings in the new stadium—the culture of the events is very different and Vikings games would have a much greater impact on the campus and the academic mission. Mr. Maturi allowed that if the Vikings needed a temporary home, the University would probably be a good neighbor, especially since there are state funds contributing to the cost of the stadium and the legislature would be interested.

Professor Martin asked what is envisioned for the stadium on non-game days. Mr. Maturi said it will be used by the marching band for practice (and which will be housed there permanently), kinesiology classes will use it, as will intramural and recreational sports. The club room can host events such as career fairs, banquets, wedding receptions, and the like. Is there anything that would preclude a Bruce

Springsteen concert, for example, Professor Martin asked? The University discussed this issue at some length in the Environmental Impact Statement. The University does not anticipate more than 12 major events that draw 15,000 or more people, Mr. Maturi said, so at most there could be five events in addition to the seven home football games. There is a special section of the state law on concerts and noise in the stadium, Mr. Swanson said. Convocations, however, would not count as one of the five events.

Professor Martin thanked Messrs. Esten, Maturi, and Swanson for providing the report, and adjourned the meeting at 4:00.

-- Gary Engstrand

University of Minnesota