

Minutes*

Senate Committee on Finance and Planning
Tuesday, April 3, 2001
2:45 – 4:30
238A Morrill Hall

Present: Charles Speaks (chair), Brittny McCarthy Barnes, Stanley Bonnema, Daniel Feeney, Stephen Gudeman, Wendell Johnson, Michael Korth, Elo Charity Oju, Richard Pfutzenreuter, Rose Samuel, Cory Stingl, Susan Carlson Weinberg

Regrets: Jean Bauer, Charles Campbell, David Chapman, Joseph Konstan, Eric Kruse, Jane Phillips, Terry Roe

Absent: Michael Volna, J. Peter Zetterberg

Guests: Steve Fitzgerald (Office of Classroom Management); Professor Martin Sampson (Political Science; Classroom Advisory Subcommittee)

[In these minutes: (1) legislative matters; (2) football stadium; (3) parking vis-à-vis a new stadium; (4) parking rates 2001-2002; (5) classroom technology upgrade plan]

1. Legislative Matters

Professor Speaks convened the meeting at 2:45. For the first several minutes, Committee members spoke with Mr. Pfutzenreuter about the status of the University's biennial request at the legislature.

2. Football Stadium

Mr. Pfutzenreuter next provided a status report on the football stadium.

There is legislation proposing a study, which the Vikings have accepted. The bill creates a task force to study issues related to the construction of a new football stadium; the charge is narrow: it is to consider only a joint-use (University-Vikings) stadium on the Twin Cities campus of the University. The task force will have 17 members: 3 appointed by the House, 3 by the Senate, 5 by the Governor, 2 by the Board of Regents, 2 from business, and 2 from labor. The task force is to begin meeting with 15 days of June 15 and is to have a final report by October in order that the Governor can consider its recommendations as he prepares his (capital) budget for the 2002 legislative session.

Will the Regents appoint a faculty member as one of the two University representatives, Professor Speaks asked? Mr. Pfutzenreuter said he did not know. Professor Speaks related that in a meeting with Executive Vice President Bruininks he (Professor Speaks) had expressed appreciation of the sensitivity of stadium discussions and for the good information that Mr. Kruse and Mr. Pfutzenreuter have

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

been providing to the Committee. He said he told Dr. Bruininks, however, that there must be a mechanism for faculty involvement, not just as recipients of information but as participants in the discussions and decision-making.

Is it to the University's advantage that the issue will come to the legislature during a capital session rather than an operating budget session, Professor Speaks asked? It is problematic in either case, Mr. Pfutzenreuter said; the University is worried about its operating budget in the odd-numbered years and about its capital budget in the even-numbered years.

Mr. Pfutzenreuter said he gave credit to the Vikings: they always say that the stadium is not a University priority, it is a Vikings proposal being brought forward because they see it as necessary. The Vikings distance themselves from the University. He also said he has been surprised at the lack of public reaction to the stadium proposals; few legislators are hearing from their constituents about them, he said.

Professor Speaks recalled that the most recent cost figures for the new stadium put the number at about \$500 million; does that include the value of the University's land? (It does not). What is the value of that land, he then asked? Based on recent sales figures, Mr. Pfutzenreuter said, it is probably about \$25 million.

If the proposal were approved by the legislature, who would own the land and stadium, Professor Speaks asked? The original proposal called for creating a 501(c)(3) (tax-exempt) building corporation; in the end, the University would appoint the majority of the five members. This proposal has not been acted on but something like it could emerge out of legislation later. There appears to be little interest in continuing the Metropolitan Sports Facilities Commission and it is likely the University would lease the land to the stadium.

Does the \$500 million estimated cost include parking, Professor Speaks asked? It does, Mr. Pfutzenreuter affirmed; it is \$60 million of the \$500 million. The projected cost does NOT include roadway connections to the stadium (some of the projects which are needed are already on the drawing boards of the City of Minneapolis or Hennepin County but are not funded).

Does he see any potential hidden costs for the University besides the contribution of the land, Professor Speaks asked Mr. Pfutzenreuter? On the financial side, Mr. Pfutzenreuter said, the concern is that the University not incur any debt for the stadium nor inherit its operating costs. (It costs about \$8 - 10 million per year to operate the Metrodome.) One problem is that the legislature tends to forget about operating costs and focuses on how to build something. The University will bring to the task force the concern about operating costs.

Professor Speaks noted that the Faculty Consultative Committee had passed a resolution calling for all University costs of the stadium study to be borne by men's athletics. Mr. Pfutzenreuter said that has been his operating assumption as well.

Professor Gudeman inquired about the charge to the task force. Mr. Pfutzenreuter reviewed it. In response to a further query from Professor Gudeman, he said the charge does NOT include environmental issues but the University will raise them. Professor Gudeman noted that his concern about environment is in the broad sense--what will the stadium do to the University? It will bring 68,000 people on campus for football games. It could change the center, the anchor; that should not fall outside the purview of the task

force. On this point, Professor Speaks reported that he has invited Professor emeritus Warren Ibele to join the Committee for a discussion.

What about other events that might be sponsored in order to help make the stadium pay for itself, Professor Speaks asked? Mr. Pfutzenreuter said they have examined the schedule for the Metrodome; there are only about six major events annually that would have any significant impact--he said he was surprised at how few there were. Who will decide how many and what kinds of events would be held in the stadium, Professor Speaks asked? That is why the University wanted to keep control of the building corporation or retain ownership of the stadium, Mr. Pfutzenreuter responded. It is not a foregone conclusion, he said, that the University would not be the one that decides this.

This seems like a lot of money to spend on only 16 football games a year, Ms. Samuel commented. Multiply the number times 50 years, the period the University would expect to be in the stadium, Mr. Pfutzenreuter said.

There is a new area of dorms/apartments on University Avenue close to the proposed site, Professor Gudeman said. Would there be drinking at Vikings' games, exacerbating a problem that already exists? Drinking is cut off after the third quarter at football games and is enforced, Mr. Pfutzenreuter said. But there could be more partying on campus, Ms. Samuel observed.

Professor Speaks reflected that while he did not wish to defend the stadium proposal, he nonetheless believed the University (administration) is caught between the rock and the hard place. The last time a decision was made about a new stadium, the Vikings and Twins were in the driver's seat and the University got what it was given; it does not want to see that happen again, if there is to be a new stadium.

Apropos the FCC statement that had been adopted (Appendix 1), Mr. Stingl inquired why the University contribution of land was not considered capital. Professor Feeney said it was his sense that the University retains the land; it is not given to anyone else. It would lease it, but must decide if it wishes to tie up the land for a stadium. The FCC was also told that the new parking ramps would be paid for as part of the project, and the University would own them, so that students would not have to pay ramp rates because the stadium eliminated all the (cheaper) surface lot parking.

Professor Speaks inquired if the Committee wished endorse the FCC statement. Ms. Weinberg suggested that there be a slight clarification to indicate that the contribution of land would be a diversion of resources if one considered that the land has value the University could use at a later date. Professor Speaks agreed.

The Committee then voted in favor of the FCC resolution 8 in favor, 1 opposed, and 2 abstentions.

3. Parking vis-à-vis a New Stadium

Professor Speaks now welcomed Mr. Baker and Associate Vice President Theresa Robinson to the meeting to discuss parking rates for 2001-02. Ms. Robinson noted that the parking rate plan is brought to the Committee each year. She said she would like to be able to say that the rates will not increase, but this recommendation is the usual one and there is nothing new about what they propose.

They want to maintain about 22,000 parking spaces (but they are lucky if they are able to do so); many of the surface lots are being replaced by parking ramps.

Before the Committee turned to the rates, however, it continued a discussion of the stadium and related parking issues. Professor Speaks asked Ms. Robinson and Mr. Baker what parking and transportation issues they foresaw if a new stadium were to be built as proposed.

Ms. Robinson said they are being assured that the new ramps would be part of the planning and constructed to University specifications and the cost would be borne by the Vikings. The University would operate them and would gain parking spaces. They have also been assured there would not be an increased cost to students, faculty, and staff. Her concern, she said, has never been about Sundays; it is about Monday nights and Thursday nights and events held other nights during the week.

If the University owns the ramps, how much money would it earn from a Vikings game on a Sunday? Ms. Robinson speculated about \$20,000. That would be additional revenue at a time the University is not busy.

Ms. Barnes inquired if students with parking spaces in the new ramps would have priority on nights when there were football games. Ms. Robinson said planning was not far enough along to be able to answer that question.

Another concern is the access infrastructure, Mr. Baker said. There would be 4,000 cars on site; how will they get in and out? Access must be part of the package. People at University events seem to have higher service expectations than anywhere else in the Twin Cities--they expect to be out in 30 minutes or less (few expect less than 45 to 60 minutes from downtown events). If that standard is to be met for the new stadium, there will have to be road improvements, Mr. Baker observed.

There will also be an additional 16,000 cars bringing people to a game using other University lots, Professor Gudeman pointed out. There will be a need to transport people from those other lots. Mr. Baker said that if he were the Vikings official responsible for planning, he would look at spaces in downtown Minneapolis and even St. Paul and provide busing for those lots. There are also discussions about a new light rail system, the Central Corridor, which would connect downtown Minneapolis and St. Paul via the University; game traffic should be tied into that system as well.

Given his experience, Professor Gudeman inquired of Mr. Baker, what is his feeling about the stadium; does it sound like a mess? Mr. Baker said it would be "a challenge." The issues have arisen across the country in urban sites; they can be dealt with if there is careful planning and appropriate investment in infrastructure. But people may not be able to drive to the site and get in and out of their cars at the event; that expectation, he said, is a midwestern phenomenon that is less widespread in other urban areas.

If there are 16,000 to 20,000 cars on campus for a game, and they use contract facilities, does that mean contract parkers would not have access to their spaces, Professor Speaks asked? Mr. Baker explained that even now, when there are events on campus, cars are parked in mixed-use facilities. Mixed-use facilities--which is what most are--allow increased revenue from non-contract parkers, allowing Parking to hold contract rates down. They hold a percentage of spaces aside in mixed-use facilities where there is contract parking; they have not run into problems with this practice.

Is there a possibility of conflict between Vikings games and other University events such as men's or women's basketball, hockey, and so on, Professor Speaks asked? The potential conflict for Monday and Thursday nights is evident; what about Sundays or professional football games on Saturdays late in the season? Conflicts are certainly possible, Mr. Baker said; they currently occur. It is possible to have a men's basketball game, a women's event in the Sports Pavilion, and an event in Northrop all at the same time there are night classes. "Sometimes it is not pretty." Moreover, the number of special events continues to rise, Mr. Baker said; some are very small but some may have as many as 15,000 people attending. Ms. Robinson noted that the Dali Lama is coming to campus during finals, an event that presents a huge challenge.

4. Parking Rates 2001-2002

The Committee turned now to the handout provided by Mr. Baker concerning the budget and rates for Parking for next year. He quickly reviewed a number of slides (Appendix 2).

Professor Speaks inquired if it is necessary for the University to increase tuition and impose retrenchments because the state does not provide sufficient funds, would Parking also see a retrenchment? That would be for the President to decide, Mr. Baker said. If Parking were to see a retrenchment, would it make up the loss with rate increases, Professor Speaks then asked? Ms. Robinson said she doubted it; the reductions would lead to a slow-down in capital projects. Ms. Weinberg pointed out that Parking is self-supporting so a retrenchment would not affect it--but it could see a higher Internal Revenue Sharing tax.

Mr. Baker presented the rate increases for the various categories of parking facilities. He also discussed briefly the Metro Pass program (use has increased). In terms of transit on campus, Ms. Robinson noted it is for Parking a two-edged sword: the more successful it is, the more Parking must pay for buses; it can, however, reduce the need to build parking facilities. It will not meet student/faculty/staff needs, however, if the buses are too crowded.

The rate increases, in summary, are these:

	00-01	01-02	%change	02-03
PUBLIC:				
Hourly:				
Lots/ramps	2.00	2.25	12.5	2.50
Garages	2.00	2.25	12.5	2.50
Meters	1.25	1.25	-0-	1.50
Daily:				
Public lots	2.75	3.00	9.09	3.25
Carpool lots	1.50	1.50	-0-	1.50
Off-peak:				
Lots/ramps	4.00	4.25	6.25	4.50
Garages	4.00	4.25	6.25	4.50

Events:

Major	7.00	8.00	14.3	9.00
Minor	5.00	6.00	20	6.00

CONTRACT:

Monthly:

Surface lots	44.75	50.00	11.73	55.00
Ramps	66.75	75.00	12.36	84.00
Garages	89.50	100.00	11.73	112.00

Projected Revenue Gains	FY02	FY03
Public parking	1,097,539	1,098,136
Contract parking	1,024,634	1,092,585

The Committee had no comment on the proposed rates. Professor Speaks thanked Mr. Baker and Ms. Robinson for their report.

5. Classroom Technology Upgrade Plan

Professor Speaks now welcomed Professor Martin Sampson (a member of the Classroom Advisory Subcommittee, jointly appointed by this Committee and the Senate Committee on Educational Policy) and Mr. Steve Fitzgerald, Director of Classroom Management. Professor Speaks recalled that the Committee last year endorsed a resolution supporting classroom upgrades and asked the President and Provost to find the funds for the effort.

Mr. Fitzgerald expressed appreciation for the support the classroom upgrade project has received from this Committee and noted that it had also been endorsed by the Committee on Educational Policy and the Committee on Information Technology. It was a significant decision by the University to upgrade classrooms and teaching technology, he said, and his office is receiving very positive feedback as a result of the work that has been done. He then turned to a number of slides for comment.

The problem is that general purpose classrooms do not adequately support teaching and learning. Most lack data/video projection capability and instructor internet connectivity. The problem has been well-documented in earlier reports. At the same time, there is increasing demand which supply does not meet; the demand is growing exponentially because of training provided to current faculty and TAs and expectations of entering students who have used technology in their K-12 classrooms. The University must improve its classrooms if it is to maintain a top-tier position.

The classroom upgrade plan has two phases. One responds to immediate needs by providing projection-capable classrooms; the phase started in 2000 and is to end in 2004. The second phase is to provide student connectivity in classrooms and is to start in 2003-04 and end in 2005-06. Phase one goals include (1) establishing a new baseline for classroom technology in every general purpose classroom so that they are projection-capable, with a user-friendly laptop interface, and have an internet-capable instructor station; (2) establishing effective faculty support and in-classroom problem resolution; (3) fund life-cycle and replacement costs of systems; and (4) make classroom technology flexible. Mr. Fitzgerald outlined the elements of the upgrade package, including a hotline for immediate repairs.

The cost of phase 1 is \$7 million from one-time funds and \$1.5 million in recurring funds; the latter includes staffing, life-cycle and support costs, and equipment replacement but it does not include telephone/connection charges.

The plan has been universally endorsed by departments, colleges, and governance committees. The Dean's Council has called for speeding up the implementation of the plan. The phase 1 schedule is already not being met; the goal was to improve 30 classrooms in FY00 (accomplished), 44 rooms in FY01 (20 will be completed). The goal in FY02 is 56 rooms, in FY03 50 rooms, and FY04 50 rooms. The 24 that were not improved in FY01 will be pushed into the next year, and so on, Mr. Fitzgerald said in response to a query from Mr. Stingl. The failure to complete the 24 was because they did not receive the money, NOT because of cost-overruns, Mr. Fitzgerald assured the Committee.

Professor Speaks asked if the funds for classroom improvement were in the first or second part of the legislative request; they are in the second. If those funds are not provided, which seems likely, will the classroom improvement plan go on hold? Mr. Fitzgerald said he hoped not. The deans, especially from IT and CLA, have been quite strongly of the view that the improvements must be made. The University must determine where classrooms fit in its priorities; faculty and students say they are important. He said it is frustrating that general purpose classrooms generate \$60 million in tuition revenues; they are an important revenue-generating resource for the University that requires periodic investment to help ensure the revenue stream in the future. He related that he has not been successful in arguing that some percentage of tuition revenues should be directly reinvested in classroom improvements.

Professor Speaks suggested it would not be advisable for the Committee to take action on a hypothetical; the state funding is not yet known. When those funds are known, the Committee may wish to revisit the issue and frame a resolution. Mr. Fitzgerald said he hoped there would be two resolutions, one a general statement and later a more specific one. He also asked for support if, in the Committee's view, there were other mechanisms available to focus University leadership on the importance of improving classrooms.

Mr. Fitzgerald also reported that in some cases, departments are giving department classrooms to Classroom Management for central scheduling in return for remodeling funds and a priority on the use of the room. The departments are sometimes also providing matching funds for remodeling. Mr. Fitzgerald said both of these actions were positive signs of a growing awareness by departments that central administration was demonstrating that it could adequately equip and maintain general classrooms, so the departments did not have to spend the funds and time to duplicate the effort. Professor Speaks said he was concerned that students in department classrooms are paying the same tuition as other students; Ms. Weinberg said departments should build in funding for improving department classrooms.

In terms of phase 2, wireless technology for high volume multiple classroom concentrations is not quite there yet, Mr. Fitzgerald related. But it should be by 2003-04, and wireless technology should reduce projected future costs. At present his office is overwhelmed with the need to make classrooms projection-capable, hence the need to rapidly complete Phase 1; Classroom Management has not yet seen great demand for student connectivity, but the timing of Phase 2 will allow supply to better match demand as it increases with within the next five to eight years.

In response to a question, Mr. Fitzgerald said that there have been discussions between Associate Vice President Kvavik and the coordinate campuses regarding their unique classroom needs and they have been provided funds to address them.

What about private sponsors, Mr. Fitzgerald was asked? They have looked for them but have not found any; classrooms are apparently not attractive to donors, he said. Professor Speaks suggested that if one finds the right donors, there are dollars for classrooms. Mr. Fitzgerald agreed that perhaps this could be explored further, although he pointed out that the alumni organizations are college-based and therefore seem to focus much of their donating at the college level instead of on all-University issues.

Professor Sampson then related that this was his first year on the Classroom Advisory Committee. He noted that blackboards do not wear out but projection equipment has a limited lifespan; that means the University must budget recurring funds for maintenance and upkeep of classrooms or everything that has been done thus far will implode. This quickly caught the attention of the subcommittee: there must be funds for replacement of equipment and to accommodate technological developments. With respect to projection capability, the ball is rolling, he said; faculty are upgrading their skills, teaching assistants want to learn new techniques (they believe it makes them more attractive in their search for jobs and they also see them as great teaching tools), and the University must have classrooms that faculty who are being recruited can use. In addition, high school students will expect technologically-equipped classrooms.

Professor Sampson explained that the subcommittee has drafted a statement that has been endorsed by a number of groups. One point in it, about the need for recurring funding, is very important. The subcommittee does not take a position on where classroom funding should come in the University's priorities, he said. Their point is that the priority needs to be higher than it has been in the past and there must be recurring funds to sustain what has been done. All say classrooms need support, Mr. Fitzgerald observed, but in actual budget discussions the support sometimes does not materialize to the extent needed. Classrooms used to be four walls and a blackboard; now the teaching environment needs recurring support.

Professor Korth said no one could disagree with the need for improved classrooms but it is disappointing the plan is only for one campus. Ms. Weinberg noted that Duluth has a substantial request for classroom improvement; Professor Speaks said that any campus should submit a request to the Capital Improvements Advisory Committee.

Professor Gudeman moved that the Committee endorse the resolution brought by the Classroom Advisory Subcommittee and also thank the Director of Classroom Management for the speed and efficiency which he has brought to improving classrooms. The Committee unanimously approved the following motion:

There are critical unmet needs in University classrooms. The Twin Cities General Purpose Classroom Technology Upgrade Plan is a comprehensive multi-year plan that addresses essential teaching and learning requirements in classrooms. Implementation of this Plan to date has made a significant difference in meeting the needs of faculty and the expectations of students. Therefore, the Plan must be accelerated to provide a strong classroom environment that will put the University of Minnesota teaching and learning at a level required at a premier institution.* To do this, priority must be given to increased and recurring funding for the Plan.

*The Committee on Finance and Planning approved the resolution with an understanding that the endeavor applied to all campuses of the University.

Mr. Fitzgerald said he would be glad to return at a later meeting if a more specific statement is needed when the budget is being set. Professor Speaks said the Committee should keep track of this issue because anything in the second part of the University's biennial request has a funding probability close to zero. He then adjourned the meeting.

-- Gary Engstrand

University of Minnesota

Appendix 1

The Faculty Consultative Committee, the executive committee of the Faculty Senate, approved the following statement in response to the proposal of a new stadium on campus.

STATEMENT ON THE STADIUM PROPOSAL by the Faculty Consultative Committee

1. The Minnesota Vikings announced today a proposal for a joint Vikings-Gophers stadium on the University campus. Many Minnesotans, including many faculty members, would like the Vikings to stay in Minnesota. In considering its potential role in such a venture, the University should focus on its own primary mission—education.

2. Financial resources provided to us by students and taxpayers must be directed toward education. The governor and legislature are calling upon us to focus on priorities. A stadium is not currently on the list of University priorities.

3. Although the present Gopher football facilities at the Metrodome may be less than ideal, they are adequate for immediate needs. The University cannot now afford to divert resources or fund-raising activities to a new stadium.

4. In reviewing this proposal, the University should consider the relationship of this proposal to its priorities. If those priorities are met, the University should consider the following factors in evaluating the stadium proposal:

- No University direct or indirect contribution to capital or infrastructure costs.
- No increase in operating costs over present Metrodome rents.
- Stadium activities must be compatible with University operations and values.
- The University must be insulated from future liabilities and responsibilities.

5. There must be appropriate consultation with the University community. We would welcome an opportunity to review the proposal.

6. Our educational mission of teaching, research, and service must remain our primary commitment.

March 22, 2001

Appendix 2

1. SUMMARY OF BASIC FINANCIAL PRINCIPLES

- Parking is self-supporting with no legislative funding.
- All costs--operating, indirect and capital--are spread against the entire parking system.
- If central funding is used to subsidize parking costs, less money will be available for academic purposes.
- As low-cost surface lot spaces decrease and are replaced with higher-cost structural spaces, additional revenues will need to be generated to make the system cash flow.
- Parking revenues are used to support transit and other transportation alternatives.
Parking rates are based on facility type and their associated costs, with lot spaces least expensive and garage spaces most expensive.

2. CAPITAL PLAN

2001	Gortner Avenue Ramp	12,100,000
2001	University Avenue Ramp	9,500,000
2002	East River Road Ramp	55,935,000
2002	River Bend Commons Public Space	11,730,000
2002	Reconstruct East River Road	2,000,000
Total		91,265,000

3. SPACE INVENTORY

	Today 4/1/01	Tomorrow 2/1/02
Student Spaces:		
Lots	7228	6207
Ramps:	90	90
Garages:	0	200
Faculty/Staff:		
Lots:	2810	2050
Ramps:	4305	4605
Garages:	485	1685
Hourly Spaces:		
Lots:	295	295

Ramps:	2704	2930
Garages:	341	841

Total Spaces:

Lots:	10333	8552
Ramps:	7099	7625
Garages:	826	2726
Other:	845	845