

Minutes\*

**Senate Committee on Finance and Planning**  
**Tuesday, January 19, 2010**  
**2:00 – 3:45**  
**238A Morrill Hall**

- Present: Russell Luepker (chair), Jon Binks, Sarah Chambers, Jennifer Dens, Steen Erikson, Kara Kersteter, Lyndel King, Thomas Klein, Joseph Konstan, Judith Martin, Kathleen O'Brien, Paul Olin, Terry Roe, Michael Rollefson, Mandy Stahre, John Worden,
- Absent: David Chapman, Devin Driscoll, Lincoln Kallsen, Richard Pfutzenreuter, Gwen Rudney, Karen Seashore, Thomas Stinson, Michael Volna, Warren Warwick, Aks Zaheer
- Guests: Senior Vice President Frank Cerra, Dr. Bobbi Daniels (University of Minnesota Physicians); Vice President Steven Rosenstone
- Other: Ole Gram (Office of the Vice President for Academic and Cultural Affairs), Roger Wagner (Capital Planning and Project Management)

[In these minutes: (1) Fairview and University of Minnesota Physicians clinical integration; (2) update on Northrop; (3) statement on space use and cost]

**1. Fairview and University of Minnesota Physicians Clinical Integration**

Professor Luepker convened the meeting at 2:05 and welcomed Drs. Cerra and Daniels to bring the Committee up to date on the discussion of the integration of Fairview Health Services and University of Minnesota Physicians (UMP) clinical services and also to comment on where the health-care industry is heading. Committee members were provided a copy of a December 21, 2009, letter from Drs. Cerra and Daniels and Mr. Eustis (the CEO of Fairview Health Services) to their board members and others about the discussion of integration.

Dr. Daniels noted the letter provided to the Committee and reported that it had been jointly crafted by the three authors and reflected the situation after four months of intense discussion among the three units (Fairview, UMP, and the Medical School), which followed a longer earlier discussion conceptualizing the integration. Where they ended in November was that none of the three organizations are ready to commit to structural/legal integration. While there had been agreement on many issues, there were unresolved issues on some significant points: differences in the view of the structure of the proposed integrated physician organization, the support of the academic mission, the costs of integration both the financial costs and diversion from other efforts at a time of significant change in the health-care market. However, Fairview and the University and UMP will remain strong partners and will pursue the opportunities identified by the consultants as the major opportunities do not require a structural or legal change.

They are improving the branding of clinical service lines, Dr. Daniels said. What does that mean, Professor Martin inquired? What is different? Dr. Daniels responded that UMP physicians clinical services are branded as such and service lines developed with Fairview would be co-branded with Fairview.

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\* 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.

Could there be University/Allina or University/Medica clinical service lines, Professor Martin asked? Dr. Cerra said that the Board of Regents is expected to approve a policy that it (the Board) is the only body that can decide on the use of the University's name. Fairview and UMP already have contracts involving the University name.

Dr. Cerra followed up on Dr. Daniels' comments about the negotiations. They were having intense and frequent discussions about a lot of issues up to Thanksgiving, but it became apparent that the list of issues that needed to be worked through to achieve a new legal structure was long and they began to consider opportunity costs (important right now because health-care contracts are up for renewal). The list was long and they realized it would take 6-8-10 months get to a point where a proposal could be brought to the governing boards. But all agreed that there is need for integration. In the course of the discussion, as Dr. Daniels said, they learned things about the other organizations, Dr. Cerra related. One, for example, is that there is need for UMP and the Medical School to have a common plan for HR. So they concluded they had a lot of work to do to get their house in order, and Fairview learned it also had work to do. And they will run into barriers in any event, Dr. Cerra added, because the legal regulations seem to run to about a million pages, but a new structure would make lives easier for those in the three organizations.

Dr. Daniels informed the Committee that UMP consists of the clinical activity of the faculty in the Medical School, is about a \$380-million business, and pays about \$170 million in salaries and fringe benefits for Medical School faculty. UMP also contributes about \$40 million per year to Medical School. UMP is a separate 501(c)(3) organization under the Board of Regents. About 85% of UMP patients come from non-Fairview systems, so one concern is that as UMP becomes more tightly linked to Fairview, the linkage will result in a shift in referrals from non-Fairview systems. The catchment area required for many of the most complex services that are offered (such as transplant) require more patients than Fairview alone can provide.

The federal and state bills contain a lot of insurance reform, Dr. Cerra commented, but they would probably not affect the University very much. There is a possibility that the University could be affected by a tax on "Cadillac" health benefits, but that does not now seem likely. A second part of the legislation is an adjustment in Medicare payments for doctors in hospitals, which will mean the University will be paid more. Graduate Medical Education questions aside, there are big risks going forward in achieving an advantageous position in the health marketplace and fulfilling the mission of health sciences. Clearly, UMP is critical to the success of the Medical School. One must also understand that UMP, alone, cannot support the future of the Medical School.

The care-delivery model under state and federal consideration has two forms, Dr. Cerra said, and it is not clear where the legislation will land. One is "health homes," clinics (about 30-40% will qualify, including the University) that are focused on full-service individual care. The other is "accountable care systems," groups that are more focused on populations. Substantive changes in insurance and payment systems are also expected. It is not clear what a group will be, but the establishment of such groups will call for relationships between clinics, hospitals, and insurance companies. It is also not clear where the first form stops and the second one begins, Dr. Cerra added.

Dr. Cerra told the Committee that UMP has gone from a position 15 years ago of being a low-value provider (it delivered quality over cost) to a high-quality provider (outcomes are improved and costs have been reduced) that is very competitive with the best in the community and increasingly recognized in competition for contracts. Dr. Daniels reported that Dr. Cerra's description has been validated with data from health plans in which UMP participates. All health plans evaluate performance in varying ways and UMP's performance has improved significantly over the past few years.

Dr. Cerra agreed and said that while it is true that UMP is a \$380-million business, it is difficult to calculate the margin. One could say that the gross margin is the transfer to the Medical School, so about 9% of revenue, but that may include clinical expenses in some circumstances such as staff salary support, space costs, and the support needed for education and research. There is no question that the continued success of UMP is essential to the Medical School financial model. It is necessary but not sufficient by itself, however; while non-profit health systems are recording record margins, it is mostly from investment income, not operating income. They will have a consolidated plan for the Medical School by May, 2010, and should be able to bring it to the Committee in May or June. But the support from UMP is not sufficient to offset the loss of \$20 million in state funding

Professor Roe inquired how prepared UMP is for a possible relaxation of constraints on interstate health-care business, a change that has been proposed. With respect to portability and access across state lines, Dr. Cerra commented, there has been a move to regional and national contracting, something in which UMP would do pretty well. If Medicare says it will allow contracting in Medicare zones (about eight states for Minnesota), that could open up a lot of markets. But that will also depend on changes in insurance laws. If UMP can compete in the Medicare region, it would have new opportunities, especially if integrated with a health-care system.

Professor Konstan raised a question about "structural conflict of interest," the concern about which occurs when doctors own facilities and labs, so prescribe more tests, etc. The proposed move towards integration feels like a structure that captures the financial benefits (by having revenue from labs, radiology, etc., captured in the system), but also maintains the conflicts of interest, in that doctors would report to an organization responsible for the financial performance of those labs. To what extent is the federal government exploring restricting such integration? And would UMP be stronger if it maintained independence as a set of expert physicians untainted by financial ties to the hospital beds, labs, etc.?

That is more than supposition, Dr. Cerra said; there are data to support it. There is also information available to suggest that integration would relieve a lot of those conflicts. One KNOWS there are conflicts of interest, and there are thousands of pages of regulations based on it. It is very complicated, and there is also the new University policy being considered, so they have to know what they are doing both in the Medical School and in UMP.

Dr. Daniels commented that if one were going to describe a health-care system that delivers the outcomes that are needed, it would not be the current system. There is often a lack of alignment between what a patient might need and how services are paid for (i.e., dietitians for patients with diabetes as an example). The margin on imaging and infusions compensate some practices for low payments for provider diagnostic and treatment services. The United States does not have a health-care system, Dr. Cerra agreed. It has a lot of little companies trying to maximize profits at the expense of the other companies.

That suggests that when one talks about quality of care, one is talking about the long term, Professor Konstan said, but when one is talking about financial viability, one is talking about tactics, because the circumstances can change all the time. Dr. Cerra agreed; the problem is that the federal government needs to change the box in which the game is being played. At this time, having a true competitive market in health care is very difficult.

If one is to talk about branding, Professor Martin said, why not talk about branding with Mayo? Would that not help? It might, Dr. Cerra said. But the University brand is also very powerful. Mayo

does not co-brand, Dr. Daniels said. Dr. Cerra said there have been discussions with Mayo but it has been a "no go. Mayo is the University's biggest competitor on high-end health care, Dr. Daniels added. The two cooperate in education and research and they compete in clinical care, Dr. Cerra said, and he spends some of his time balancing the cooperation and the competition.

Professor Luepker thanked Drs. Cerra and Daniels for joining the meeting and providing their report.

## **2. Update on Northrop**

Professor Luepker now welcomed Vice President Rosenstone to the meeting to report on the status of, and plans for, Northrop. Vice President Rosenstone presented a series of slides to the Committee, entitled "The Transformation of Northrop." [Much of the text in this part of the minutes is cribbed directly from the slides.]

It will be a fundamentally new facility when the project is completed, Dr. Rosenstone began. It will be transformed from a building that makes modest (at best) contributions to academic life to one that is a vital center of distinction that advances key academic priorities, from one that is a rock in the stream (that people walk around) to one that is a destination, from one that is irrelevant to students (who go in it for convocation and graduation and never otherwise) to a bustling, dynamic place for collaboration, study, and conversation central to everyday life on campus. It will be transformed from a building rarely used (it is mostly dark during the day and rarely used in the evening, but it costs about \$1 million per year to maintain) to one that is teeming with activity all the time, from one that is outdated with dreadful acoustics and distant sightlines to a preeminent cultural center with leading-edge technologies (and world-class performance space). It will be transformed from a building unconnected with the people of Minnesota to a community forum. And finally, it will be transformed from an invisible facility to one that is a global platform that engages the greatest minds in the world and connects the University with global audiences (right now it does not have the capacity to host international conferences).

There have been 11 studies of Northrop in the last 17 years, Dr. Rosenstone commented, and for some members of the Northrop Advisory Committee that he and Vice President O'Brien co-chaired, this is their third Northrop committee. The 2006 Northrop Advisory Committee had academic leaders from the University (Deans John Finnegan and Tom Fisher, Gerald Fischer (University Foundation CEO), Steven Goldstein (Foundation, now its CEO), Vice Provost Craig Swan, and Professor Richard Weinberg), a student representative from MSA (Katie White), and community leaders (Lynn Casey, CEO, Padilla Spear Beardsley, Eleanor Crosby, community volunteer, Judy Dayton, community volunteer; David Lilly, former University vice president, and Marilyn Carlson Nelson, CEO, Carlson Companies). The Advisory Committee engaged in broad consultation both within and outside the University, Dr. Rosenstone reported, including (internally) the senior officers, the Board of Regents, deans, regents professors, members of the National Academies, senate committees, the Foundation, and University Relations, and (externally) the Bush Foundation, Historic Theatre Group, Minnesota Opera, Minnesota Orchestra, Ordway, St. Paul Chamber Orchestra, Minnesota Historical Society, MPR, Target Corporation, and TPT. The group reached three conclusions.

One, "no aspect of the building is without issue." The University is very concerned about the fragility of the building. Northrop is egregiously out of compliance with code and life-safety requirements and code officials could close the building at any time. Failure of any of the systems would likely trigger immediate closing. The mechanical, electrical, and plumbing systems are well beyond their useful life; some are the original 1929 systems. There is no fireproofing of structural steel or protection of structural wood, and at the end of a concert air quality is below acceptable standards. The reason one

gets sleepy at Northrop events, Dr. Rosenstone commented, is not necessarily because of the event but because CO2 levels are high enough to make people drowsy.

In addition, the acoustics are dreadful, the sightlines are distant, the stage is too shallow, low, and has no crossover. The building has outdated technology, poor loading and truck access, horrible patron and performer amenities, limited accessibility, and the solid brick wall on the north side creates a bleak face to the historic knoll. Dr. Rosenstone presented several pictures of parts of the interior of the building to demonstrate the points.

Eugene Ormandy, who conducted the Minneapolis Symphony Orchestra before leading the Philadelphia Orchestra, commented that "the only thing that could truly repair the acoustics of the Northrop Auditorium is dynamite." There have been four failed attempts to fix the acoustics, beginning in 1940, and the acoustic problems with the design were documented before the building was even built. They cannot be fixed without a fundamental redesign of the auditorium.

The second conclusion of the Advisory Committee was that "Northrop's current condition, configuration, and patterns of use make modest contributions to the academic priorities of the University." Some would say the word "modest" is an overstatement, Dr. Rosenstone observed. There are on average 51 University events per year in the building (including commencements), 40 uses by outside groups, and the average attendance is 2,402. There is no public space for students, faculty, or the community, no space for academic programs (and the building is rarely used by them), and it is otherwise rarely used.

The third conclusion of the Advisory Committee was that "Northrop must play a greater role in the academic life of the University; . . . [it] must be better leveraged to advance the University's academic priorities." Unless the building can advance academic priorities and programs, Dr. Rosenstone said facetiously, the University should retain the façade and turn it into a parking structure.

The Advisory Committee's work ended three years ago, Dr. Rosenstone noted, and since then he has worked with the President and Provost to identify the priority academic programs that should be housed in Northrop. The plans call for it to be home to the University Honors Program (crucial to recruiting about 2500 of the most academically-talented undergraduate students), to create study and collaborative space (increase the amount available on the campus by 50%), and facilitate student engagement in collaborative research and the cultural life of the University. It will also house the Institute for Advanced Study (which draws from across the University and includes about 4000 faculty and student participants), Innovation by Design (a collaborative innovation framework that brings together faculty and industry to address compelling global, social, and market needs that defy solutions from a single discipline), and collaborative research space. The move of these academic programs into Northrop will free up space for a proper home for the Baccalaureate Writing Program (which serves EVERY undergraduate on the campus). In addition to the square footage assigned to each of those activities, Dr. Rosenstone reported, there would be a 200-seat lecture/recital hall, 4 shared seminar rooms, 2 shared classrooms, and 3 other shared multi-purpose spaces. None of these spaces would be assigned to any single program in the building and would be used by academic units both within and outside Northrop. The main hall would seat about 2800 and would meet world-class standards in every way.

Dr. Rosenstone described the process by which the University recruited executive and design architects (Hammel, Green and Abrahamson, Inc. was selected for both tasks after a competitive selection process, in part because it has worked on campuses and has been very much involved in historic preservation and renovation). The University has also retained ARUP, a global firm of engineers and planners who have helped design some of the most extraordinary and innovative public facilities,

including performance halls, in the world (e.g., Royal Opera House, Concertgebouw, Sydney Opera House, Louvre, Tate Modern, Guggenheim, Lincoln Center, etc.). The idea, Dr. Rosenstone said, is that Northrop must be a public space that is active all the time.

Dr. Rosenstone next reviewed the design principles for the project, which include advance academic priorities, serve the entire University community and beyond, create a welcoming environment and destination that fosters a sense of belonging, preserve and honor Northrop's historic significance, give priority to shared and public spaces and leverage the effective and efficient use of space (which needs to be able to be reused), create a world-class performance hall, embrace sustainability, and create a building that will serve the University for a century. He reviewed a number of sketches indicating how space would be reconfigured in the renovated building; a smaller auditorium frees up program space for the units he mentioned earlier. The rear of the building would be extended by 28 feet in order to provide an adequate loading dock, stage cross-over, and create a more appropriate face to the knoll area of the campus. Dr. Rosenstone also presented a series of slides describing how the east and west entrances would be significantly enhanced to increase accessibility and direct people to the public spaces, academic programs, and main entry hall. The existing Memorial Hall (the front lobby of the building) would be preserved and restored. There would be a café/restaurant that would replace the Nolte Center cafeteria, possibly managed by an outside vendor. A number of visualizations were also presented to the Committee.

The Committee was provided a demonstration of the difference in acoustics between the current auditorium and the new one, based on models created in the ARUP sound lab. Committee members were impressed by the sharp difference in the quality of the sound. It is expected that the acoustics in the renovated performance space would approach those of the best performance halls in the world. Dr. Rosenstone observed that it is not possible to make an excellent performance space unless it is downsized, which also in turn is key to making the building able to house priority academic programs.

The historic preservation of Northrop's exterior was completed in 2007, which included the windows, the west canopy, sconces at the entry doors and the Mall portico, exterior doors, handrails, and so on. The next phase of preservation will include restoring Memorial Hall, the grand staircases, the sconces, and the stairwell light fixtures. The proscenium arch in the concert hall will be adapted, as will the auditorium urns, and the Aeolian-Skinner organ will be rehabilitated.

In terms of finances, Dr. Rosenstone reported, the University has already spent \$15 million on the exterior renovation. The projected budget is this (in millions of dollars):

15	University resources for exterior restoration
35	University resources for interior transformation
20	State of Minnesota HEAPR money
20	Private support

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90	Total project cost
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The intent is to NOT increase any of the cost pools of the University budget, and they are about two-thirds of the way toward making the project happen. It is "shovel-ready," Dr. Rosenstone said, and would create several hundred construction and white-collar jobs as well as jobs created indirectly by the call for materials and supplies.

There are two questions that need to be answered. One, why not just refurbish the building rather than transform it? Dr. Rosenstone said there are several reasons: it would cost more to refurbish than transform (about \$30-40 million more), it would not free up space for academic programs, and it would not create public/collaborative space. Moreover, a refurbished auditorium would have about 3300 seats (after meeting code requirements) but would still have the dreadful acoustics and sightlines, and all the problems with the stage would remain. The second question is about delaying the start of construction. The problem is that the building could be closed at any time, any of the systems could fail at any time, and the building is living on borrowed time. Costs will continue to increase (for this project, about \$4-5 million to delay it to 2011 and \$3-4 million for every year it is delayed thereafter). There is, in addition, no "Plan B" for meeting the needs of the academic programs that would move into the new space.

Dr. Rosenstone welcomed questions. Ms. Dens asked if the proscenium arch would be repaired and restored to its original design. Not exactly, Dr. Rosenstone replied; the study of the acoustics of the hall demonstrates that it is part of the fundamental problem, so it will be re-created to work acoustically. This was a struggle; their decision rule was to look at the science and at historic preservation and try to balance the two. The University simply cannot do this project and NOT create a high-quality performance hall. Discussions have begun with the Minnesota Orchestra to enable them to use the rehabilitated Aeolian-Skinner organ. A high-quality hall is essential for the partnership to work.

Professor Konstan asked if Dr. Rosenstone had any sense of the net costs or savings if the University just tore the building down. That the University cannot do, Dr. Rosenstone said, and the costs of providing the needed space in a new facility would likely cost a lot more than \$90 million. He also mentioned commencements; several colleges would have to split their ceremonies (as CLA does now), and there has also been talk of an all-University event (which could not be held in Northrop). He has talked with the deans over the last two years, and the smaller auditorium could affect IT, the Graduate School, and perhaps the Carlson School. The decision about shrinking the auditorium was made in consultation with the deans, who concluded that adding a second commencement would be a modest accommodation compared to the opportunity costs of not having space for priority academic programs. During construction, colleges could use Mariucci Arena.

Mr. Klein asked if there are any decision points in the next few months that could prevent the project from moving forward. There are, Dr. Rosenstone responded. One is whether or not the University receives sufficient HEAPR money from the state; the project requires \$20 million, but if the University only receives \$40 million, this project probably cannot be allocated half of the funding. Another is whether the private fund-raising will hit a threshold that the President and Vice President Pfitzenreuter are comfortable with in order to proceed. There is a roadmap to achieve the fund-raising goal.

Professor Roe recalled that when the new football stadium was being debated, it was said that it should be thought of as a statewide community resource. He said he did not hear that same sentiment in the presentation, that high schools and others could use the renovated Northrop. They will be able to do so, Dr. Rosenstone said. Everything done in the building will require an academic or community partner (e.g., the School of Music or the Dance Program, or the Minnesota Orchestra, etc.). Northrop will not be a facility competing with the Ordway or other venues. The programming is where the collaboration will be achieved. They do not envision academic programming being driven by Northrop, but it can partner with academic programs and nurture relationships with other. They do not envision Northrop as a separate programmer of events.

Mr. Rollefson asked about revenue streams needed to pay off the \$35 million in bonding that will be required. There will be new revenue streams from the building that can be tapped, Dr. Rosenstone

said, and they will have no impact on the college compacts. In addition, programs moving into the building will bring with them budgets to pay space costs (per the University's budget model), which will also help pay the costs. Professor Martin suggested that in presenting the financial information, Dr. Rosenstone include the opportunity costs of not doing the project; this would transform how the University functions in some areas and much would be lost if the project is not completed. Dr. Rosenstone agreed that there would be a lot of academic opportunity costs. The University could decide it must board up the building if it cannot justify the project.

Professor Luepker thanked Vice President Rosenstone for the presentation.

### **3. Statement on Space Use and Cost**

Professor Luepker next reviewed the comments that had been submitted by Committee members in response to the draft statement discussed at the last meeting.

Professor Konstan urged that the statement not call for taxes or penalties on departments that choose to operate facilities at times outside normal operating hours; they should be required to pay all the costs associated with that operation, he maintained, but it should be a departmental decision based on programmatic needs, not driven by taxes and penalties. Mr. Klein said there is the question of incentives; Professor Konstan replied that the budget model presumes decisions about costs and revenues are made at the local level and it is inappropriate for the central administration to impose penalties if a unit makes a decision different from some central standard.

Vice President O'Brien said she has appreciated the conversation and that coming to the Committee with questions has generated discussion about the fact that it seems to be a good model. She said she would be concerned if the Committee were to say that local control always prevails and that the University could never indicate hours of operation—and thus never achieve savings that are required. They never set building parameters without consultation with the occupants, she noted.

Vice President O'Brien used custodial services as an example: The University has a standard but units can "buy up." That concept for other aspects of building operation would work. Professor Konstan agreed. When they set the University standard, they consult widely, Ms. O'Brien pointed out, and then let colleges buy up. That could be done with energy service as well, although some units will need service levels different from the standard (e.g., facilities with plants and animals). Professor Olin said it would help units to have the costs associated with buildings (e.g., what it would cost to keep a lab open).

With respect to the third point, one question is whether other units must bear the cost when departmentally-controlled spaces (i.e., classrooms) are used less than optimally (that is, because then other general-purpose classrooms must be constructed and maintained, thus pushing the cost to all units). Professor Konstan said he thought there are three kinds of space in question: general classroom spaces, which are well run; department classrooms, some of which are in the system and some of which are provided to the department on a priority basis; and department space that is not in the system, such as multi-purpose seminar/meeting rooms. He said he thought the question, in #3, was whether to get rid of departmentally-controlled classrooms. Vice President O'Brien said she thought incentives would work for bringing more central control over classrooms, but she would not suggest such control over seminar/conference rooms. The Committee needs more granular information, she said.

It also needs a more granular set of incentives, Professor Konstan suggested. A department could schedule its classroom as needed and then make it available to the central system at other times.



Professor Luepker observed that Vice President O'Brien and her colleagues came to the Committee with a set of questions because there is a space problem on the campus. That was made apparent with Vice President Rosenstone's presentation as well. The Committee should be taking a position and should explore options with consultation.

After further brief debate about some of the points in the draft, the Committee unanimously agreed on the following statement (which will be brought to the Senate Consultative Committee and then to the University Senate):

The Senate Committee on Finance and Planning received from Vice President for University Services Kathleen O'Brien and Associate Vice President Michael Berthelsen (Facilities Management) a set of questions related to space use and cost planning. The Committee is very aware of environmental and financial reasons to optimize space utilization on campus. The Committee recommends to the University Senate that it adopt the following recommendations.

**1. To maximize energy savings, the U would need to be willing to set operational boundaries for space use. The largest drivers of energy are hours of operation and being able to predictably *turn buildings down* when unoccupied. To do so would impact the environment or possible operation of select buildings with one or a few users. Is the U ready to implement such changes?**

The University should identify which buildings can be closed, locked, and "turned down" outside of normal business hours, or outside of business plus evening hours, and those which can only be closed after business plus evening/Saturday hours. Some buildings may need to be open all or most of the time; but many other buildings reasonably can be closed and turned down at different times of the week. (For example, buildings with animals or museum collections in them may need to be maintained at normal temperatures and/or lighting, at least in part, 24/7; student unions may be open longer than office/classroom buildings, and so on.) The Committee invites University Services to draft standards, for Committee review, by which to make decisions about building hours.

The Committee acknowledges the distinction between (1) turning down a building and, (2) closing, locking, and turning down a building. The Committee does not believe in denying access to a building to appropriate people (faculty, staff, graduate students, etc.), but it must be understood that if individuals choose to enter a building to carry on University work during "off" hours, the light and HVAC systems will not be changed because of their presence.

**2. We know that single purpose buildings (examples: labs, classrooms, offices) are both cheaper to build and to operate. However, this would require some adjustments to current practice. Is the U ready for such changes?**

The University already has several single-purpose classroom buildings. The Committee recommends that Capital Planning and Project Management distinguish between (1) large lecture classrooms used for introductory and other undergraduate courses, and (2) instructional spaces that are used for advanced undergraduate and graduate/professional student instruction. Buildings that are composed entirely of large lecture classrooms are desirable for their efficiency. Buildings that house graduate students, labs, faculty offices, and small classrooms/seminar rooms should continue to be built.

**3. If the U has less space with the same program, it would need to schedule its classes and events more intensely. With the advantage of technology to see all spaces, it is possible to centrally**

**schedule. This would mean giving up some control of space assignments. Is the U ready for such a change?**

The Committee believes this question refers primarily to classes. There are conflicting forces at play that must be considered. It could save considerable money if the number of general classrooms could be reduced and those remaining scheduled more intensively. This could mean scheduling more classes earlier and later in the day. It would be appropriate to consider imposing usage fees on departments that seek to schedule classes during the peak hours of 10:00 - 3:00 (or, alternatively, offering a discount on space charges for classes scheduled outside the peak hours).

The Committee invites Facilities Management and the Office of Classroom Management to provide information/data on the usage rates for general purpose classrooms, departmental classrooms, and other spaces it deems pertinent to the discussion. Once it has received the information/data and discussed it, the Committee may consider a recommendation on the control and scheduling of departmental classrooms and other space.

**4. Technology advancements have made it possible to change space assignments and utilization. Is the U ready to reduce its fixed office space and move toward more remote office work and generic office space for faculty and staff while on campus?**

Flexible office space is becoming the norm throughout the country in industry and elsewhere. Cubicles with movable partitions are already the norm in many University facilities. As remodeling and new construction is planned, this approach should dominate. Traditional offices with doors should be the default position for faculty members, given their role and responsibilities.

**5. What suggestions do you have on how we can reduce recurring and necessary costs to maintain buildings so that more funding is available for programs?**

The items above should reduce costs. The above suggestion about shared common spaces and meeting facilities should be a reminder about central planning of these facilities and limitations of them.

Professor Luepker adjourned the meeting at 4:20.

-- Gary Engstrand