

Minutes*

Senate Committee on Finance and Planning
Tuesday, November 26, 2013
3:00 – 5:00
238A Morrill Hall

Present: Russell Luepker (chair), Gary Cohen, Dan Feeney, Jennifer Gunn, Samantha Jensen, Lincoln Kallsen, Jill Merriam, Paul Olin, Terry Roe, Pamela Wheelock

Absent: Mahogany Ellis, David Fisher, Michael Rollefson, Karen Ho, Laura Kalambokidis, Kara Kersteter, Fred Morrison, Richard Pfitzenreuter, Gwen Rudney, Ann Sather, Arturo Schultz, S. Charles Schulz, Michael Volna, Aks Zaheer

Guests: Associate Vice President Laurie Scheich, Leslie Krueger, Sandy Cullen, Ross Allanson (University Services); Vice Provost and Dean Robert McMaster

[In these minutes: (1) University Services strategic planning; (2) update on light rail; (3) other transportation issues; (4) construction costs; (5) maroon and gold scholarships]

1. University Services Strategic Planning

Professor Luepker convened the meeting at 3:00 and welcomed Mr. Allanson, Ms. Cullen, Ms. Krueger, and Associate Vice President Scheich. He turned to Vice President Wheelock to open a discussion of University Services strategic planning.

Vice President Wheelock said that this discussion is a continuation of conversations that she and others have had with the Committee in recent weeks about the major activities in University Services. She said she would like provide perspective at the 10,000-foot level, and began by repeating her view that apart from health care, no industry in the country is changing more than higher education. The business model is evolving, there are new competitors, it is becoming more global, revenue sources are changing, and so on—there are many moving parts.

The fundamental premises are that there is something special about place-based education and about student interactions with their peers and with the faculty, Ms. Wheelock said. There is also the premise that place-based education creates lasting value for students. If those premises are valid, University Services has a role in helping the University excel and in promoting its competitiveness now and for the next few decades. University Services does many things but for this discussion she focused on where it can add value and make unique contributions to the University.

Professor Luepker asked Vice President Wheelock, as she participates in the strategic planning process, if there is discussion about the model where students continue to come to a campus. Ms. Wheelock said the president's Operational Excellence group has talked about space strategy issues. In an ideal world, as decisions about allocating resources to the improvement of space, she could do more if she knew which academic programs are slated to grow or to do more research, for example. She said she was not certain that the strategic planning process would produce that level of specificity. Professor Luepker

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commented that while some might accuse the faculty of being sclerotic, she has to deal with bricks and mortar, which cannot easily be moved around.

University Services has three overarching goals and strategies, Vice President Wheelock said.

One is to optimize the University's physical assets. With changing revenue streams, the age of the University's facilities, and variability in their utility and functionality, the University must think more strategically about its approach to space and maintaining what it has. University Services has a unique role in planning and preserving physical assets. For example, if the University does not make decisions that take into account operating and lifecycle costs, it might use different materials and take a different view of energy consumption, Ms. Wheelock said. Another question is one she raised earlier: should there be a more consistent campus experience? It is an interesting conversation to talk about the University "brand": students do not have a consistent brand experience—it is quite different, depending on their field. The same is true for faculty and staff (e.g., whether they are in a new Biomedical Discovery District building versus one of the historic buildings on campus). Buildings have wildly different levels of functionality. Does the University have an interest in narrowing that range of experiences in campus spaces?

Two is to ensure a safe university so it has safe and secure places and a culture of shared responsibility for safety, Ms. Wheelock said. On the Twin Cities campus, University Services has responsibility for public safety, transportation safety, environmental health, and so on. On the first, as she has pointed out before, the University cannot possibly hire enough police officers to respond to every need, and public safety cannot rely only on traditional law enforcement. On the others, for example, chemicals are moved across campus and people move across campus; University Services needs to understand how it can promote the mission as well as provide a secure environment for doing so—and the two can conflict. What is needed is development of a culture of shared responsibility for campus safety, for learning behaviors that keep one safe, and that will be a more sustainable effort.

Three is to provide a memorable student experience, Ms. Wheelock said. What is the role of University Services in that? On the Twin Cities campus, directly with residents halls, or indirectly in a supporting role (in classrooms, study spaces, libraries). They also know that retention and graduation rates at a university are higher when students develop connections; University Services employs many students and they need to think about how that employment can help create those connections.

2. Update on Light Rail

Associate Vice President Scheich next introduced Mr. Allanson, the new director of Parking and Transportation Services. Mr. Allanson has worked in the parking industry for 24 years and most recently he oversaw the City of Minneapolis off street municipal system. Mr. Allanson noted that the world of parking has been changing: technology changes what they do. The biggest change he has seen is the integration of multiple modes of transportation; in earlier years, organizations battled to protect parking, and that has changed from the days of the cigar box to collect money to automated pay stations. Mr. Allanson related that he has worked in both public and private organizations and understands that parking is a partner, not the ultimate destination: the goal is not to remember parking, but Parking & Transportation Services (PTS) can aim for parking as an experience that works smoothly for the users. The campus master plan makes a difference in changing to integrating transportation modes to meet the needs of the campus. He said he was looking forward to being part of the University and predicted that technology would continue to change many of the ways that PTS operate.

Ms. Krueger turned now to an update on light rail and observed that there will soon be a new mode of transportation to the campus. The Committee has received periodic updates on the progress on the light-rail construction (now the Green Line), and the project is now in the home stretch; the Metropolitan Council says the project is 97% complete. The Green Line will be about 11 miles long with 18 new stations and 5 that will be shared with the Hiawatha line; 3 of the new stations will be on campus (the West Bank, the East Bank, and Stadium Village). Buses and light rail trains will both use the lanes that contain the train tracks.

Ms. Krueger provided a brief background on the history of light rail through the campus, noting that the agreement with the Metropolitan Council was signed in September 2010 following several years of negotiation; it is about 40 pages long and has over 100 pages of attachments. The documents have been referred to throughout the construction process and have served as an excellent guide in the relationship between the University and the Council. Among other things, they established standards for vibration and electromagnetic interference, the design of the Washington Avenue Mall, construction management and mitigation plans, and set the on-campus station names for at least 10 years.

Ms. Cullen next walked the Committee through a series of slides depicting the road and ramp reconfigurations and pictures of the stations and rail crossings (pedestrian and vehicular) at various points on the campus. In the course of the discussion, several Committee members asked questions about and expressed concern about pedestrian (especially student) safety at crossings. They also asked about bus service on campus once Washington Avenue is reopened to buses. Vice President Wheelock reported that there have been negotiations with the Metropolitan Council about making the campus a free-fare zone, but it appears that may not be approved; it may be that it is a reduced-fare zone. Professor Roe suggested the University might wish to think about paying a fee to the Metropolitan Council so that students do not have to pay to ride the train on campus. Ms. Wheelock said they have proposed that option, and if the need for campus shuttles can be reduced, it may be that the savings can be directed to eliminating the on-campus train fare. Mr. Kallsen observed that the metro passes and U-Pass would work on the train.

Other points that arose:

- The only vehicular access to Boynton Health Service will continue to be from the loop road around the Weisman to Delaware Street behind Coffman Union.
- There will be both electronic light signals and audible signals indicating when pedestrians and bicyclists should not cross the train tracks.
- The train speeds through campus will be nominal. Maximum speed is 20 mph but the trains will only go as fast as safety allows, which the University anticipates will be much slower. In addition, with the East Bank Station between Union and Harvard, trains coming into the station and leaving the station will be going only about 5 mph.
- They anticipate people may ignore the signals and try to run across the tracks; it will be necessary to provide considerable education and coordination with the Metropolitan Council. If it becomes apparent there are safety risks, the University may have to consider changes. The University and the Met Council may need to consider whether additional fences, gates, and perhaps officers will be needed. It remains to be seen if education and signage can create a culture of responsibility.
- The introduction of light rail will provide a challenge when there are special events (e.g., a football game); will it change how people come to campus and will it affect the ability to empty ramps and lots? It will take awhile to work through what will be needed.

-- Is there a risk that crowds could push people onto the tracks? There will be staff present at special events, and the stations will be no more crowded than they are following an event at Target Field.

-- Professor Luepker recalled the \$25 million cost of moving the MRI equipment from Hasselmo Hall to the Mayo Garage to avoid vibration and electromagnetic interference. He wondered how the cost was allocated. Ms. Krueger said it was split equally between the State and the University.

Ms. Krueger reported on the vibration and electromagnetic interference goals. One goal was to do no harm: preserve the existing environmental quality of research facilities and to establish long-term mitigation that is proven and efficient; other goals were to keep lab-specific mitigation to a minimum (by mitigating the source via the floating slab track and double split power supply) and to ensure compliance with performance standards through monitoring and enforcement. The vibration certification testing was completed in August. More vibration testing will occur in January to test the effects of the vibrations through frozen soil. The electromagnetic impact testing occurred throughout the fall. They ran into some glitches at the beginning, which resulted in more diagnostic testing. Although the University has yet to see the final data analysis from the Met Council for the vibration and EMI testing, initial reports have shown that the floating slab track and double split power are generally working. They expect the Met Council will be able to meet the performance standards with some operational adjustments to train speed.

Ms. Krueger reviewed the ongoing tasks, which include final construction, negotiating the fare zone through campus, continued testing on performance standards, a three-year track-sharing study (busses and trains), and other administrative matters.

Professor Luepker thanked Ms. Krueger for the update.

3. Other Transportation Issues

Vice President Wheelock reported briefly on other transportation-related issues.

In terms of campus safety and bikes, the situation has reached a critical juncture. The number of bikes on campus has increased substantially, and with a large amount of new housing available near the campus, the increases are likely to continue. The problem is that the neighborhoods and roads were not built for the increase in numbers that they are seeing, Ms. Wheelock said, but they have ramped up the signage on campus, provide rewards to bicyclists who obey the signs, and the police have issued 82 citations and about 200 warnings. Those steps seem to have made a difference, and it will help when Washington Avenue is again open to bikes.

They are interested in more and better ideas about improving transportation safety on campus, Ms. Wheelock said, so are sponsoring a contest to generate suggestions. They would appreciate knowing about any creative ideas that people have.

4. Construction Costs

Professor Luepker provided a preview of a discussion about construction costs that the Committee can have at a later date. Introduction of the topic follows Faculty Consultative Committee discussions with department chairs, some of whom expressed concern about the costs of remodeling done by University Services. He said he believed it would be worthwhile for the Committee to review this.

Vice President Wheelock said she could provide a short summary. There is no shared understanding of the costs of construction on campus and people may base their views on their personal experiences in home construction or remodeling. There are significant differences between the two, she said, and noted some of them.

-- the University adheres to a policy of paying the prevailing wage (which is not necessarily union wages—but it is usually close to them)

-- the materials must be manufactured for institutional use—it is a question of quality

-- this is not an easy environment in which to do construction; parking is limited and contractors are often charged for it, the hours when work can be done may be limited, and there may be dust and other mitigation required

-- often remodeling will put a facility over the top in terms of requirements for upgrading a building (e.g., HVAC, electrical system, etc.); some remodeling may trigger the need for a larger investment

-- sometimes more square footage may be required because of the need for public space and circulation, and a remodeling project may also trigger a requirement to meet those needs

-- in some buildings, depending on their age, there may be problems with mercury and asbestos that have to be addressed.

Professor Luepker thanked Vice President Wheeler for her observations and asked Committee members to think about construction issues they wish to discuss. He noted that he had been informed that most of the construction work done on campus is by private contractors; Vice President Wheelock affirmed that almost all of it is done through competitive bids and that University staff only do small projects.

5. Maroon and Gold Scholarships

Professor Luepker next welcomed Vice Provost McMaster to the meeting to discuss Maroon and Gold scholarships.

Vice Provost McMaster began with a bit of history. His predecessor, Vice Provost Craig Swan, created a set of undergraduate tuition waivers called Maroon and Gold Scholarships (which have partly been renamed) that the Office of Admissions can allocate to the colleges to enhance national recruiting (on which the University had not been doing well). Dr. Swan was provided 100 full scholarships and 100 half scholarships for non-resident/non-reciprocity students (later increased to 125 full scholarships and 125 half scholarships): a full scholarship paid the entire difference between resident and non-resident tuition; a half-scholarship paid one-half the difference (so in neither case would a non-resident student pay *less* than resident tuition). It was up to the Admissions office on how they divided them; it could choose to offer more half-scholarships and fewer fulls, or vice-versa. At present resident tuition is \$12,060 and non-resident tuition is \$18,310, so there is a difference of about \$6,000, which is what a full scholarship would be worth.

Professor Cohen asked if, given the way the University budgets, this shows up as a real cost because there must be revenue to pay for the waivers. Dr. McMaster said not; they show up as waivers, which means the student pays less. Must they be budgeted for, Professor Cohen asked? The University does not collect that revenue, Mr. Kallsen said. So colleges take a loss, Professor Cohen said. Mr.

Kallsen said the waiver is from published non-resident tuition rates and that it is a complex issue. Vice Provost McMaster commented that the amount of money involved, approximately \$1 million for an incoming freshman class, is only a tiny fraction of the total student aid budget.

Vice President Wheelock observed that the program provides flexibility to departments to offer incentives to talented non-resident students to come to the University. But it is foregone revenue, Professor Roe said. Ms. Wheelock said that assumes the students would otherwise have come to the University.

Vice Provost McMaster said that the program has been critical to the University's national recruitment efforts and that it is a common practice among the University's peers—there is nothing unique about it. The waivers may shift in terms of the geographic location of the students to whom they are offered as the Admissions office re-evaluates national recruiting. For example, many of the waivers were offered to students in one state, which has been very successful and has begun building a pipeline of students; they hope that the University's reputation has been established so that some of the scholarships may be shifted to other areas of the country, such as southern California. Dr. McMaster said there has been a committee charged to look at the whole issue of undergraduate tuition waivers.

There are two national scholarship programs in place, Dr. McMaster said. One is the Gold scholarships, which are the full scholarships for the difference between resident and non-resident tuition; the other is National Excellence Scholarships (formerly Maroon scholarship) that pay one-half the difference in the two rates. There is a third program, the National Scholarship for Transfer Students, but very few are offered.

What have these programs accomplished? Dr. McMaster noted that the number of "national" freshmen on the Twin Cities campus has increased 290% from 2003 to 2013 (253 to 733); the number from the initial recruiting area from 55 to 347 during the same period. A large number of students come without the scholarships; the University tends to focus on the higher ability students. The GPAs of the students who came to the University was 4.24, they were 96th in high-school rank, and had an average ACT score of 31.5. Mr. Kallsen added that in 2002, the number of national students paying the full non-resident tuition rate at the University was about 200; now it is over 1,000. These numbers suggest that the pipelines are working.

Professor Feeney asked how the University gets information out to potential students, to the high-achievers. Dr. McMaster said the Admissions office has deep knowledge of how to reach such students and has a marketing strategy. They have been quite successful in southern California and the University has hired a regional recruiter. Dr. McMaster noted that Wisconsin and Nebraska have regional recruiters in the Twin Cities.

Professor Cohen asked if they have examined which colleges are getting the national students. Does the Admissions Office discriminate among the colleges in allocating them or does it simply recruit the best students and let them enroll where they choose? Dr. McMaster said he did not have data on which colleges the waivers are allocated to. Some of the colleges see the waivers as lost tuition, but in his view they are what the institution needs to do in order to build a market in different places around the country. In that regard, the University is behind Wisconsin, Michigan, Penn State, and others in national-level recruitment.

Dr. McMaster said that the University has seen consistent growth in the number of national students. In terms of enrollment management, the University seeks to have 60-65% of undergraduates be

Minnesota residents, about 5% international, and about 15% reciprocity (although that number has declined slightly); that leaves about 15% for national students.

Professor Feeney asked if the national students are improving class statistics, raising the caliber of students. They are, Dr. McMaster said. The programs also help in recruiting students of color, Mr. Kallsen pointed out. Moreover, Dr. McMaster reported, many of these national students stay in the Twin Cities once they graduate, so the programs serve as a talent magnet, something that is more difficult to accomplish for universities that are in smaller places.

Following a brief discussion of other scholarships, Professor Luepker thanked Vice Provost McMaster for joining the Committee and adjourned the meeting at 5:00.

-- Gary Engstrand

University of Minnesota