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ASSC minutes 03/18/2015

Academic Support Services Committee

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ASSC Meeting Minutes

Wednesday, March 18, 2015

Present: Sylke Boyd (chair), Saesun Kim, Jim Hall, Mike Cihak, Lisa Harris, Brenda Boever

Absent: Joel Eisinger, Tisha Turk, Matt Johnson, Pam Gades, Emily Lewandowski, LeAnn Dean

Guest: Lowell Rasmussen, Vice Chancellor for Finance and Facilities

Lowell Rasmussen was our guest to discuss financial support for classroom maintenance. SB began the discussion by asking what funds are currently available for classroom maintenance and whether or not Tech Fee funds are a legitimate and sustainable way to satisfy the campus' needs. Lowell shares this concern about this. Some background information:

- The Uof M, TC has an office that receives and monitors funds for technology from the State if MN, but these funds are for TC campus use only.
- Morris campus shared concerns that the funds are not allocated system-wide, but no change.
- Our reality is that the Morris campus cannot rely on the TC or bonding process to provide for our classroom and technology maintenance and upgrades.
 - Example: IT support is better for a project like wireless upgrades, but it is not available for classroom technology. Morris has to use private vendors for these things, while the TC campus has their own programmers that are not shared system-wide.

Relying on tech fee money is short-term thinking due to the changing nature of the student body and does not allow us to do long term planning to meet our campus needs.

Handout: Sightlines document: Fewer new buildings at Morris.

(Sightlines is a third party review of our infrastructure and helps prioritize maintenance.)

- 70% of Morris buildings are old. Technology needs didn't exist when they were built (maybe only phones)
- They need added infrastructure (i.e. wireless, projection systems, etc.) – the campus can't keep up with the needs.
- Morris is approximately 10 years behind in getting classrooms and infrastructure up to date.
- The campus has approximately \$60 M of deferred maintenance needs.
- No capital plan to cover the cost for this maintenance and upgrades.

Funding dilemma: Bonding process does not work for small projects and small campuses like Morris.

- The funding priority for Big 10 and the UofM is for big ticket buildings, etc. that attract research dollars.
- Competition for funds is fierce and if there is not a promise to investments will bring additional money, projects aren't funded for campuses like Morris.
- Morris cannot withstand the bond debt that comes with new buildings or large renovations on its own. The bonding formula has changed significantly over past few years that the campus cannot afford.

Solution presented to central administration: take Morris out of the bonding process. Allow our campus to bundle funding sources to improve entire spaces, but as smaller, more manageable projects.

- The Morris campus debt payment obligation will be paid off in July, 2015. This now frees up \$200,000/yr that could be targeted for maintaining capital assets.
 - Example: a \$20M bonding project is too large for local contractors, so often TC based contractors are used, but cost more due to travel, etc. By doing smaller projects with

local contractors, these projects are more manageable and do not require large amounts of money up front or incur debt.

- This “sustainable infrastructure” proposal has been presented to President Kahler and is listening but has not taken action.
- We have typically been getting about 10% of what the campus needs for maintenance

Handout: How to target and fund key facilities needs (Source: Sightlines)

\$3M Biennium request: Campus + HEAPR + Programmatic Needs

- The \$200,000 available/yr from previous debt reduction funds could be put toward Programmatic needs.
- Donors might also be solicited for matching needs in capital assets

Question: Could money for these projects come from the Compact process?

Answer: Compact proposals typically run from \$200,000-300,000, but usually don't cover capital projects

Handout: Attachment A: 2016-2018 Blended Project Proposal

Planning for the future:

- Lowell has put together a 6 year plan integrating capital and classroom technology needs (see attachment A)
- Right now, the tech fee process does not allow us to be strategic
- IT, Classroom/Media Technology and capital projects need be viewed together
 - Example: TC paid for about half of the campus' wireless updates because of Jim's 'good will' connection with OIT. Other campuses didn't get the same consideration. The total cost was about \$1.7M, but our cost was \$700,000.
- Bottom line: we need to figure out how to cover these costs on our own.
- Lowell would like our model to be a case study for the legislature.
 - Capital bonding is for new space; not renovations
 - “Clicks vs Bricks” the future of higher education is changing. Building enormous debt carried over long periods of time is dangerous.

Question: Would Enterprise tax cover some of these expenditures?

Answer: No, only administrative and systems such as Peoplesoft are covered. The rest are the responsibility of each campus.

Comments:

- Good to see a plan for action. Lowell: we'll see how the Legislature views this idea. If not favorable, we should adopt this as a strategic priority.
- Should we have already been doing this? Lowell: No, we must be careful to not misrepresent the University system. If they approve the plan, it would appropriate to talk more directly to Legislative leaders – but not before this.
 - Lowell: Key points: Keep things local with local contractors, local employment, local materials will help keep costs down. Smaller scale projects are more manageable and we can spread out funding better.
 - Key point: build value into existing investments by extending life and quality of our existing spaces that generate credit revenue.
- Question: Is there a plan B? Divert existing funds into the 'green column'. This impacts tuition (higher), programs, academic support and changes our business plan

Meeting adjourned at 9:17 AM

Respectfully submitted, Brenda Boever