

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
BOARD OF TRUSTEES  
FINANCE AND FACILITIES COMMITTEE  
MEETING MINUTES  
August 4, 2011**

*Finance and Facilities Committee Members Present: Dan McElroy, Chair; Trustees Jacob Englund, Clarence Hightower, Phil Krinkie, and James Van Houten*

*Other Board Members Present: Brett Anderson, Duane Benson, and Cheryl Dickson. Trustees Alfredo Oliveira, David Paskach, Tom Renier, Louise Sundin, and Michael Vekich joined by telephone.*

*Leadership Council Representatives Present: Vice Chancellor Laura King, President Richard Davenport*

The Minnesota State Colleges and Universities Finance and Facilities Policy Committee held its meeting on August 4, 2011, 4<sup>th</sup> Floor, World Trade Room, 30 East 7<sup>th</sup> Street in St. Paul. Chair McElroy called the meeting to order at 1:00 p.m.

**FY2012 Capital Budget Request Amendment** – Vice Chancellor King thanked the Trustees for their availability on short notice and recognized the tremendous gift of time Board members have made to the system in the past month.

Chancellor Rosenstone opened the committee with a brief review of the recent bonding activity at the legislature. He had been briefed on the Board's June discussion regarding the FY2012-2017 capital budget proposal and offered his assurance that the project review process rigor would continue and that emphasis on the reduction of space will be increased. That said, there are strong arguments for advancing the Metropolitan Science building at this time. The committee will hear a staff presentation and the president is with us today as well. The Chancellor is recommending amendment of the 2012 capital program to add the construction funds for the project and looks forward to a good committee discussion. Chair McElroy recognized Chancellor Rosenstone for his opening remarks and asked Brian Yolitz, Associate Vice Chancellor for Facilities, to give the Committee a briefing in support of the recommendation to the Board to revise the Capital Budget Request.

Mr. Yolitz reported that the FY2012 capital budget request submitted to the Board in June was approved for \$344.2 million, with 31 design and construction projects and initiatives totaling \$234.2 million. The balance of the request totaling \$110 million is directed at Higher Education Asset Preservation and Replacement (HEAPR) projects that will be distributed across the system. On July 21, 2011, Governor Dayton signed a bonding bill that included \$131.586 million for the Minnesota State Colleges and Universities, providing \$30 million for HEAPR projects and \$101.586 for six construction projects and one major design project.

All six construction projects and the design project approved in the FY2011 bonding bill were on the FY2012 Board approved list. The Board's intent in approving the FY2012 list was to remove those requirements funded in FY2011. The result is a FY2012 Board approved capital program totaling \$246.684 million with \$110 million for HEAPR and \$136.684 for 24 projects and initiatives.

The Metropolitan State University Science Education Center design has been funded as part of the FY2011 bonding bill. Actual design work is expected to be completed by the end of the FY2012 legislative session and if construction would be immediately funded, classes could be held in the new space in the fall of 2014, two years earlier than under the current plan. If the project is delayed until FY2014, the cost of the project will increase by \$2.8 million and if delayed until FY2016, the increase will be \$6 million because of inflation.

This campus is physically the smallest state university yet the fourth highest in FYE and third highest in head count of the state universities. Metropolitan State University is the only state university in the system with no dedicated science building; it currently only has two limited wet lab spaces. The project addresses many elements in the Board's Strategic Plan including the increase of baccalaureate programming in the metropolitan area, enhanced access to underrepresented groups and provides capacity to increase STEM instruction within the system.

Adding the construction phase of the Metropolitan State University Science Education Center to the FY2012 Board approved capital program would create a total program request of \$277.684 million with \$110 for HEAPR and \$167.684 for 25 projects and initiatives.

In referring to Attachments A and B, Trustee Hightower inquired how, even with the proposed revisions, the project ranked 16<sup>th</sup>. Mr. Yolitz responded that there is a scoring process and it is reflective of the overall needs for the system. The project's placement on the list is identical to its placement in 2010. The placement has moved up as other projects received funding. Vice Chancellor King asked Mr. Yolitz to recap Attachment A and B. Mr. Yolitz explained that Attachment A displays that when the FY2011 funded projects are removed the total of the request is reduced from \$344.2 million to \$246.7 million. Attachment B is the revised recommendation to the board taking these changes into consideration.

Trustee Englund inquired about long term demands that would validate the project. President Hammersmith joined the committee and responded that there is continued growth and demand in biology and science majors, along with a need for a professional science masters program. There is industry demand for chemists, chemistry teachers, and biologists. There are over 100,000 students in the two year institutions' pipelines and Metropolitan State University does not

have the capacity to serve them. Additionally, the Minnesota Transfer recommendation is for students to take two science courses. Currently, the requirement is only one science course due to Metropolitan State's limited facilities.

Chancellor Rosenstone confirmed that students cannot be served properly with the existing lab facilities, adding that the system is in a good position to build from scratch. He stated it is a "must do" project in order for Minnesota State Colleges and Universities to meet its goals.

Trustee Van Houten stated that this revision implies a commitment to Metropolitan State and there is not promise for funding and without the assurance of funding that Metropolitan State is unable to move forward by hiring faculty and developing curriculum. He added that many of the two year colleges have state of the art labs and Metropolitan State should look to partnering with them. Chancellor Rosenstone responded that if the board acts today and the legislature would approve it, we will be two years ahead with the project and experience a cost savings as noted by Mr. Yolitz.

Vice Chancellor King added in an ordinary year, staff would recommend design funds in one bill and construction funds two years later. Because of the lost year in staging, the cycle for this proposal is not the norm.

Geoff Dittberner, Minnesota State College Student Association (MSCSA) President, advocated on behalf of the MSCSA Board to prioritize current and backlogged HEAPR projects. Vice Chancellor King responded that there were strong HEAPR results for FY2010 and FY2011 with \$82 million of \$110 million in requests funded.

Trustee Van Houten suggested overruling the scoring project because according to the attachments, there are still three other science projects ahead of the Metropolitan State University request. Trustee Hightower added that in this case timing matters to get the request approved in order to better serve students and as a long term cost saving measure.

Trustee Hightower moved that the Finance and Facilities Committee recommend adoption of the following motion. Trustee Vekich seconded the motion. The motion prevailed with Trustees Krinkie and Van Houten dissenting.

**RECOMMENDED MOTION:**

The Board of Trustees approves the updated FY2012-2017 Capital Budget as presented in **Attachment B**, specifically the projects and priorities for FY2012. In approving funds for design, the Board stipulates that it reserves final approval of later construction spending and priority to such projects versus others that may

later be considered. The Chancellor is authorized to make cost and related adjustments to the budget as required, and to forward the Capital Budget to the Governor for consideration in the FY2012-2017 state capital budget. The Chancellor shall advise the Board of any subsequent changes in the Capital Budget prior to the 2012 legislative session.

Chair McElroy adjourned the meeting at 1:42 p.m.

Respectfully submitted,

Laury Anderson, Recorder