

MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD OF TRUSTEES

FINANCE AND FACILITIES COMMITTEE

SPECIAL MEETING

MEETING MINUTES

June 3, 2013

eight have been to the legislature two times (\$27M). Five are smaller projects previously bundled as systemwide initiatives and are now repackaged as institutional priorities (\$5.9M). Three are new construction projects, two of which have been seen before (\$1.9M) and one stand-alone design and construction project (\$7.9M). If all of these were to be funded, there
Fourteen projects did not make the list.

There would be no change in square footage coming from renovation and renewal projects, an increase of 278,285 sq. ft. for new facilities, and a reduction of 535,645 sq. ft. through demolition. The net result would be a reduction of 257,360 sq. ft. of academic space. Trustee

HEAPR category) if a new computer lab was funded through the capital program . Given the current trend of funding streams, there is not enough money to do large stand-alone HEAPR projects.

Trustee Anderson said if HEAPR has been historically funded at 50 percent of the request, \$110M, it may not look like a priority at the legislature. Vice Chancellor King replied that there is a debt service dimension as debt service on HEAPR projects, but the legislature has been friendlier to capital projects. HEAPR needs are more likely to get done if they are packaged with the capital projects and as a result, debt service will be assumed. MnSCU has a great relationship with the State on debt service.

Trustee Erlandson asked about energy incentives. Mr. Yolitz said that Winona State University (WSU) has a new guaranteed energy contract that just completed its first year. WSU is working with consultants to validate energy savings. The Department of Commerce put together a team that partnered with industry and state agencies (including MnSCU) to develop a template for contracts and validation for energy savings. Currently, St. Cloud State University has one of the largest energy contracts in the state. The savings in energy costs should exceed the cost of the contract. Systemwide, \$32M is spent on electric and gas each year.

Trustee Sundin suggested documenting other sources of funds that are invested for the recommended projects. Mr. Yolitz said that the some of the project scoring captures that however, none of these projects have large investments from other sources. Chancellor Rosenstone and the Leadership Council have had conversations about being more aggressive in finding outside sources said that HEAPR projects the same kind of reactions that capital projects get, and recommended celebrating the start and completion of HEAPR projects. Trustee Dickson supported Trustee in order to influence legislators, MnSCU should showcase the importance of the HEAPR projects and the jobs that HEAPR projects create. Trustee Sundin added that the Board should be invited to the HEAPR celebrations in a show of support for the projects.

Trustee Sundin commented that and inquired why is considerably lower than in the last few years. Trustee Sundin added .

Chancellor King said that she will provide that data and noted there was strong support by Governor Dayton this legislative session.

Trustee Erlandson said that she likes that job numbers are attached to the request. Mr. Yolitz noted that templates are available to the campuses for HEAPR projects to highlight contractors, sub-contractors and funding sources.

Mr. Yolitz presented a map of Minnesota illustrating where the recommended projects are located throughout the state. There are 24 priority capital projects involving 27 campuses 6 of which are in the metro area and 21 are out state. The programmatic impact of the request is \$155.9M and impacts many academic areas including STEM, Allied Health, technical programs, business and education, and student support services. Chair Vekich asked Chancellor Rosenstone how the projects are coordinated with academic requirements. Chancellor Rosenstone replied that the request emerged from academic priorities at the individual campuses and academic leadership was part of the scoring process. The process will be strengthened by greater involvement from the Vice Chancellor of Academic and Students Affairs.

s announcement that they will no longer hire applicants with AA degrees in health services and if this has this been taken into consideration. Vice Chancellor King said that Rochester has a robust relationship with Winona and conversations are already taking place between their nursing programs to respond to the announcement.

Mr. Yolitz concluded the presentation by saying that the rightsizing initiative promotes

the remainder, new funding would finish design work that began in prior years and take them into the construction phase. Vice Chancellor King said the table could be relabeled for clarity on the design and construction costs. Trustee Hightower was concerned about the bundling of projects resulting in a large dollar request. Mr. Yolitz said that projects have not changed in size, but there is more than one project bundled in some of the requests. Vice Chancellor King said that when the projects were bundled as program initiatives, there was not much traction, so bundling the projects geographically is an attempt for a higher success path for funding.

Trustee Krinkie said that it seems as though no matter how the request is framed, the

