

Project Title	2010 Agency Priority Ranking	Agency Project Request for State Funds (\$ by Session)				Governor's Recommendations	Governor's Planning Estimate	
		2010	2012	2014	Total		2010	2012
HEAPR	1	\$100,000	\$100,000	\$100,000	\$300,000	\$40,000	\$40,000	\$40,000
Folwell Hall	2	23,000	0	0	23,000	0	0	0
American Indian Learning Resource Center	3	6,667	0	0	6,667	0	0	0
Physics and Nanotechnology	4	53,333	0	0	53,333	53,333	0	0
Itasca Facilities Improvements	5	3,667	0	0	3,667	0	0	0
General Laboratory Renovation	6	6,667	6,667	6,667	20,001	6,667	6,667	6,667
Total Project Requests		\$193,334	\$106,667	\$106,667	\$406,668	\$100,000	\$46,667	\$46,667

Agency Profile At A Glance

The University of Minnesota is governed by a 12-member, legislatively appointed Board of Regents.

Statewide Presence:

- ◆ Five campuses (Crookston, Duluth, Morris, Rochester, Twin Cities)
- ◆ Six research and outreach centers (Crookston, Grand Rapids, Lamberton, Morris, Rosemount, Waseca)
- ◆ Two biological stations (Lake Itasca, Cedar Creek)
- ◆ One forestry center (Cloquet)
- ◆ 17 regional University of Minnesota Extension Offices

Annual Budget:

\$3.0 billion (FY 2010 budgeted revenues)

Student Enrollment (Fall 2008):

40,546	Undergraduate
14,944	Graduate
3,963	First Professional
<u>6,859</u>	Non-Degree
66,312	TOTAL / all campuses

Faculty and Staff (Fall 2008):

19,718 Faculty and Staff
14,393 Student Workers (includes fellows, post-docs, and professionals in training)

Agency Purpose

The University of Minnesota is both the state's land-grant university, with a strong tradition of education and public engagement, and a major research institution, with faculty of national and international reputation. Its statutory mission is to "offer undergraduate, graduate, and professional instruction through the doctoral degree, and ... be the primary state supported academic agency for research and extension services." (M.S. 135A.052)

The University of Minnesota, founded in 1851, has five campuses (Twin Cities, Duluth, Morris, Crookston, Rochester), six research and outreach centers, two biological stations, one forestry station and regional extension offices throughout the state.

The University is a multi-campus university. The chief operating officers for the Twin Cities campus also serve as the senior officers for the entire University.

The Twin Cities campus is one of the two largest campuses in the country in terms of enrollment (50,883 students) and also one of the most comprehensive. It is the state's major research campus and with more than \$600 million annually in research grant awards, it accounts for more than 98 percent of all research expenditures at Minnesota's higher education institutions, both public and private.

The University of Minnesota, Duluth (11,184 students) is a comprehensive regional university that offers instruction through the master's degree. The campus contributes to meeting the cultural needs of the region and serves as a focal point for the economic development of the region through community outreach and through an emphasis on the sea-grant and land-grant components of its program.

The University of Minnesota, Morris (1,686 students) is one of the top public liberal arts colleges in the nation, providing an innovative and high quality residential education to its undergraduates that emphasizes faculty-student collaborative research, study abroad and service learning.

The University of Minnesota, Crookston (2,346 students) provides applied, career-oriented education through baccalaureate programs that combine theory, practice and experimentation in a technologically rich environment.

The University of Minnesota, Rochester, established in 2006, is focused on meeting the educational needs of the Rochester area. With more than 35 programs available, UMR provides graduate and undergraduate degrees in health sciences, biotechnology, business, education, graphic design, public health, and social work.

Core Functions

The University of Minnesota’s three mission activities are:

- ◆ teaching and learning;
- ◆ research and discovery; and
- ◆ outreach and public service.

Teaching and Learning: The University of Minnesota provides instruction through a broad range of educational programs that prepare undergraduate, graduate, and professional students for productive roles in society.

Research and Discovery: The University of Minnesota generates and preserves knowledge, understanding, and creativity by conducting research, scholarship, and artistic activity.

Outreach and Public Service: The University of Minnesota exchanges its knowledge and resources with society by making them accessible to the citizens of the state.

Operations

The University of Minnesota conducts its mission activities from its campuses and other facilities throughout the state. The University of Minnesota:

- ◆ provides instruction for more than 66,000 students;
- ◆ graduates more than 13,500 students, 36 percent with graduate or first professional degrees;
- ◆ conducts more than \$600 million in research sponsored by the National Institutes of Health, the National Science Foundation, many other federal agencies, and numerous private companies and foundations; and
- ◆ reaches out to more than one million Minnesotans through various outreach and public service activities.

Budget

The University of Minnesota’s FY 2010 budgeted revenues of \$3.0 billion are primarily generated by five main sources of revenue:

- ◆ State Appropriations \$649.2 million / 21.9%
- ◆ Tuition and Fees \$678.7 million / 22.9%
- ◆ Sponsored Grants & Contracts \$518.2 million / 17.5%

- ◆ Sales and Other Revenue \$762.7 million / 25.7%
- ◆ Gift, Endowment Earnings and Other Restricted Sources \$360.0 million / 12.1%

The University of Minnesota’s total state appropriation includes both a general unrestricted appropriation that supports the University’s core operations and appropriations that are restricted to special purposes (e.g., University of Minnesota Extension Service).

Instructional Expenditures

Laws of Minnesota for 2007 require the public post-secondary systems in Minnesota to report instructional and non-instructional expenditures in the biennial budget document. For fiscal year 2006-07 (the most recent year of audited financial data) the University of Minnesota’s instructional expenditures totaled \$644,461,760. The definition of instructional expenditures is “A functional expense category that includes expenses of the colleges, schools, departments, and other instructional divisions of the institution and expenses for departmental research and public service that are not separately budgeted.” This definition was developed by the Integrated Post-Secondary Education Data System (IPEDS) and is used by higher education institutions for consistent cross-institution comparisons.

Non-instructional expenditures for fiscal year 2008 totaled \$2,067,389,000 and included the following IPEDS categories of expenses: Research, Public Service, Academic Support, Student Services, Institutional Support, Operations and Maintenance of Plant, Depreciation, Scholarships and Fellowships, Auxiliary Enterprises.

	<u>FY 2008</u>	<u>FY 2009</u>
Instructional Expenditures	\$673,710,000	\$642,287,000
Non-Instructional Expenditures	\$2,067,389,000	\$1,889,889,000
Total Operating Expenditures	\$2,741,099,000	\$2,532,176,000

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At A Glance: Agency Long-Range Strategic Goals

The statutory mission of the University of Minnesota is to "offer undergraduate, graduate, and professional instruction through the doctoral degree, and be the primary state-supported academic agency for research and extension services" (M.S. 135A.052, subd. 1).

The University of Minnesota, founded in the belief that all people are enriched by understanding, is dedicated to the creation of knowledge and the advancement of learning and artistic activity; to the sharing of this knowledge through education for a diverse community; and to the application of this knowledge to benefit the people of the state, the nation, and the world. The University's mission is three-fold:

Research and Discovery. Generate and preserve knowledge, understanding, and creativity by conducting high quality research, scholarship, and artistic activity that benefits students, scholars, and communities across the state, the nation, and the world.

Teaching and Learning. Share that knowledge, understanding, and creativity by providing a broad range of educational programs, in a strong and diverse community of learners and teachers, and prepare a graduate, professional, and undergraduate student body for active roles in a multiracial and multicultural world.

Outreach and Public Service. Extend, apply, and exchange knowledge between the University and society by applying scholarly expertise to community problems, by assisting organizations and individuals to respond to their changing environments, and by making the knowledge and resources created and preserved here accessible to the citizens of the state, the nation, and the world.

Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs

We are in a transformative era for higher education. For more than 150 years, the University of Minnesota has met the changing needs of the state's citizens, businesses, farmers, and public institutions. Now, the state, as well as the nation, is facing demographic, economic, and social changes that compel the University of Minnesota to rise up to meet these new challenges. The University must strengthen its role as the state's only major research university, as its land grant institution, and as its magnet for students, faculty, professionals, entrepreneurs, and civic and artistic leaders.

Building on a proud 158-year history of commitment to the highest quality education, research, and service to the people of Minnesota, the 'U' has embarked on a journey to become one of the top three public research institutions in the world. The entire University community is poised to take its education, research, and public outreach mission to even higher levels of service to the people of Minnesota.

In the context of these challenges, the University must make the most of its resources. Minnesota's long-term interests are best served by an institution that can meet the challenges in this new era—an institution capable of offering the highest quality academic programs, supporting ground-breaking research, and delivering innovative, responsive service to Minnesota's communities.

As a large, multi-faceted research institution, a variety of factors affect the University's demand for facilities and capital programs. Three issues that are relevant to the 2006 capital request are outlined below:

- ◆ *Aging and Obsolete Facilities* – Approximately 65 percent of the University's major campus buildings are more than 30 years old (more than 25 percent are over 70 years old). The Twin Cities campus alone has nearly 100 buildings that are more than 50 years old. Buildings become less functional and require more maintenance as they age. New security requirements imposed in the wake of September 11 are just one more example of how old buildings must be adapted to meet current conditions.

- ◆ *Promising New Discoveries* – The University must continually renew its existing programs and make targeted investments in emerging fields to meet state needs and remain competitive. High quality programs, for example, allow the University to compete at the national level for federal science and health initiatives funds (e.g. National Institutes of Health).
- ◆ *Increased Student Expectations* – The University in recent years has placed a considerable emphasis on upgrading its research facilities and infrastructure. A similar effort is now required to improve the conditions and capabilities of its educational facilities. The University's most heavily used instructional facilities are in some of the oldest buildings and often lack the necessary technological and programmatic components required to effectively teach at the university level.

Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets

The University of Minnesota takes its facilities stewardship responsibilities seriously. While there is an ongoing effort on each campus to keep buildings clean and well maintained, as buildings age and programs evolve, it becomes necessary to invest additional resources to keep a building functional and operating. Recognizing the importance of taking care of what we have, the University has surveyed and documented the condition of all the major systems within University buildings system-wide. This *Facilities Condition Assessment* program has collected information on heating, ventilation, and air conditioning (HVAC) systems, elevators, plumbing, building interiors, electrical systems, code issues, and other building conditions. This assessment expands on a similar effort done in recent years on building exteriors - roofs, walls, and windows. The Facilities Condition Assessment will identify needed building improvements and help the University plan and prioritize projects. The projects outlined in the University's \$80 million Higher Education Asset Preservation and Replacement (HEAPR) request were selected based on information from this assessment.

The capacity and condition of campus infrastructure remains a critical concern. The infrastructure of a University campus is a critical component of the physical and operational systems necessary to support the much more visible teaching, research, and outreach mission. Individual buildings depend

upon campus infrastructure to deliver heating, cooling, communications, electricity, and water. In portions of the campus the existing buildings have stretched the service capacity of the infrastructure to the maximum limits; while in other areas, buildings are being fed by aging, obsolete services from near the turn of the century. In these areas, any new construction, significant remodeling or expansion of existing services will require a corresponding increase in infrastructure capacity.

Agency Process Used to Arrive at These Capital Requests

The University of Minnesota's annual capital budget and Six-Year Capital Improvements Program is a method of providing for disciplined financial management. This decision making process supports the University's desire to focus on its mission, aligns capital projects with the academic goals of the institution and follows the Regents' directive to make the most efficient use of limited resources.

The capital budgeting process consists of the following steps:

- ◆ *Need Identification/Preliminary Ranking* - Academic units, Facilities Management, Campus Planning, Environmental Health and Safety, and other University groups identify capital needs. Capital needs are typically the outcome of either an academic priority (i.e. expansion of the Pharmacy program) or deficient facility condition (i.e. inadequate ventilation or electrical capacity). Capital and programmatic needs are reviewed as part of the compact process. The Provost, Chancellors, and Vice Presidents rank these needs.
- ◆ *Project Definition and Prioritization* - A predesign study, including a needs analysis, a preliminary facility program, cost estimates, and an implementation schedule, is prepared for each project and is evaluated against academic priorities, the campus master plan, and code requirements.
- ◆ *Annual Budget Approval/Program Acceptance* - The senior administrative officers forward a recommendation to the Regents. The Regents approve the annual capital budget, including capital request items, and accept the five-year Capital Improvement Program.

The University's capital budget calendar is synchronized with the biennial budgeting process in the state legislature.

Major Capital Projects Authorized

2009 Appropriation	(\$ in Thousands)
HEAPR	\$25,000
National Solar Certification Lab	\$3,333
Solar Thermal Demonstration	\$3,500

2008 Appropriation	(\$ in Thousands)
HEAPR	\$35,000
UMTC: STSS	\$48,333
UMD: Civil Engineering	\$10,000
UMTC Education Services	\$14,500
UMM: Gateway Center	\$5,000
UMTC: General Lab Renovation	\$ 3,000
Research and Outreach Centers	\$ 3,500

HEAPR

2010 STATE APPROPRIATION REQUEST: \$100,000,000

AGENCY PROJECT PRIORITY: 1 of 6

PROJECT LOCATION: Univ. Campuses, Research Centers & Field Stations

Project At A Glance

- ◆ Health and safety funds are used by the University of Minnesota to ensure a safe, accessible environment for students, employees, and visitors in its more than 800 buildings.
- ◆ Building systems funds extend the useful life of existing facilities and preserve their structural integrity by replacing building components like roofs, elevators, chillers, windows, and mechanical systems.
- ◆ Infrastructure funds reduce the risk to people and research caused by aging and unreliable systems.
- ◆ Strategic investments improve energy efficiency and reduce long term operating costs.

Project Description

Higher Education Asset Preservation and Replacement (HEAPR) funds will be used system wide to maximize and extend the life of the University's existing physical plant. Individual projects will fall into one of four broad categories:

- ◆ Health, Safety, and Accessibility
- ◆ Building Systems
- ◆ Utility Infrastructure
- ◆ Energy Efficiency

Project Rationale

The University's mission will be compromised without continued, sustained, investment in buildings and infrastructure. The University's capital budget principles emphasize investment in existing facilities and infrastructure to

extend useful life and to ensure the health, safety, and well being of building occupants. All projects included in this HEAPR request are consistent with those principles and will improve the University's facilities in support of strategic goals. All projects are also consistent with the statutory definition of HEAPR (M.S. 135A.046) which includes "code compliance, including health and safety, Americans with Disabilities Act requirements, hazardous material abatement, access improvement, or air quality improvement; or building or infrastructure repairs necessary to preserve the interior and exterior of existing buildings; or renewal to support the existing programmatic mission of the campuses." Individual projects have been identified through the University's capital planning process, and were prioritized according to established criteria.

Impact on Agency Operating Budgets (Facilities Notes)

HEAPR improvements to existing facilities will have negligible impact on the annual operation budget. No additional maintenance or program staff will result directly from these improvements.

The estimated annual repair and replacement cost for all HEAPR projects is \$4.0 million, fully effective in FY 2010. This amount is equivalent to the annual depreciation of the building components such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

The University received \$30 million in 2006, \$35 million in 2006 and \$25 million in 2009. The University includes HEAPR in each biennial capital request.

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Governor's Recommendations

The Governor recommends general obligation bonding of \$40 million for this project. Also included are budget planning estimates of \$40 million for 2012 and 2014.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	3,200	8,000	8,000	8,000	27,200
4. Project Management	1,600	5,000	5,000	5,000	16,600
5. Construction Costs	30,200	87,000	87,000	87,000	291,200
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	35,000	100,000	100,000	100,000	335,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	35,000	100,000	100,000	100,000	335,000
State Funds Subtotal	35,000	100,000	100,000	100,000	335,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	35,000	100,000	100,000	100,000	335,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	1,000	4,000	5,000
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	1,000	4,000	5,000
Revenue Offsets	0	0	0	0
TOTAL	0	1,000	4,000	5,000
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	100,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2015

Folwell Hall

2010 STATE APPROPRIATION REQUEST: \$23,000,000

AGENCY PROJECT PRIORITY: 2 of 6

PROJECT LOCATION: Minneapolis Campus

Project At A Glance

- ◆ This project will renovate the interior of Folwell Hall, one of the oldest buildings on campus, in the historic Knoll District.
- ◆ Improvements will create a multilingual and multicultural hub for the study and research of languages and literature.
- ◆ Folwell Hall will also provide technology-enhanced learning environments for the study of nearly 30 languages.

Project Description

This request is for funds to design and renovate the interior of Folwell Hall to modernize the teaching and research space for College of Liberal Arts programs. This project will create a multilingual and multicultural hub for the study and research of languages and literature and includes updating obsolete classrooms and provide modern learning environments that better support language learners. In addition, this project will improve building accessibility and safety. Exterior improvements required to stabilize the building shell, part of a separate project, was completed in the spring of 2008.

Project Rationale

Folwell Hall was built in 1907. It is one of the oldest buildings on the University of Minnesota, Twin Cities campus and Folwell Hall is on the National Register of Historic Places. The instructional space in this iconic building is nearly as old—better suited for the teaching methods of 1910 rather than 2010. Renovating Folwell Hall will better support key academic programs in the College of Liberal Arts, most notably the foreign languages.

Currently 30 languages are taught at the University, 19 in Folwell Hall alone. Funds will be used to renovate the interior of Folwell Hall, providing technology-enhanced learning environments and research space. Exterior improvements required to stabilize the building shell, part of a separate project, were completed in 2008. A renovated Folwell Hall will better serve students and the state by educating global citizens with effective communication skills across disciplines and cultures.

Impact on Agency Operating Budgets (Facilities Notes)

The approximately 112,000 gross square feet for Folwell Hall will not increase over its current operating expenses of \$592,000 per year. Infrastructure improvements such as modern HVAC systems may decrease long-term operating expenses. Any additional faculty and programmatic cost increases will be addressed by the University.

The estimated annual repair and replacement cost for this project is \$1.39 million. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

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Governor's Recommendations

The Governor does not recommend capital funds for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	120	0	0	120
3. Design Fees	0	2,408	0	0	2,408
4. Project Management	0	1,135	0	0	1,135
5. Construction Costs	0	24,630	0	0	24,630
6. One Percent for Art	0	221	0	0	221
7. Relocation Expenses	0	150	0	0	150
8. Occupancy	0	3,380	0	0	3,380
9. Inflation	0	2,456	0	0	2,456
TOTAL	0	34,500	0	0	34,500

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	23,000	0	0	23,000
State Funds Subtotal	0	23,000	0	0	23,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	11,500	0	0	11,500
TOTAL	0	34,500	0	0	34,500

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	275	550	825
Building Repair and Replacement Expenses	0	547	1,095	1,642
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	822	1,645	2,467
Revenue Offsets	0	0	0	0
TOTAL	0	822	1,645	2,467
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	23,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2015

American Indian Learning Resource Center

2010 STATE APPROPRIATION REQUEST: \$6,667,000

AGENCY PROJECT PRIORITY: 3 of 6

PROJECT LOCATION: University of Minnesota Duluth Campus

Project At A Glance

- ◆ The American Indian Learning Resource Center exists to enrich the cultural, academic, supportive, and social environment of the University of Minnesota, Duluth (UMD) campus.
- ◆ Its mission is to increase the recruitment and retention of American Indian and Alaskan Native students, while promoting a more culturally diverse campus environment.
- ◆ The new facility will help this important program improve its services and serve more American Indian students.

Project Description

This request is for funds to construct an 18,400 gross square foot American Indian Learning Resource Center at the University of Minnesota, Duluth. Seventeen programs, scattered throughout campus, will be co-located in this new facility. American Indians comprise the largest minority population at UMD and UMD's program is one of the largest American Indian programs in the country. The campus' strong support system has resulted in graduation rates significantly higher than national norms. This new center will house both academic and student service programs, classrooms, a computer lab, conference rooms, a Great Room for large gatherings, and support offices for both faculty and students and will create a gateway onto the Duluth campus for American Indian students and the community.

Project Rationale

American Indians comprise the largest minority population on the UMD campus. UMD has developed a strong support system which results in graduation rates significantly higher than national norms. Its outreach

activities include a teacher education program at Fond du Lac Community College and an early childhood education program at Red Cliff Indian Reservation in Wisconsin. This facility would provide a strong sense of identity for American Indian students on campus. Other institutions which have created such a space have found it to be extremely beneficial in meeting academic achievement goals.

The American Indian Learning Resource Center exists to enrich the cultural, academic, supportive, and social environment of the UMD campus with a mission to increase the recruitment and retention of American Indian and Alaskan Native students, while promoting a more culturally diverse campus environment. Currently, facilities and services serving UMD's American Indian population is spread throughout the UMD campus in a variety of buildings.

The new American Indian Learning Resource Center will consolidate programs serving the American Indian population into a conveniently located facility and will provide services and facilities for both academic and student service programs. These facilities will include new classrooms, computer labs, conference rooms, a great room, and support offices for both faculty and student service programs. By consolidating these functions in one location, the American Indian student population can be better served by the University of Minnesota.

Impact on Agency Operating Budgets (Facilities Notes)

It is estimated that the American Indian Learning Resource Center will increase the University of Minnesota-Duluth's operating budget by \$184,000 per year.

The estimated annual repair and replacement cost for this project is \$380,000. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

None

American Indian Learning Resource Center

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Governor's Recommendations

The Governor does not recommend capital funds for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	33	0	0	33
3. Design Fees	0	721	0	0	721
4. Project Management	0	255	0	0	255
5. Construction Costs	0	7,686	0	0	7,686
6. One Percent for Art	0	69	0	0	69
7. Relocation Expenses	0	30	0	0	30
8. Occupancy	0	633	0	0	633
9. Inflation	0	573	0	0	573
TOTAL	0	10,000	0	0	10,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	6,667	0	0	6,667
State Funds Subtotal	0	6,667	0	0	6,667
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	3,333	0	0	3,333
TOTAL	0	10,000	0	0	10,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
Compensation -- Program and Building Operation	0	422	422	844
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	568	568	1,136
Building Repair and Replacement Expenses	0	300	300	600
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	1,290	1,290	2,580
Revenue Offsets	0	0	0	0
TOTAL	0	1,290	1,290	2,580
Change in F.T.E. Personnel	0.0	2.4	0.0	2.4

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	6,667	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2015

Physics and Nanotechnology

2010 STATE APPROPRIATION REQUEST: \$53,333,000

AGENCY PROJECT PRIORITY: 4 of 6

PROJECT LOCATION: University of MN -- Twin Cities East Bank Campus

Project At A Glance

- ◆ The physics program in the School of Physics and Astronomy is a core department of the Institute of Technology and an integral component of Science Technology Engineering and Math (STEM) education.
- ◆ The current Physics building is obsolete for the kind of work being done in cutting edge high technology fields.
- ◆ The facility will include flexible, state-of-the-art research laboratories; a 5,000 square foot clean room dedicated to nanotechnology; and student meeting space.
- ◆ The building, to be located directly north of the Scholars Walk, will house 200 faculty, postdoc, graduate, and visiting researchers.

Project Description

The physics program in the School of Physics and Astronomy is a core department of the Institute of Technology. Many current discoveries in physics inform research in nanotechnology, a highly multidisciplinary field. This request is to design and construct a new 150,000 gross square foot building to house the research branch of the physics program and the Center for Nanostructure Applications, thereby fostering connections and related research. The facility will include flexible, state-of-the-art research laboratories; a 5,000 square foot clean room dedicated to nanotechnology; and faculty/student meeting space. The building, to be located directly north of the Scholars Walk, will house 200 faculty, postdoc, graduate, and visiting researchers.

Project Rationale

Current physics laboratories are nearly 80 years old and obsolete compared with other comparable Physics Departments. A new physics facility will allow the department to continue to grow and recruit the best students and faculty. Co-locating physics and nanotechnology will foster connections and allow for increased collaboration between these two vitally important research fields.

Impact on Agency Operating Budgets (Facilities Notes)

It is estimated that operating expenses of \$2.25 million per year will be needed to operate and manage the Physics and Nanotechnology building.

The estimated annual repair and replacement cost for this project is \$3.04 million. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

None

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Governor's Recommendations

The Governor recommends state general obligation bonding of \$53.333 million for this project, supplemented with \$26.667 million in University-issued bonds.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	300	0	0	300
3. Design Fees	0	5,895	0	0	5,895
4. Project Management	0	2,625	0	0	2,625
5. Construction Costs	0	59,756	0	0	59,756
6. One Percent for Art	0	250	0	0	250
7. Relocation Expenses	0	700	0	0	700
8. Occupancy	0	2,615	0	0	2,615
9. Inflation	0	7,859	0	0	7,859
TOTAL	0	80,000	0	0	80,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	53,333	0	0	53,333
State Funds Subtotal	0	53,333	0	0	53,333
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	26,667	0	0	26,667
TOTAL	0	80,000	0	0	80,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
Compensation -- Program and Building Operation	0	1,087	1,087	2,174
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	550	2,250	2,800
Building Repair and Replacement Expenses	0	600	2,400	3,000
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	2,237	5,737	7,974
Revenue Offsets	0	0	0	0
TOTAL	0	2,237	5,737	7,974
Change in F.T.E. Personnel	0.0	3.2	9.4	12.6

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	53,333	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2015

Itasca Facilities Improvements

2010 STATE APPROPRIATION REQUEST: \$3,667,000

AGENCY PROJECT PRIORITY: 5 of 6

PROJECT LOCATION: Itasca State Park

Project At A Glance

- ◆ The Itasca Biological Station is a living laboratory serving over 150 students and faculty.
- ◆ The current station facilities are obsolete and energy inefficient.
- ◆ The new facility will be a year round facility and multi-purpose building to support research, education, and outreach functions of the station and will include renovations to the historic Lakeside Laboratory.

Project Description

The Itasca Biological Station is a unique setting within Itasca State Park that serves as a living laboratory for 150 students/faculty daily in the summer (75 in winter). It provides innovative research and education programs in experimental hands-on environment for undergraduate and graduate students.

The new campus center will be a 10,800 gross square foot year-round facility and a multi-purpose building to support the research and outreach functions of the Itasca Biological Station and renovate the existing classroom in the historic Lakeside Lab.

In addition, the project will remove a number of obsolete single-function buildings which will save energy and operational costs. The project also moves the station toward its goal of energy self-sufficiency as its site orientation will allow for the use of passive solar energy and earth or sod roofing to minimize northern exposure.

Project Rationale

The project will allow the station to continue to provide research and education programs in an experimental, hands-on environment while improving the energy efficiency of the Biological Station.

Impact on Agency Operating Budgets (Facilities Notes)

Since the project will remove obsolete and energy inefficient buildings, it is anticipated that operating costs will remain the same or be even lower.

The estimated annual repair and replacement cost for this project is \$209,000. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

None.

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Governor's Recommendations

The Governor does not recommend capital funds for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	15	0	0	15
3. Design Fees	0	315	0	0	315
4. Project Management	0	400	0	0	400
5. Construction Costs	0	4,011	0	0	4,011
6. One Percent for Art	0	30	0	0	30
7. Relocation Expenses	0	89	0	0	89
8. Occupancy	0	180	0	0	180
9. Inflation	0	460	0	0	460
TOTAL	0	5,500	0	0	5,500

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	3,667	0	0	3,667
State Funds Subtotal	0	3,667	0	0	3,667
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	1,833	0	0	1,833
TOTAL	0	5,500	0	0	5,500

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
Compensation -- Program and Building Operation	0	16	63	79
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	21	84	105
Building Repair and Replacement Expenses	0	42	165	207
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	79	312	391
Revenue Offsets	0	0	0	0
TOTAL	0	79	312	391
Change in F.T.E. Personnel	0.0	0.1	0.3	0.4

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,667	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2015

General Laboratory Renovation

2010 STATE APPROPRIATION REQUEST: \$6,667,000

AGENCY PROJECT PRIORITY: 6 of 6

PROJECT LOCATION: System-wide

Project At A Glance

- ◆ This project will improve and upgrade laboratory facilities system wide.
- ◆ Updated research facilities are critical to continuing the University of Minnesota's strong record of research discoveries.
- ◆ Updated research laboratories provide the margin-of-excellence that is needed to attract and retain top researchers and competitive grant awards, both vital to the University's national competitiveness.

Project Description

This request is for funds to be used on all campuses, in making targeted, strategic investments in research laboratory space to provide cutting edge technology in laboratory facilities, to improve the University's national competitiveness, and enhance faculty recruitment and retention.

Project Rationale

Modern research facilities are essential to the University's ability to recruit and retain exceptional researchers; without state-of-the-art laboratories in which to conduct their research, faculty will choose other institutions with better facilities. Research funding and national competitiveness depend upon an institution's researchers, and state-of-the-art laboratories are the foundation of the solid research program at the University of Minnesota.

Impact on Agency Operating Budgets (Facilities Notes)

Due to the fact that these laboratories are housed in existing University of Minnesota buildings, there will be no additional calculated operating costs. Any additional faculty and programmatic cost increases will be addressed by

the University. In addition to providing much needed technological updates, these projects will improve energy efficiency and long-term operations of the University's research facilities.

The estimated annual repair and replacement cost for this project is \$700,000. This amount is equivalent to the annual depreciation of the laboratory components such as interiors, mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

The University received \$3 million for lab improvements in 2008.

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Governor's Recommendations

The Governor recommends state general obligation bonding of \$6.667 million for this project, supplemented with \$3.333 million in University-issued bonds. Also included are budget planning estimates of \$6.667 million in 2012 and 2014.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	400	800	800	800	2,800
4. Project Management	250	500	0	0	750
5. Construction Costs	4,350	7,709	9,200	9,200	30,459
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	991	0	0	991
TOTAL	5,000	10,000	10,000	10,000	35,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	3,333	6,667	6,667	6,667	23,334
State Funds Subtotal	3,333	6,667	6,667	6,667	23,334
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	1,667	3,333	3,333	3,333	11,666
TOTAL	5,000	10,000	10,000	10,000	35,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	250	1,000	1,250
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	250	1,000	1,250
Revenue Offsets	0	0	0	0
TOTAL	0	250	1,000	1,250
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	6,667	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2015