



4/18/2023

Finance Division

# Facilities Overview

**Brian Yolitz, Associate Vice Chancellor - Facilities**

**Michelle Gerner, System Director, Capital Planning and Analysis**

MINNESOTA STATE

# Purpose

- Inform the Finance and Facilities Committee on the scope of Minnesota State owned and operated facilities and real estate.
- Provide an overview of the governance structure and resourcing avenues.
- Review strategic metrics on resource streams, condition, and utilization.
- Highlight future board actions and activities.



# Strategic questions

- Who are our students when a digital platform like Zoom allows up to 300 participants, of any age or location, to audit a class or hear a lecture?
- Who are our faculty when experts from around the world can log on to a class to teach or interact with students?
- And why have a campus when professors and students can teach and learn from almost anywhere in the world?

Thomas Fisher  
*Space, structures, and design  
in a post-pandemic world*



# Challenges and initiatives

- Challenges
  - Forecasting
    - Future of work
    - Future of learning
  - Enrollment
  - Resourcing
  - Inflation
    - Major construction
    - Operations and Maintenance
  - Staffing
  - Athletic facilities
- Initiatives
  - Comprehensive Facilities Planning
  - Facility condition assessments
  - Recommissioning



# Agenda

- Overview
- Governance
- State of plant
- Funding trends
- Utilization
- Future board actions



# Minnesota State physical space



- Access
- Sense of place
- Recruitment and retention
- Variety
- Assets
- Liabilities



# Buildings are a \$12.1 billion asset

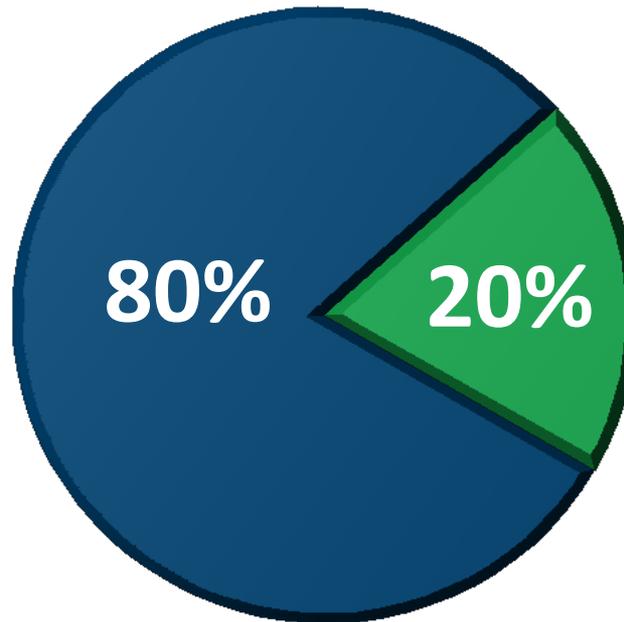
<b>All Space (Sq. ft.)</b>	<b>28.6 million</b>
General fund space (sq. ft.):	22.5 million
Revenue fund space (sq. ft.)	6.1 million
<b>Current replacement value (CRV):</b>	<b>\$12.1 billion</b>
<b>Backlog/deferred maintenance:</b>	<b>\$1.6 billion</b>
Facilities Condition Index (FCI)	0.13
<b>Renewal need (10 year):</b>	<b>\$1.4 billion</b>
<b>10-year investment need</b>	<b>\$3.0 billion</b>

*Source: VFA Facility, FY2022*

# Minnesota State facilities

## Academic spaces:

- 2,000 Classrooms
- 1,750 Labs
- Offices
- Plant Operations



## Revenue Fund:

- 45 Residence Halls
  - 10,900 Beds
- 6 Dining Facilities
- 9 Student Unions
- 7 Parking Ramps
- 3 Wellness Centers

■ Academic - General Fund    ■ Revenue Fund - Auxiliary

# Significant leased spaces

Location	Institution	Square Footage	Use
1450 Energy Park	Metropolitan State University	58,368	Undergrad, graduate programs
Downtown Duluth	Lake Superior College	30,200	Undergrad programs
7700 France	Minnesota State University, Mankato	17,961	Graduate programs
Plymouth Road	St. Cloud State University	12,687	Graduate programs
400 Broadway	Winona State University	11,170	Graduate programs



# Roles and responsibilities

Role / Position	Responsibilities
<b>Board of Trustees</b>	<ul style="list-style-type: none"> <li>• Strategic direction and intent</li> <li>• Capital program approval and oversight</li> <li>• Contract approval &gt;\$1M</li> </ul>
<b>Chancellor – system office</b>	<ul style="list-style-type: none"> <li>• Program management</li> <li>• Subject matter expertise, coaching and mentoring</li> <li>• Procedures, guidelines, standards, and compliance</li> <li>• Contract approval: &lt;\$1M</li> </ul>
<b>Presidents – CFO and facilities</b>	<ul style="list-style-type: none"> <li>• Project management, execution, and delivery</li> <li>• Scope, budget, and schedule</li> <li>• Approvals</li> <li>• Contract approval:               <ul style="list-style-type: none"> <li>- Professional technical: &lt;\$100K</li> <li>- Construction: &lt;\$250K</li> </ul> </li> </ul>



# Facility funding

Funding avenue	Cost or investment	Type of Facility	Notes and considerations
General Operating Funds	Operations, maintenance, small repair and renovation projects	Academic	<ul style="list-style-type: none"> <li>• Tuition, fees, and state appropriations</li> </ul>
General Obligation Bonds	Capital investments, new construction, replacement, major renovation and asset preservation	Academic	<ul style="list-style-type: none"> <li>• State bond sales</li> <li>• Responsible for 1/3 debt</li> <li>• Tuition and state appropriations</li> </ul>
Revenue Fund operating / reserves	Operations, maintenance, small repair and renovation projects, contributions to capital projects	Auxiliary	<ul style="list-style-type: none"> <li>• Fees and service charges</li> </ul>
Revenue Fund Bonds	Capital investments, new construction, replacement, major renovation and asset preservation	Auxiliary	<ul style="list-style-type: none"> <li>• System Revenue Fund bond sales</li> <li>• Full debt responsibility</li> <li>• Fees and service charges</li> </ul>
Other Sources	Capital investments, new construction, replacement, renovation	Varies	<ul style="list-style-type: none"> <li>• Donations</li> <li>• Grants</li> <li>• Local taxes</li> </ul>

# Board policy – Chapter 6 Facilities Management

- **6.9 Capital Planning**
  - Comprehensive Facilities Plans
  - Capital program guidelines and recommendations
- **6.10 Design and Construction**
  - Procedures, standards, and oversight practices
- **6.11 Facility Management and Operations**
  - Efficient and effective management
  - Fulfill their mission of teaching, research, and public service.
  - Sound stewardship
- **6.7 Real Estate Transactions and Management**
  - processes regarding acquisition, sales, leasing, and any other real estate
- **6.8 Naming Buildings, Sites and Common Areas**
  - Chancellor authority to approve
  - Recommendation and consultation process outlined in system procedure 6.8.1



# Comprehensive Facilities Plans

## Product:

- Assessment of facilities support of academic programming and campus mission, Strategic Framework
- Documents short-, mid-, and long-range capital plans
- Recent shift toward focus on sustainability and resilience

## Process:

- 5 year cycle, 9-12 month process
- Consultant facilitated
- Campus and community discussions
- Chancellor approves final plan



# Design and construction

## State statute and rule driven

- Life cycle cost and sustainability (B3)

## Delegated execution

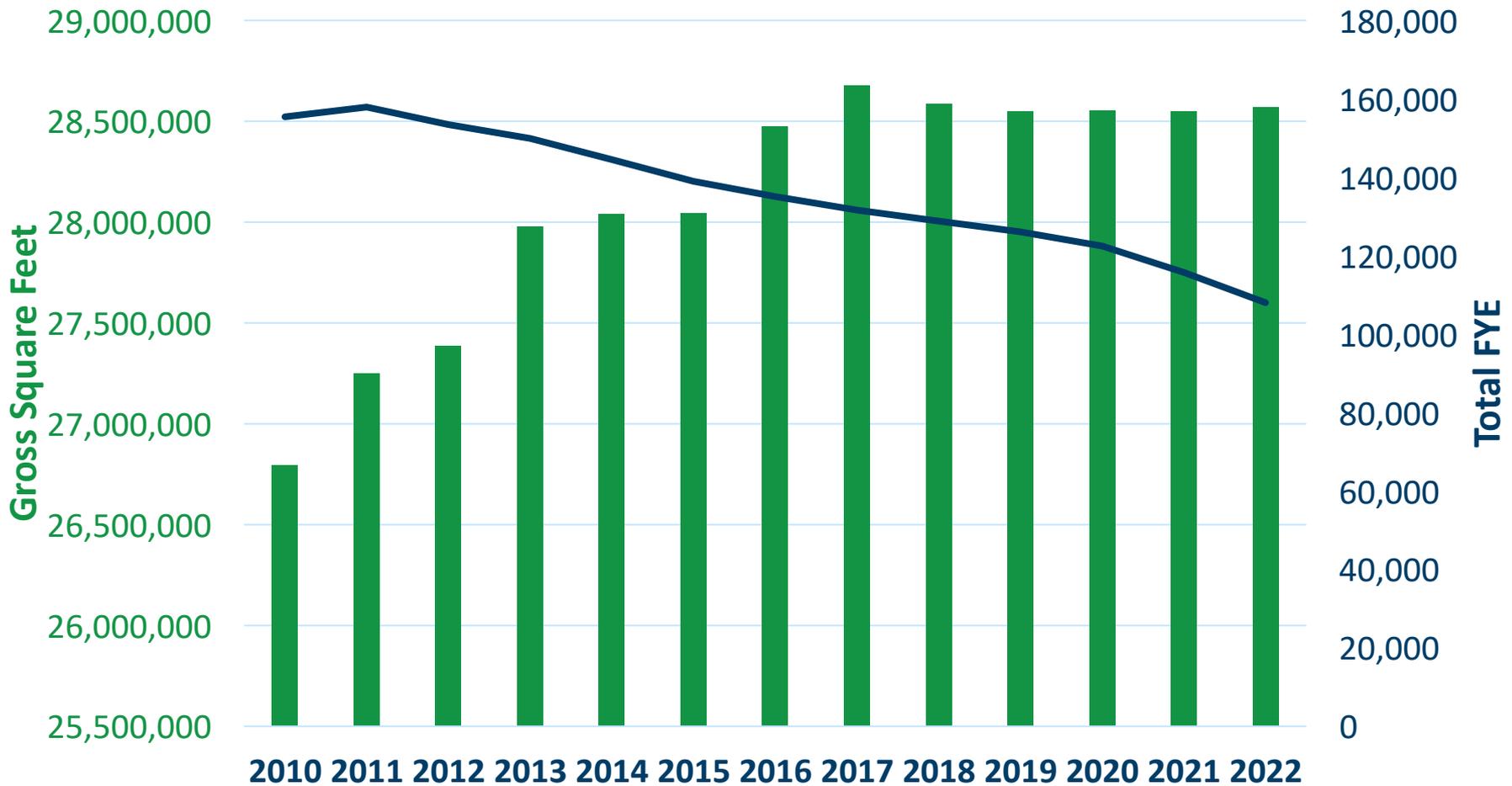
- Program vs project management

## Tools and resources

- Design standards
- e-Manual and e-Builder
- Specialty consultants and commissioning



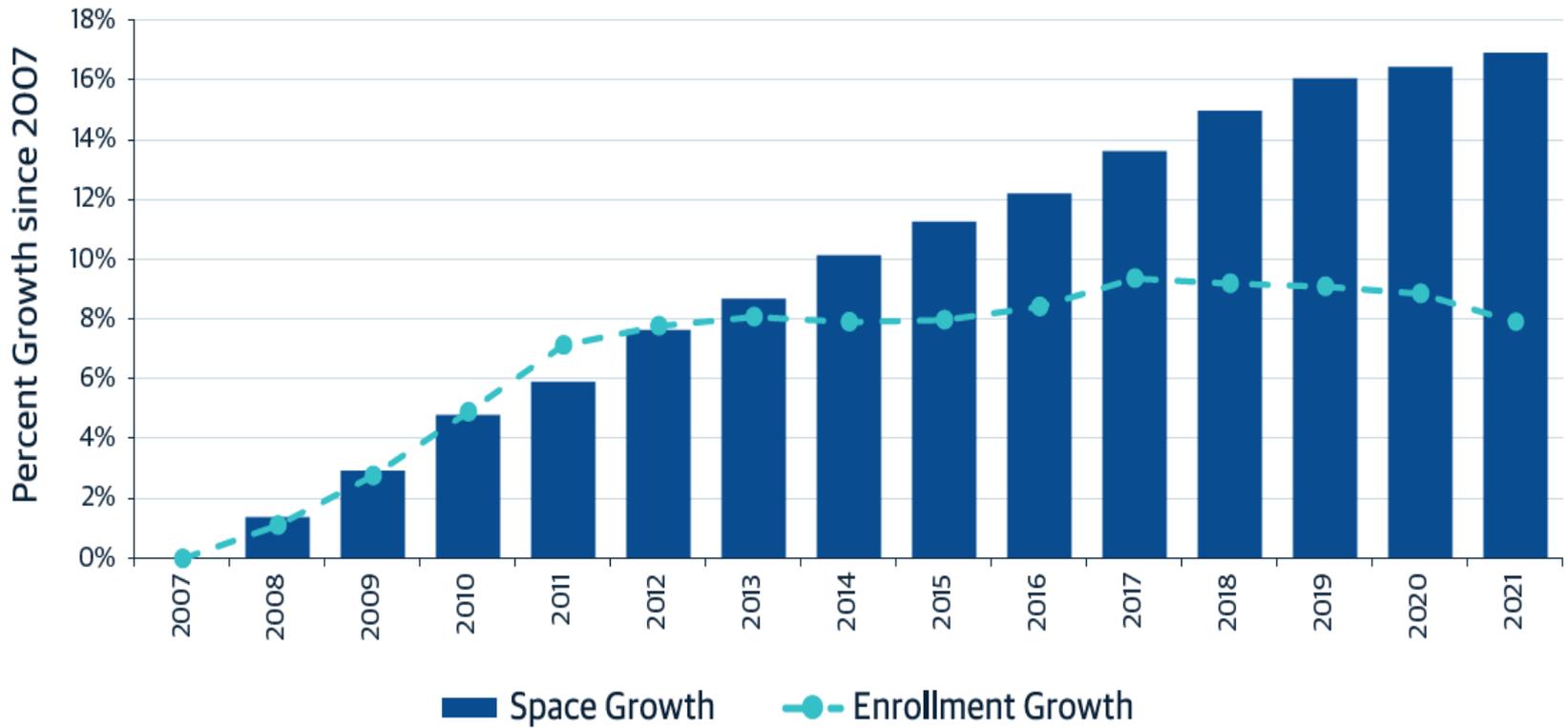
# Space (GSF) vs. enrollment (FYE)



# Consistent with national trends

Campus Growth Remains an Acute Liability

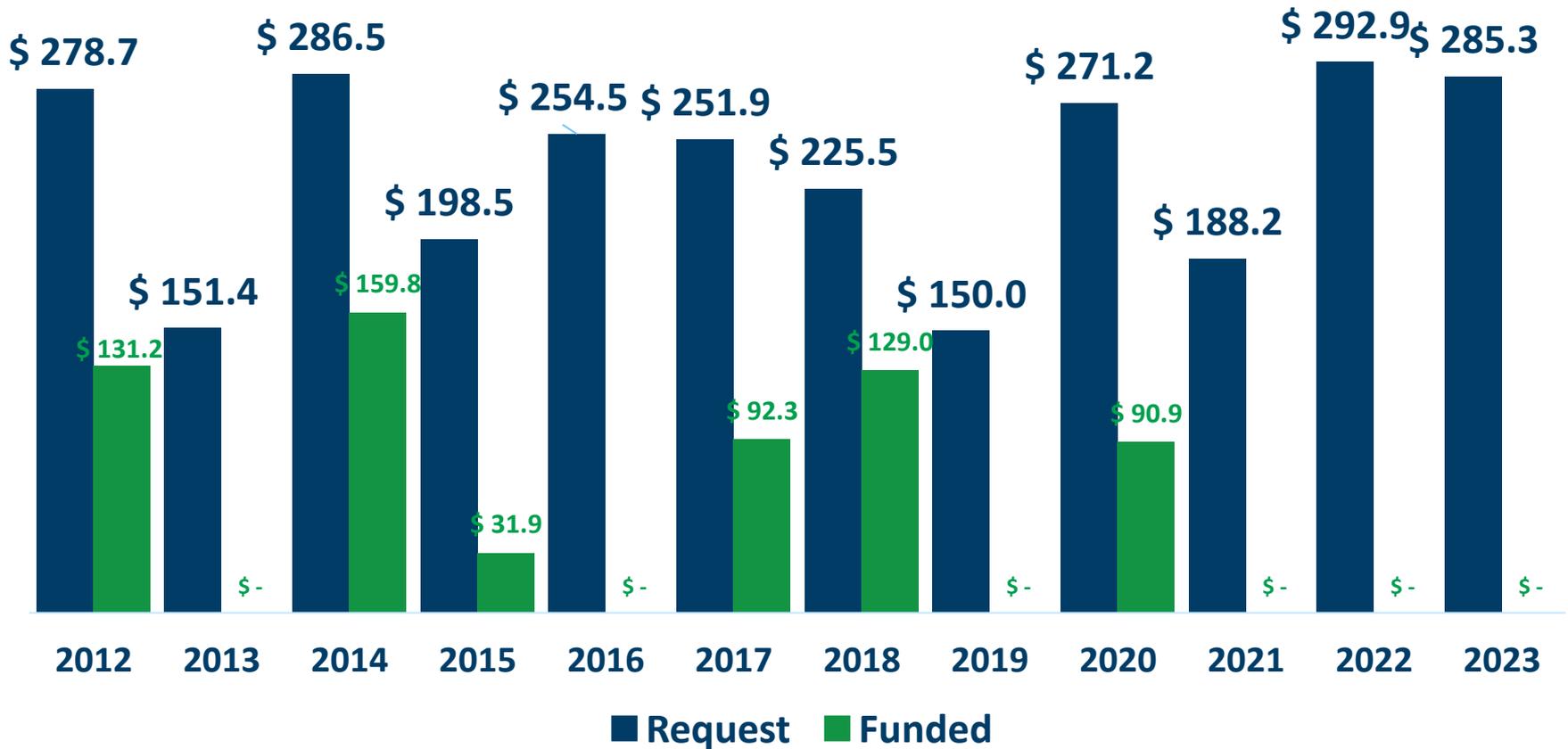
## Space Growth vs. Enrollment Growth



Source: *White Paper: Finance, Facilities and Planning: Rethinking the framework for Collaboration in Higher Education*, APPA, Gordian, NACUBO

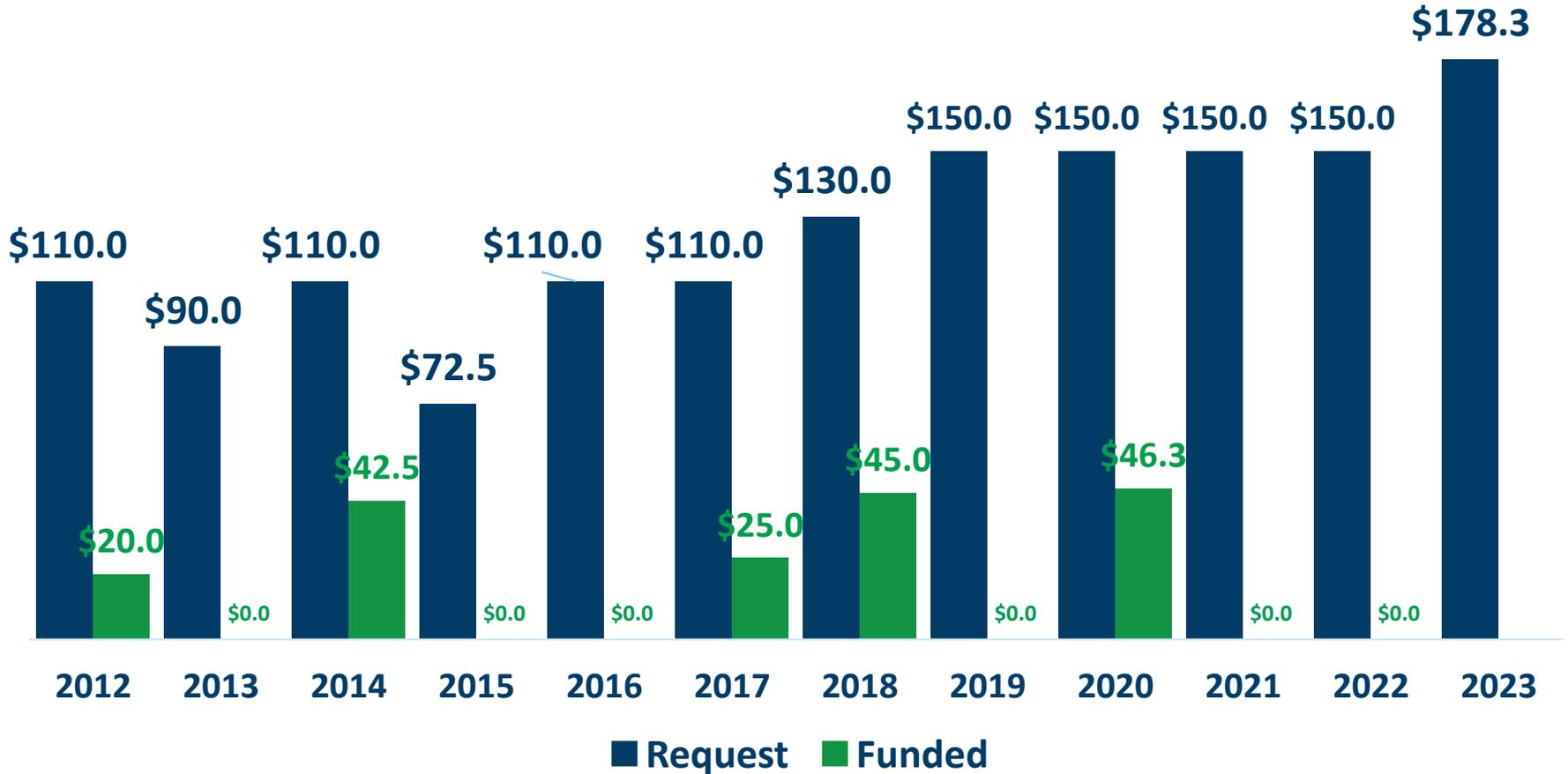
# Capital bonding history

Requested vs Funded (\$M)



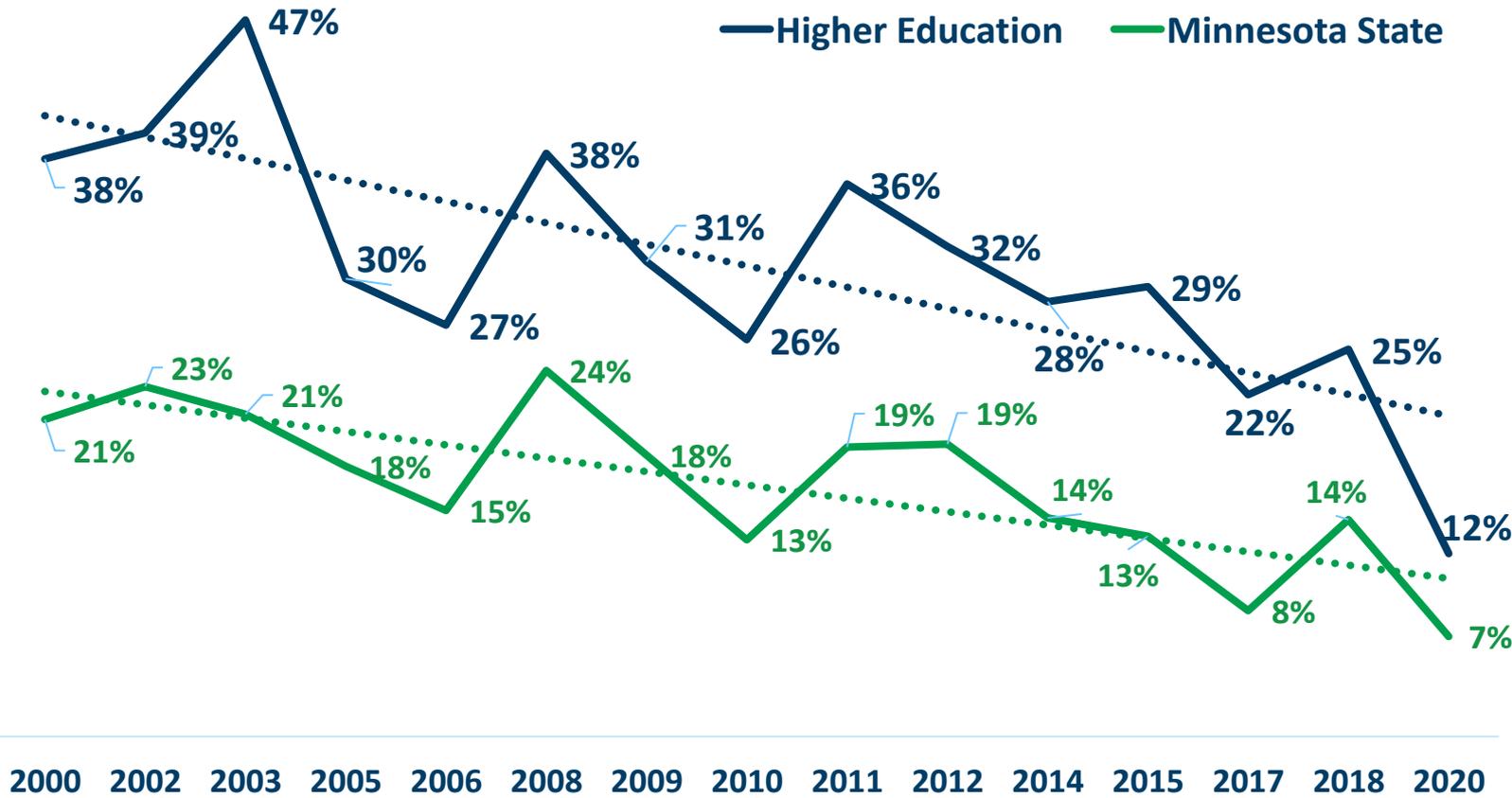
# HEAPR funding history

Requested vs Funded (\$M)



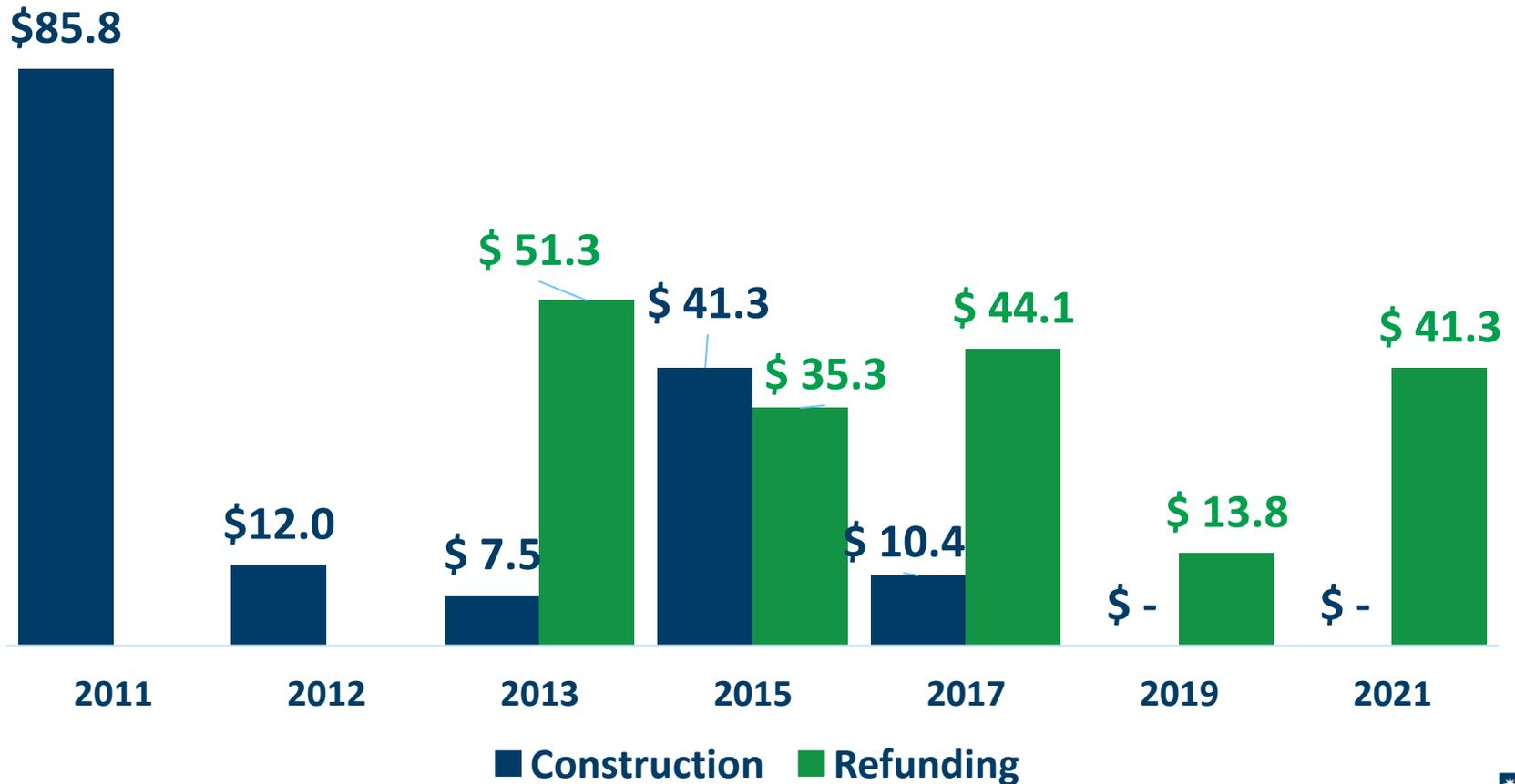
# Capital investment in higher education

Percent of total state GO investment



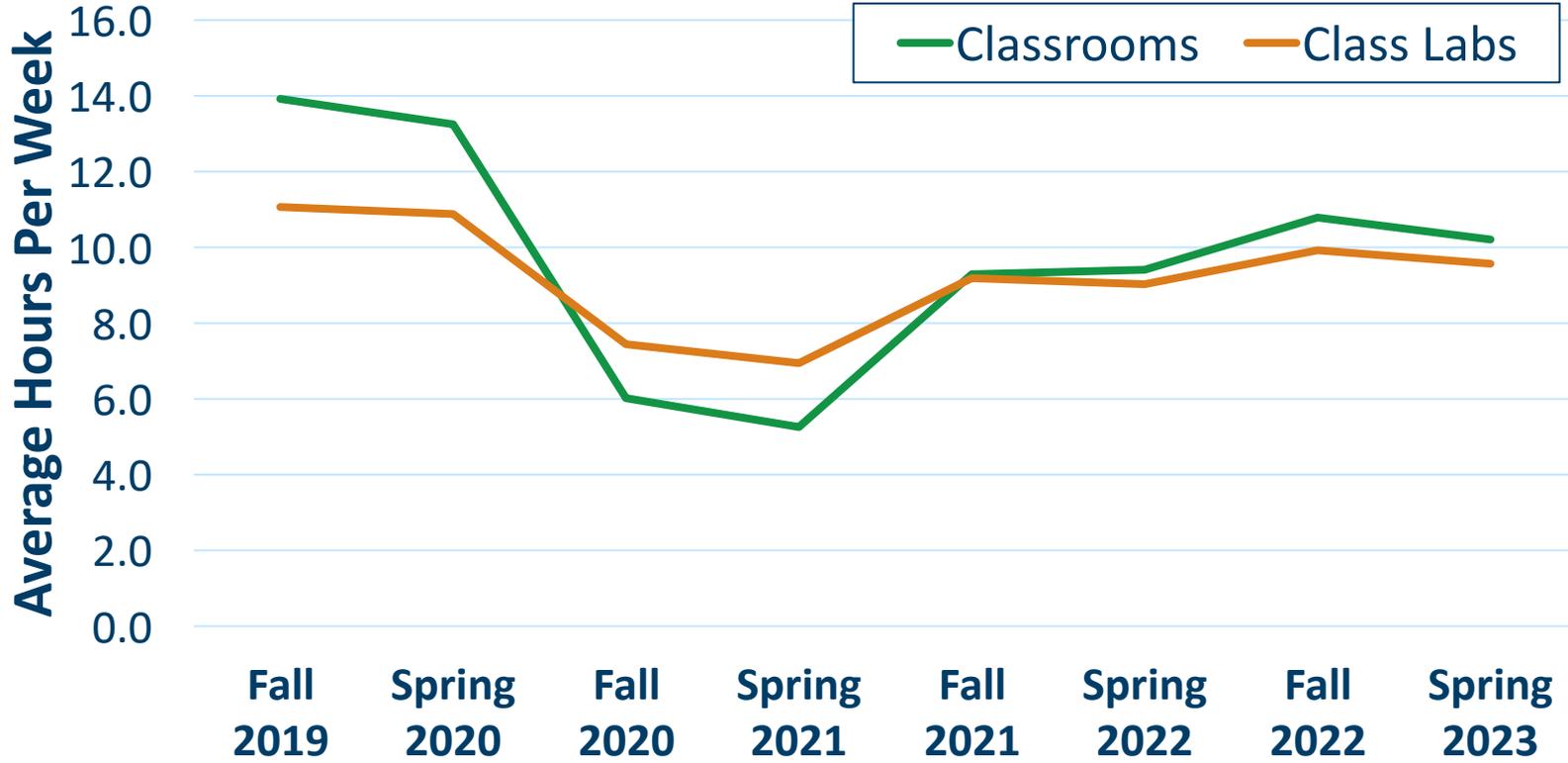
# Revenue Fund bond sales

Construction vs Refunding (\$M)



# Weekly room utilization

## Classroom vs Class Lab



*(Minnesota State benchmark: 32 hours/week)*

# Room use intensity

% of benchmark - **high** to **low**

	M	T	W	Th	F
7a	2.6	2.8	2.7	2.7	1.4
8a	18.3	19.5	18.8	19.2	10.8
9a	31.3	32.3	31.7	31.6	18.4
10a	35.3	37.0	35.6	36.4	20.1
11a	31.6	34.8	32.0	34.3	17.5
12p	26.4	28.0	26.3	27.3	12.0
1p	31.5	32.8	32.5	31.6	11.9
2p	26.9	28.0	28.6	27.0	7.9
3p	17.6	16.9	19.4	16.9	3.9
4p	11.3	11.2	11.7	10.9	1.7
5p	8.3	7.8	8.4	7.1	0.8
6p	12.3	12.6	12.6	9.9	0.7
7p	10.7	11.0	10.7	8.6	0.6
8p	7.3	7.2	7.1	5.8	0.5
9p	2.0	1.8	2.0	1.5	0.2

Fall 2019

	M	T	W	Th	F
7a	2.2	2.5	2.4	2.6	1.3
8a	11.7	12.3	12.9	12.6	6.7
9a	16.9	18.3	18.1	18.4	9.7
10a	18.6	19.8	19.5	19.8	10.7
11a	15.9	17.2	17.0	17.6	9.3
12p	12.9	13.5	14.0	12.8	6.2
1p	16.2	16.1	16.9	15.6	6.6
2p	14.5	15.6	15.7	14.6	4.9
3p	9.9	10.7	11.7	10.1	2.8
4p	6.4	6.8	7.1	6.1	1.1
5p	4.5	4.3	5.0	3.9	0.6
6p	4.6	4.7	5.1	4.0	0.6
7p	3.7	3.8	4.2	3.2	0.5
8p	2.2	2.6	2.6	2.2	0.3
9p	0.5	0.5	0.5	0.5	0.1

Fall 2020

	M	T	W	Th	F
7a	2.6	2.7	2.6	2.7	1.4
8a	14.1	15.9	15.2	15.2	8.3
9a	24.2	26.8	24.6	24.9	14.2
10a	26.7	29.6	26.3	27.7	14.8
11a	23.6	27.5	23.2	26.2	13.1
12p	19.1	21.2	19.0	19.3	8.9
1p	23.1	24.7	22.4	22.6	8.9
2p	19.9	22.2	19.8	20.5	5.9
3p	13.4	14.9	13.8	13.5	3.2
4p	8.1	9.1	8.6	8.0	1.6
5p	5.8	5.8	6.1	5.2	0.7
6p	7.0	7.3	7.1	6.0	0.6
7p	5.9	6.1	5.9	4.8	0.5
8p	3.5	3.4	3.6	2.9	0.3
9p	0.7	0.7	0.8	0.7	0.1

Fall 2021

	M	T	W	Th	F
7a	2.4	2.6	2.8	2.8	1.3
8a	16.0	17.1	16.8	17.9	8.8
9a	27.7	27.9	27.4	29.1	15.6
10a	31.1	31.4	30.7	32.6	16.3
11a	27.7	27.8	27.4	29.5	14.3
12p	22.3	22.5	21.8	22.8	9.5
1p	26.4	26.9	26.6	26.8	9.8
2p	22.5	23.4	23.2	23.2	6.2
3p	13.5	14.8	15.1	13.9	3.3
4p	8.4	9.2	9.3	8.4	1.7
5p	5.5	5.5	6	5.4	0.8
6p	7.4	7.3	7.7	6.7	0.8
7p	6.5	6.1	6.5	5.6	0.7
8p	3.9	3.6	4	3.5	0.5
9p	0.9	0.7	0.9	0.8	0.2

Fall 2022

# Board actions and activities

- Approve: 2024 Capital Bonding Request
  - First Reading: May 16/17, 2023
    - 2023 Legislative Session ends Monday, May 22
  - Second Reading: June 20/21, 2023
- Participate: Bonding Tours
  - House and Senate Capital Investment Committees
  - Minnesota Management and Budget
  - Governors Office
  - August – December 2023
- Approve: 2026 Capital Program Guidelines
  - Set program focus and scope
  - January / March 2024





# MINNESOTA STATE

30 East 7th Street, Suite 350  
St. Paul, MN 55101-7804

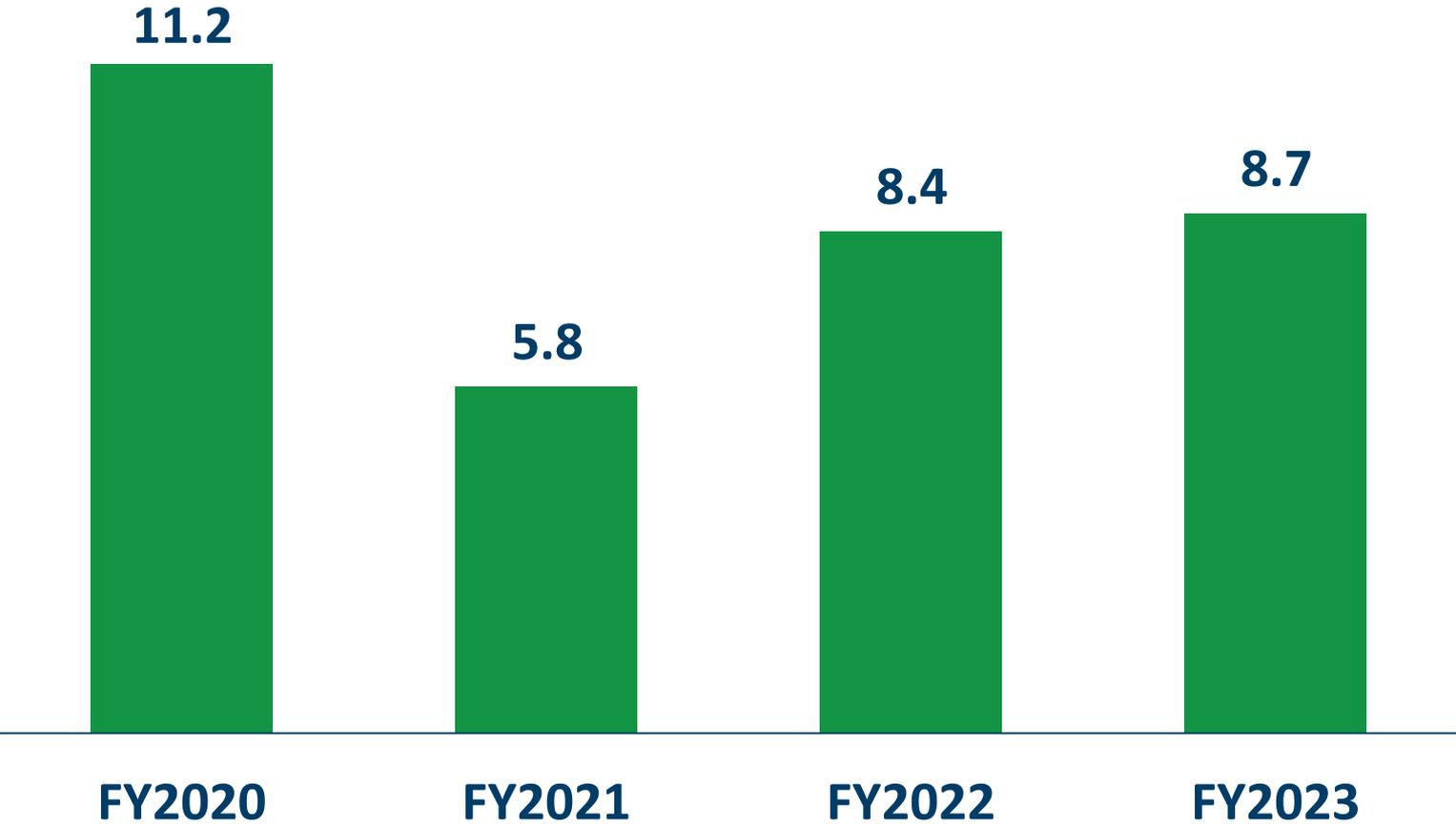
651-201-1800  
888-667-2848

[MinnState.edu](https://www.minnstate.edu)

This document is available in alternative formats to individuals with disabilities.  
To request an alternate format, contact Human Resources at 651-201-1664.  
Individuals with hearing or speech disabilities may contact us via their preferred Telecommunications Relay Service.  
Minnesota State is an affirmative action, equal opportunity employer and educator.

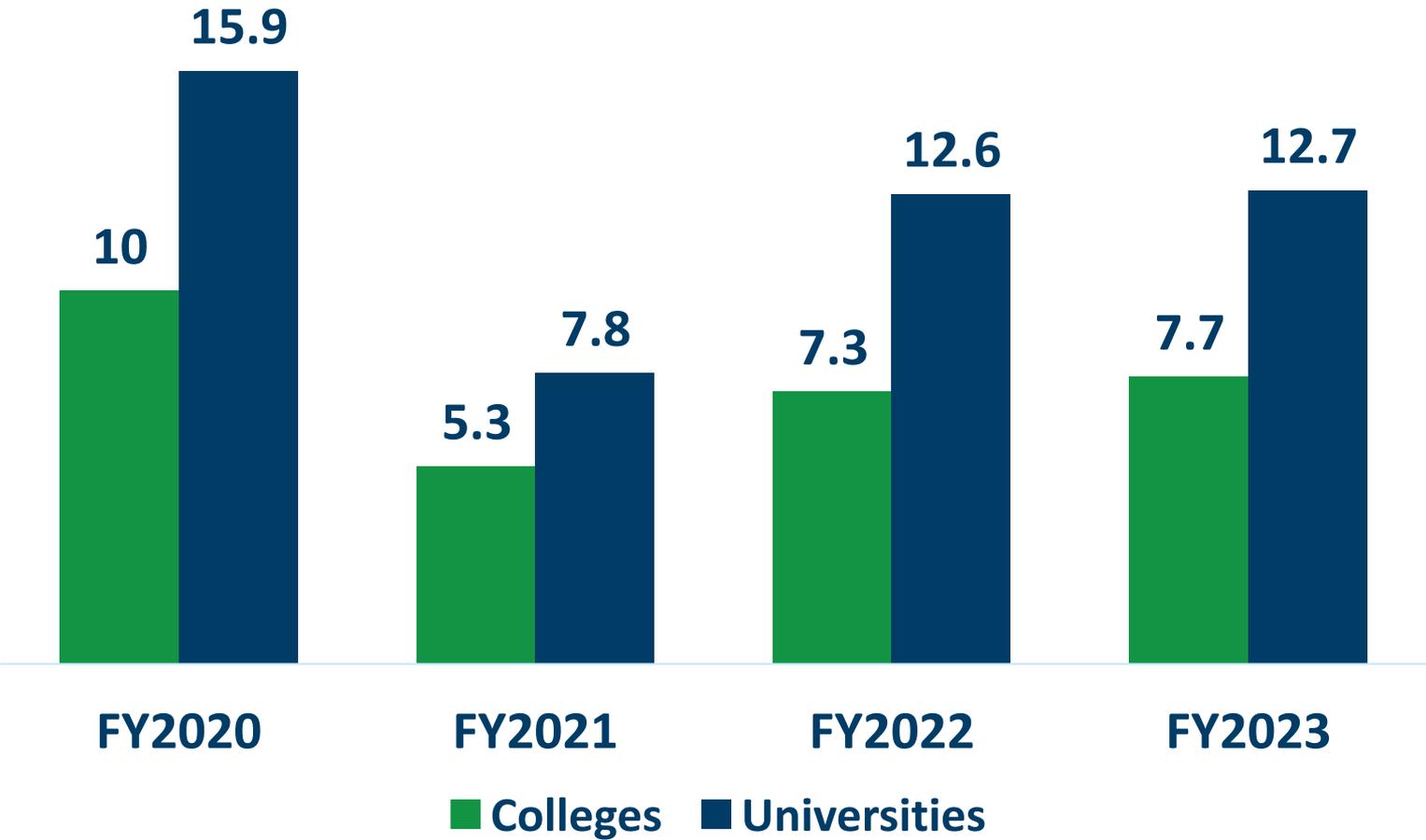
# Weekly space utilization hours

For-credit scheduled classrooms and labs



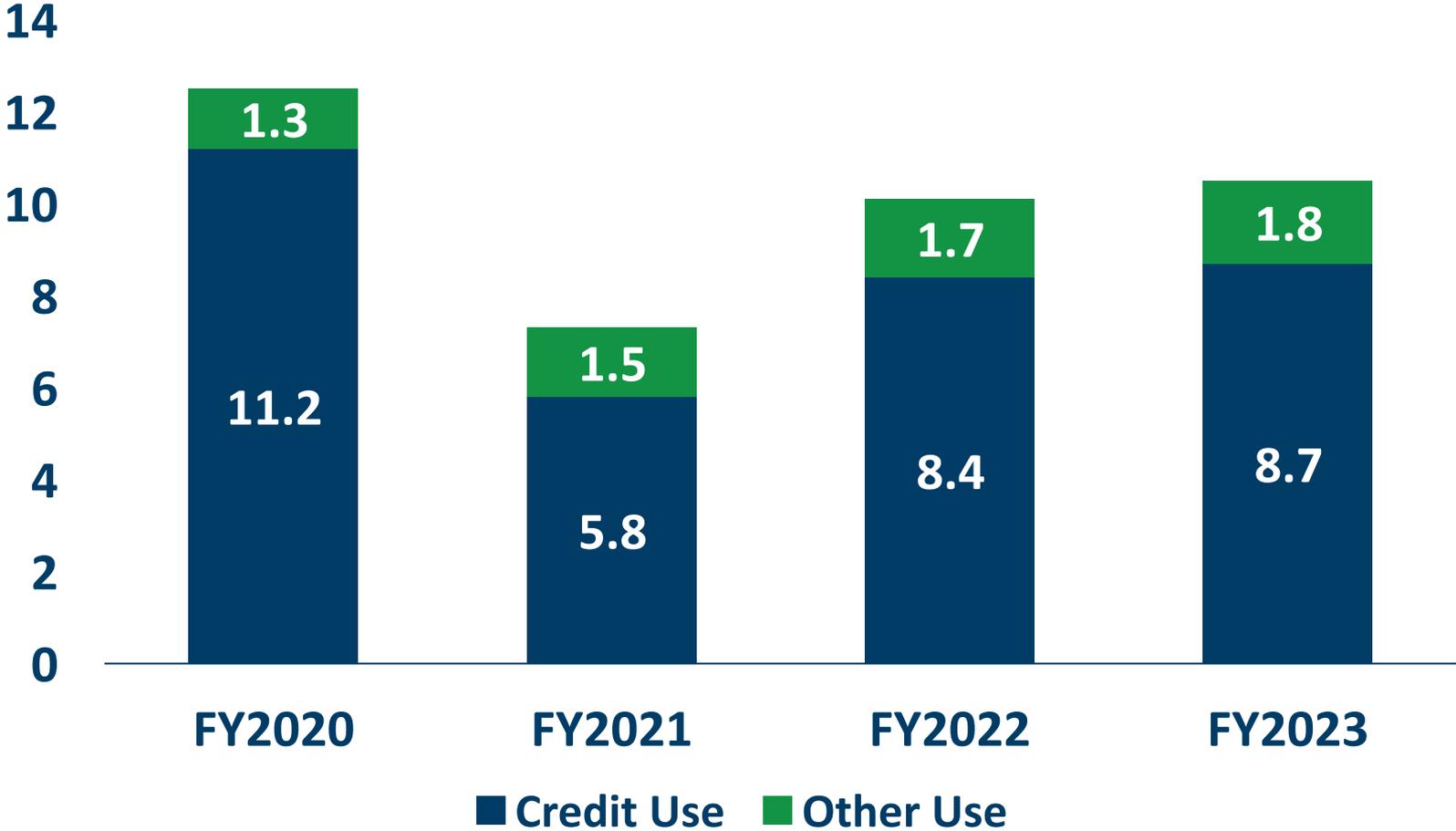
# Weekly space utilization hours

## For-credit sector breakout



# Weekly space utilization hours

Classroom and lab - credit and other use



# Statutory basis

## **136F.05 Missions.**

...efficient use of the facilities and staff...

...control administrative costs...

## **136F.06 Powers and Duties.**

...protecting statewide interests, ...provide autonomy to the campuses while holding them accountable...

...better target the use of state resources

...achieve budgetary savings and efficiencies...



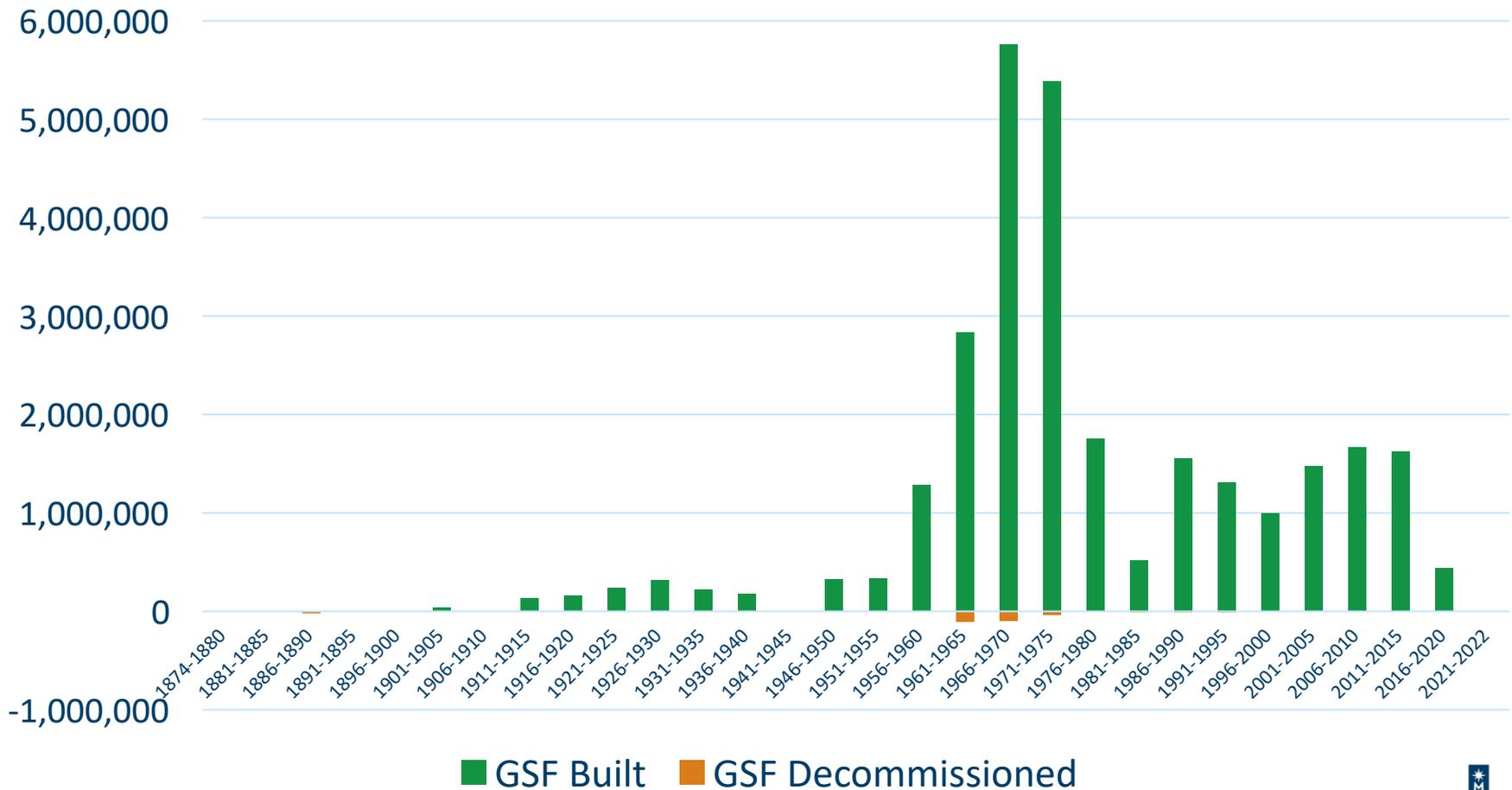
# Capital project funding

	Capital Bonding	Revenue Fund Bonds
<b>Purpose</b>	Academic facilities	Dormitories, unions, dining, parking, or others
<b>Funding approval</b>	<ul style="list-style-type: none"> <li>• Board prioritizes</li> <li>• Legislature/governor approve</li> </ul>	Board approves
<b>Debt Responsibility</b>	1/3 debt on major projects	Full debt, NTE \$405M
<b>Debt payment source</b>	Tuition and state appropriations	User fees
<b>Total/Annual Debt Service</b>	\$153.8M / \$24.8M	\$172.8M / \$22.6M

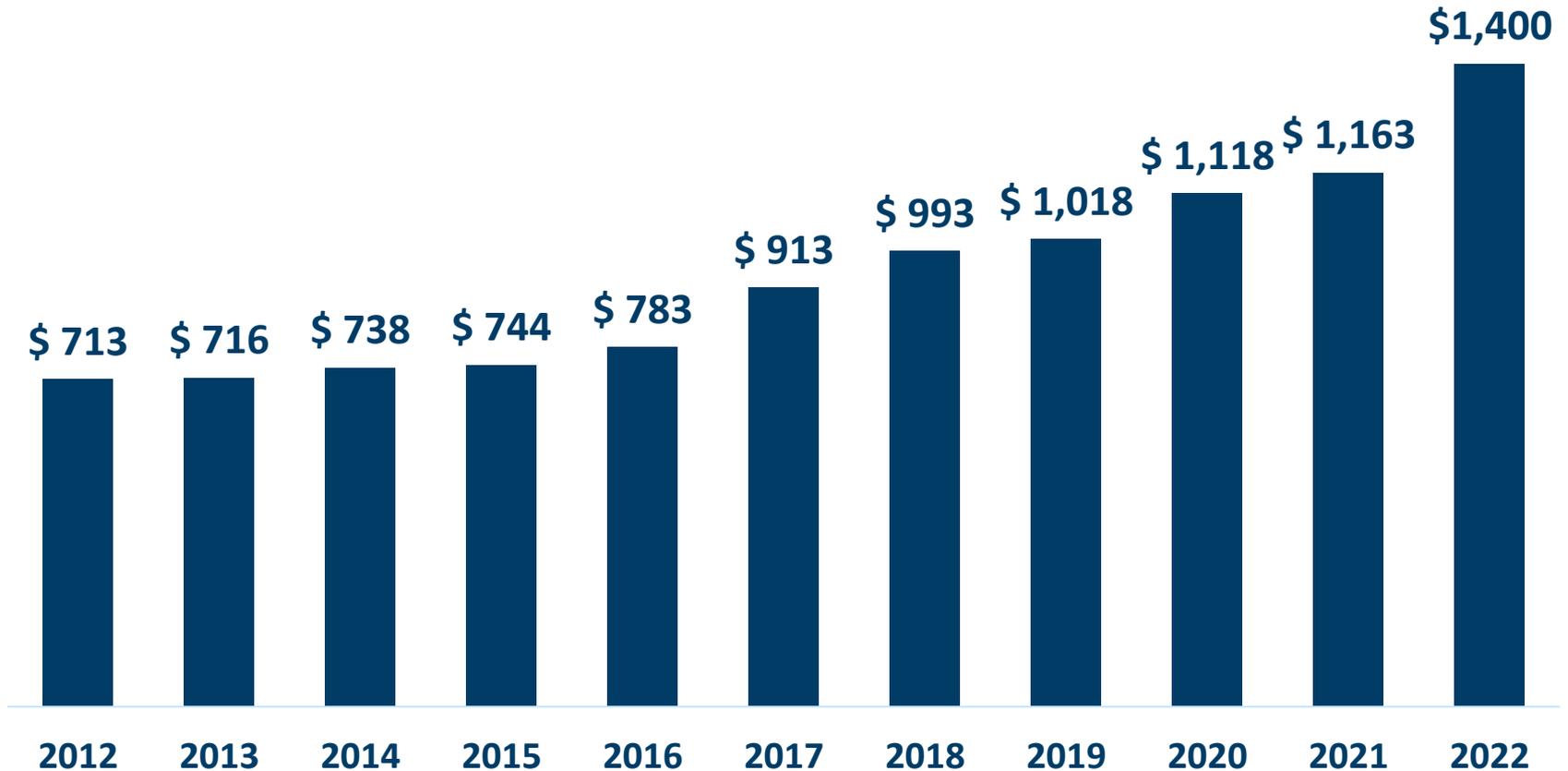


# Middle-aged buildings

All Buildings Gross Square Feet (GSF) by Year Constructed

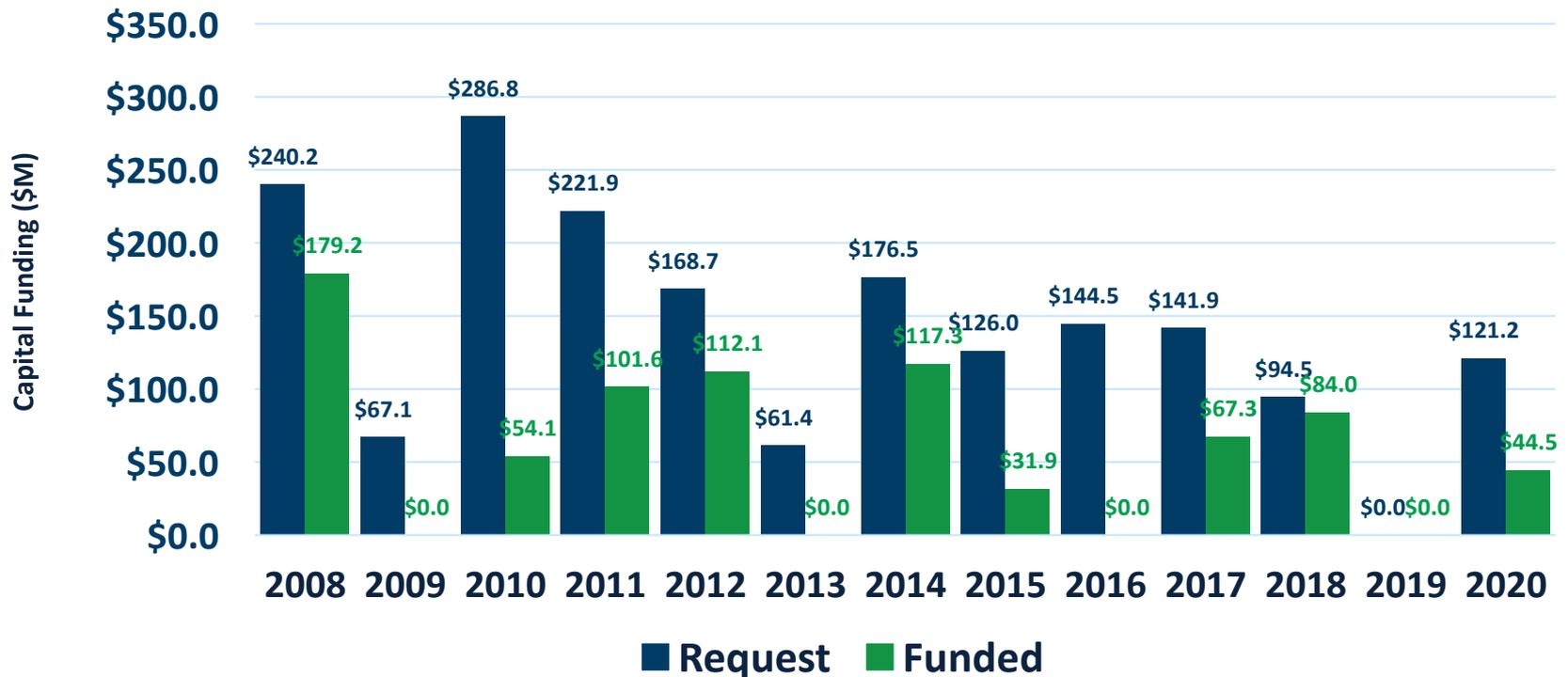


# Backlog of maintenance (\$000)



# Major Capital Project Funding History

## Requested vs Funded



# Capital Funding History

## Total GO Funding Received

