

Rochester Higher Education Development Committee
Meeting Minutes for October 14, 2005

Time: 7 a.m. – 10 a.m.

Location: Edina Realty Rochester, 1301 Salem Road SW, Rochester, MN

Members Present:

Al Berning

Bob Hoffman

Dr. Wendy Shannon

Marilyn Stewart

Dr. David Metzen

Drew Flaada

Michael Vekich

Al DeBoer

Jayne Rankin

Dr. Claire Bender

Members not Present:

Dwight Gourneau

Others Present:

Dr. Cheryl Maplethorpe

Dr. Christine Barajas

Don Supalla

Dick Westerlund

Alison Good

Jim Clausen

Rev. Bruce Buller

Gail Sauter

Dr. David Carl

Senator Shiela Kiscaden

Faith Zimmerman

Kathy Meyerle,

Dr. Normana Kodigal

Regent Patty Simmons

Gary Smith(RAEDI)

Jane Campion

Jay Hesley

The meeting was called to order at 7:10 by Chair Marilyn Stewart.

The September 30 minutes were approved.

Chair Stewart reminded the Committee that the proposals submitted to the Committee's RFP would be reviewed after the Committee meeting was adjourned. She also asked if there were any questions regarding the report the UCR partners – RCTC, Winona State University, and University of Minnesota submitted concerning enrollment, transfer and graduates. There were none.

Chair Stewart reminded the Committee that the University of Minnesota's strategic positioning reports were distributed to the members earlier and were posted on the Rochester Committee web page. These reports should be reviewed before the presentation by President Bruininks on October 28th.

Chair Stewart introduced Dr. Hugh Smith, Chair, Board of Governors, Mayo Clinic Rochester and Vice President, Mayo Foundation. Dr. Smith congratulated the Committee on the good and important work it was doing. Mayo has five schools and five deans. Higher Education is more than just seats and classrooms. It contributes to the whole community. Today's science is too complex and expensive so partnerships are necessary. The topics are infinite. Research works with RUST resistant grains and develops seatbelts for cars. Mayo has struggled with the competition of public and private medical centers. Now Mayo and the University of Minnesota have 250 scientists working together on Minnesota partnership for biotechnology and medical genomics.. Mayo has worked with IBM to launch bio-infomatics.

Modern medicine is not just procedures and drugs. It is also intelligent management of information and pattern recognition. Mayo is the destination medical center for cutting edge medicine. Mayo provides today's medicine not yesterday's medicine so it needs partners. Right now there is a three way discussion between Mayo research funded by the Hormel Institute under the control of the University of Minnesota. Dr. Dong has discovered what turns a cancer cell on. He needs to partner with drug researchers. This collaboration breaks through barriers. He is partnering with a medical researcher, Dr. Pang.

Mayo has visiting professors and joint professorships. Partnerships are important.

Since January 2005 there has been an increase of 290 jobs, 83% in lab development. Mayo is at the end of air transportation growth. International medicine has slowed down because of visa problems. The big growth area in the future will be research and technology and Mayo will lead in this area. Mayo provides reference lab services for hospitals under 800 beds. One needed resource is space. Another needed resource is trained clinic lab researchers. Mayo could fill 50 more spots if they could find the workers. They need more clinical lab specialists. Mayo is working on it with the University of North Dakota. They have to either hire a lab technician with a BA and give them additional training, or hire someone with a chemical background and under-employ them. Neither one is the best use of the workforce.

There will be a lot of growth in the reference lab area because although Mayo will be the first to invent a new procedure but it will be quickly replicated in two months. Mayo will also be the first in information technology and that is harder to replicate.

Mayo exists in Scottsdale, Arizona and Jacksonville Florida. Jacksonville is struggling because they have not found an academic partner. Scottsdale, Arizona is thriving because of Arizona State University (ASU). Mayo in Rochester was excited with a new building that took four years to build but ASU built one four times as big in 18 months specifically for translational research. Rochester needs to be aware of the competition just within Mayo.

Why is research important? Hiring people who know yesterday's science is expensive to retrain. Mayo wants to hire people who are already trained in new medical technology. Education, practice, and research go together. That is why Mayo is excited about what this Committee is doing.

We will continue to need allied health staff. The projected retirements are scary. Mayo has taken its 2 year certificate programs and moved them to 4 year programs. Mid-level practitioner will need increased credentialing. We need doctorates in nursing. That means independent research, presentation, and defense of the dissertation. Society is requiring it.

Mayo spends \$5 million on tuition reimbursement. It is a great investment. That is why it is troubling when we can't get credits to transfer or can't get the next class in a sequence of classes when staff try to get the upper level courses. Students are frustrated with "maze running." There is a surplus of lower level classes that make money for the institution. It is hard to get the smaller lab courses because they are expensive to offer. If one institution offered the upper and the lower level courses, the institution could cross subsidize so the lower division courses could support the upper division courses.

You asked what Mayo is prepared to do. Mayo would support joint appointments and visiting professorships. Mayo has a spectrum of affiliations. They can provide faculty and they can provide students. They can also provide "steerage" by directing students to certain courses or reimbursing tuition at different

levels for different courses. Of the \$5 million in tuition support, \$2 million is for higher education courses. Mayo could provide more support if the credits are from certain institutions. Mayo can offer summer scholarships, internships, clinical placements. They can give mentorship with famous doctors and practitioners and help with career counseling. The willingness is there. "This is enlightened self-interest for Mayo ... we gain and we must give."

What does Mayo require? Mayo requires an excellent highly trained workforce, hassle-free patient travel, the ability to differentiate from competitors for applied translational research, a good tax environment. There are two 500 pound gorillas in reference lab firms and Mayo. The other two are in better tax environments than Rochester.

QUESTIONS:

Chair Stewart asked about urban classrooms.

Dr. Smith said the one year delay when the state didn't have a bonding bill really hurt the progress Mayo was making in research facilities. Mayo now has researchers with 2 grants doing research in a corner. The real capacity to offer urban classrooms can be realized through creative scheduling. The labs are used 9 to 5 by Mayo workers but working adults who want to take classes at night could use those labs. The University of Minnesota has the greatest capacity to deliver research. Form follows function. Once the classes to be delivered are decided, then the kind of classroom necessary can be decided. "Close and convenient are key."

Member Hoffman said that Mayo employees will want downtown classrooms for convenience.

Dr. Smith said the content of the class must dictate where the class is held. Convenience comes second. It is easier to drive 15 minutes anywhere in Rochester than it is to drive an hour and a half to get to the Twin Cities. It is also important to have academic offerings in Rochester in order to recruit good researchers. If the spouse is an academic, currently there are no opportunities to teach in Rochester so the couple will not move to Rochester. It is hard to get a couple of two married professional to move to Rochester.

Member Metzen asked what Dr. Smith has learned by looking at other places.

Dr. Smith said the Arizona State University is not thinking status quo. They are tearing down walls. If they have a multi-million dollar grant for sociologists they don't hire several sociologists and put them in the sociology department. They put one in urban planning and one in health, and one in engineering. There are problems with obesity, fuel shortage, city planning. Sociologists can help solve all those problems. Mayo has moved some faculty to industry to help with the collaboration process.

"If you are 2 steps ahead, you are a leader. If you are 10 steps ahead, you are a target. Arizona State University is 4 steps ahead, they are creative and they are dependent of state funding.

Member Berning said the Committee was looking for a business model and leveraging other funds. We need synergy so that $1 + 1 = 3$.

Dr. Smith said that National Institute of Health funding is available but is not growing. Tech transfer is important. When Mayo announced the partnership with the UM within about 6 weeks there were 250 scientists working on both sides. Mayo doesn't have chemical engineers or cell structure researchers. The University of Minnesota opened up an office of technology transfer and the Mayo office is right beside it but that's 90 miles away. I would love to see an office of technology transfer in Rochester.

Mayo sent an offered a request for proposals for practical innovation product development with \$1 million available. They received 72 proposals. Mayo's tech transfer team reviews 7 to 8 proposals a week and they think that 30 to 40 will be successful in product development. The tough part is intellectual property. Mayo has already worked this out through the University of Minnesota. They have the logistics and the licensing worked out with the UM.

Member DeBoer asked what was missing in Rochester.

Dr. Smith said that research creates product development. He said that teachers love to teach but research questions turn them on. Minnesota is missing venture capital.

Member DeBoer asked since Mayo and the UM are already working together what can be added to fuel the growth.

Dr. Smith said "We always have that 90 miles and you lose something with that distance. Innovation happens at the boundaries. If you put two scientists with two different disciplines together you will get innovation. You don't know what you don't know. Interacting with another group help you know what you don't know. "It is hard to have continual interaction when the UM is 90 miles away. When we look for partners it is both distance and composition that counts. It would be harder to partner with Winona State because they don't do research.

Member DeBoer said in order to have the UM in Rochester there must be students. The students will have to come from a wider area than just Olmsted County. What would bring students here from Hong Kong?

Dr. Smith said that an employment opportunity with IBM or Mayo would bring them to Rochester. If a student graduates from Rochester it will be easier to recruit them here for employment. "You can't be a mile wide and an inch deep." You have to commit. Rochester is a great community but it is hard to recruit people to work here especially if they graduated in the south. Once they get through a couple of winters, they stay. Rochester should be a magnet for education and for employment.

Member Hoffman said that the economics will be the most critical to get from point A to pint B. We may know what we want 10 years from now but what should the first step be?

Dr. Smith said that the Committee needed to decide. The Committee should do an analysis of the current course offerings and ask why students leave or take web-based courses. Do a gap analysis. Determining the pent up demands should be the first step. You should build from the needs of the community. Don't start with just "nice to have" courses. Build what the community needs.

Member Hoffman commented that being research driven and being able to differentiate from competitors with research and development seemed like a graduate function – not an undergraduate function.

Dr. Smith advised the Committee to chip away and define what you need. The future of medicine will be procedures and information. That is how information technology will be used in the economy.

Chair Stewart reminded the Committee that there will be pre-requisite courses for the graduate courses.

Member Shannon asked if Dr. Smith thought the Committee should only focus of graduate programs or also on adequate undergraduate programs.

Dr. Smith said the industry in general should get more involved with schools and talk to students about careers and what is needed in business. Inspire them to study math and science. CEO's should be in the high school and elementary classroom talking to students.

Member Berning asked if allied health and science degrees were 4 year degrees.

Dr. Smith said they were but there is also need to go to the doctorate level and that adding technology is more complicated.

Member Shannon said that the undergraduate courses had to be rigorous classes.

Dr. Smith said that the two scientists at the Hormel Institute and UM were not born or raised in the United States. In order to succeed the United States must focus on being a knowledge-based country. Thanks for letting me talk to you. Your work is important to Rochester and to Minnesota.

8:15 a.m. BREAK

8:25 a.m. Facilitator Grew helped the four work groups report their finding to date.

Member Shannon presented a PowerPoint slide show of the research driven program model with endowed chairs and a post-doctoral fellowship piece. There were industry partnerships making a world-wide magnet for students. The undergraduate programs were high quality and had selective enrollment. There was money to drive research in a public – private partnership. There would be 3+2 and 4+2 programs.

The second slide showed signature programs in health sciences, nursing, business, argi-business, and a hybrid interdisciplinary model. Member Flaada commented that the work group wanted the signature programs intertwined and cross-pollinated with many disciplines including business training. Member Shannon, the leader of this group, commented that in general there also should be more career education in the 7th and 8th grades.

Member Bender commented that the discovery process makes education more exciting.

Member Shannon said that they supported co-listed course delivery for undergraduate courses. The work group talked about starting with allied health programs.

Member Berning said that there are jobs in those areas right now in the community.

Member Hoffman reminded the Committee that University of Texas – Dallas went for 21 years before they added the lower division undergraduate programs.

Member Stewart said the Chancellor Yudof said Dallas was wrong to wait so long to add the lower division programs.

Member DeBoer asked what would attract student to Rochester. What must we be sure to create? Can they be attracted for just the third and fourth year or do they need to come to Rochester for their freshman year? The jobs are available now. We need to get people in those jobs as soon as possible.

Member Hoffman asked if it was just that people were available but not trained in the appropriate job or if there simply were no people available.

Member Bender said that it is hard to predict the jobs of the future in time to train people for those jobs. Fast growth is a nice problem to have but we also should work on predicting jobs of the future – like the need for more people in lab science.

Member Metzen wanted to clarify the solution that was being proposed. He knows people who go two years at the community college and transfer to the UM and also some that go four years at the UM. Which system are we trying to establish?

Members Hoffman and Berning said both.

Member Berning said genomics is just the tip of the iceberg. We need to take advantage of all opportunities.

Chair Stewart said “Arizona moves more quickly than Minnesota.”

Member Shannon said that the student needs to know the path to take with each program so no time is wasted.

Member Metzen said that Normandale and the University of Minnesota are seamless. Why is transferring credit such a problem here in Rochester?

Member Flaada commented that the students need good counseling so they take the right courses early on.

Member Rankin said that she has also talked to students who took two years at a community college and then transferred to the University of Minnesota.

Member Hoffman stated that the UM and MnSCU have tried to work together well. There are seamless transfers.

Member Berning gave the Facilities work group report. The work group considered three options:

- (1) downtown classes
- (2) build across from the UCR campus
- (3) build somewhere else

For the short term they suggested doing number 1 or 2 because the UM has started to invest downtown in the genomics center. “It is all about critical mass.” There are lots of open spaces in downtown Rochester, particularly south of town. That area could be the expanded urban campus. The University of St. Thomas expanded into downtown Minneapolis and that was a real “home run” for them.

Member DeBoer that the building cost should be a neutral factor because the Downtown Alliance would welcome an urban campus.

Chair Stewart said the educational entity can lease. It doesn't have to buy or build.

Member Berning concluded that his work group was a "work in progress."

Member Rankin asked if Rochester's city plan called for an urban campus.

Member DeBoer said the assumption was for things to stay as they are. The plan does not look at new higher education buildings but an urban campus would cut down on commuting.

From the audience Rev. Buller suggested putting the campus in the historic southwest neighborhood.

Member DeBoer reported on the Governance work group. They had not yet met but the decisions about programs would dictate who would govern the new educational entity.

Facilitator Grew commented that the notes from the last meeting indicated that the programs and governance would be from the UM.

Member Vekich reported on the Funding work group. He said they were waiting for the programs to be decided. There would be a need for startup money and for ongoing funds. The Committee should ask for special funding for the new campus so it won't disappear inside the UM budget. There should also be private investment. The funding issues for downtown need to consider parking. A parking spot on a ramp costs \$2,500 a parking spot to build. The students can't use Mayo's parking lots. The UM and MnSCU will provide the services of the financial officers to help figure out the funding needs. The committee needs to think long term and needs to put a compelling business plan together.

Member DeBoer said the Committee needs to build a compelling business plan to counter act the "zero summers". This is an investment in Minnesota.

Member Metzen agreed that this special funding is good for the state. It keeps the money targeted.

Member Berning said the Trip Umbach report might help the Committee predict the number of new businesses that will be created.

Member Vekich said the Committee needed to employ the services of an economist.

Member Metzen asked who decides how Rochester spends its special sales tax revenue. That's \$8 million. We need to talk to them.

Member DeBoer said the one that just passed was \$8 million but there is some money left over from past years. Rochester has spent the money on sports facilities in the past. This Committee needs to talk to the Rochester City Council.

Member Vekich said there is a need to endow the fund that is used for higher education building repairs. Um and MnSCU have a lot of property that needs repair. We should endow maintenance.

Member Vekich made a motion to hire an economist to help the Committee. Seconded by Member Metzen. Motion past.

Member Metzen said that the economist could help produce the business model. Member Rankin said the state might have an economist who could help out.

Member Berning suggested that Trip Umbach might be able to give the Committee a revised report for less than \$5,000.

Chair Stewart brought the Committee back to focus on the “discussable” items left on the table.

Facilitator Grew list the discussables: The mission and focus, undergraduate programs, feeder strategy, the liberal arts component, the participation of private colleges.

Member Shannon said that the committee needed to ask President Bruininks about all of those issues.

Member Hoffman asked if Bruininks will be able to talk about programs.

Member Metzen said that President Bruinink’s ideas have not gone to the Regents yet. They will be only his (Bruinink’s) ideas.

Member Hoffman said the Committee needs to hear for President Bruininks.

Member Metzen promised the President Bruininks will be BOLD and SPECIFIC.

Chair Stewart said that she had told President Bruininks that it was time for him to talk to the Committee and to the community.

Member Hoffman suggested that the October 28 meeting start at 8 a.m. instead of 9 a.m. All member agreed.

9:55 a.m. Public Comments:

NO PUBLIC COMMENTS.

10:00 meeting adjourned.

FUTURE MEETINGS will be 7 a.m. to 10 a.m. (unless noted) on **Friday, Oct 28 at 8 a.m. to noon**; Thursday, Nov. 10; Monday, Nov. 21; Thursday, Dec. 8; **Friday, Dec. 16 at 9 a.m. to noon**; Friday, Jan 6, 2006 **at Edina Realty Rochester, 1301 Salem Road SW, Rochester, MN.**