A. Introduction

The University of Minnesota Rochester (UMR) serves the higher education needs of Southeastern Minnesota through relationships with other universities and colleges to provide and facilitate academic programming, research, and service. UMR is distinguished by a set of unique characteristics:

- Significant dependence on private, contract, and research-based funding sources;
- Emphasis on academic programming in areas directly related to economic development of the region;
- Emphasis on upper-division and graduate levels of educational programming;
- Maintenance and forging of new collaborative relationships with other institutions to support educational service to the community;
- Capitalization on close geographic proximity to Mayo Clinic, IBM, and other health care service providers and high technology industries;
- Embracing faculty and students with a wide array of life experiences; and
- Strong community support.

Mission Statement

The University of Minnesota Rochester will:

- Provide a strong higher education foundation in health professions, technology, business, education, and social services;
- Facilitate meeting the educational, economic, research, and cultural needs of Southeastern Minnesota; and
- Establish itself as the higher education institution of choice for students pursuing career preparation in selected health science and technology professions.

Rochester and the Southeastern Minnesota region of the state are distinctive and recognized for world-class health care services and research, high technology industries, and K-12 education. Residents of the greater Rochester area strongly believe that locally provided University of Minnesota (UM) higher education opportunities are critical to continued growth and economic development of Southeastern Minnesota.

UMR is located at the University Center Rochester. Rochester Community and Technical College serves as custodian of the facility; however, many aspects of UCR are jointly managed by the University of Minnesota Rochester (UMR), Rochester Community and Technical College (RCTC), and Winona State University- Rochester Center (WSU-RC).

In 1999 a new administrative and academic structure was implemented. The configuration was outlined in the “University of Minnesota Partnerships for the 21st Century Academic Plan for Rochester, Minnesota” document prepared in January 2000. In the plan each higher education institution was charged with specific responsibilities and all three institutions agreed to work collaboratively in serving the needs of Southeastern Minnesota. In June of 2002, the plan was revised to further specify responsibilities of each of the partner institutions. An important element in the revised agreement is that UMR provides academic leadership for all future UM and MnSCU upper division and post-baccalaureate graduate/professional degree programs in Rochester. New baccalaureate and graduate programs will be developed and implemented by UMR or through contract with UMR.

The compact between the Senior Vice President for System Administration and Provost of UMR for 2004-05 includes the following:

B. Update – Major Long-Term Goals/Priorities from Previous Compact

The most critical long-term priorities for UMR are to increase student enrollment and to develop means for establishing an increasing revenue stream. Each of the goals listed below relate to these overarching needs.

1. Goal: Increase student headcount and credit hour production.

   Enrollment trends from 1999 through 2004 demonstrate a consistent enrollment growth pattern. The long-term goal is to increase the student headcount each year through the 2006-07 academic year. The projection for student headcount enrollment growth is an average of 5% per year. Beginning in 2002, the growth rate for student
enrollment projections was 363 students for Fall 2002 and 381 students for Fall 2003. Continuing this projection, the future projection is 400 students for Fall 2004, 420 students for Fall 2005, and 441 students by Fall 2006.

The goal for credit hour production is to increase an average of 10% per year through the 2006 – 07 academic year. For the past two years the projected growth has been 1403 credits for Fall 2002 and 1543 credits for Fall 2003. Future projections for credit hour production are set at 1697 - Fall 2004, 1714 - Fall 2005, and 1885 credit hours by Fall 2006.

These goals will be achieved by maintaining and growing current programs and developing and implementing new degree, licensure, and certificate programs. All new degree and course offerings will continue to be provided in response to identified community, business, professional, cultural, and research needs. After an adequate number and variety of academic programming has been established, the emphasis will be shifted to increasing the number of students recruited into each program area or discipline.

Achievement of goal: Student head count and credit hour production have each increased and met or exceeded long-term goals. The goal for student headcount for Fall 2003 was 381, the actual number of enrolled students was 384. This growth is consistent with the projected goal. The credit hour production goal for this same semester was 1543; the actual performance was 1763. This performance represents an increase of 14% growth beyond the projected goal.

The past three academic years have yielded significant growth at UMR; however, it is important to view increases over a long-term period. A downturn or significant strengthening of the economy can have a short-term impact on student enrollments. During exceptional periods of economic growth or decline, businesses may review their policies relating to the scope of employee duties and the manner in which tuition support is provided. These trends are cyclic. Even with these potential anomalies, the projected multiyear growth for UMR is unchanged. The goals of an average 5% increase in student headcount and an average 10% increase in credit hour production each year remain as unit targets. These goals will be supported through O&M funds, increases in tuition (greater numbers of students result in more funds), and tobacco tax revenues from the Academic Health Center.

Of UMR’s tobacco tax revenues from the Academic Health Center, $272,500 is allocated to the expansion of the UM Bachelor of Science in Nursing Program in Rochester. The remainder of the state special funding ($177,500) supports all other health science programs.

2. Goal: Develop and initiate additional degree programs.

Factors Impacting Development of Programs and Student Enrollments

The success of UMR in meeting the educational needs of its constituents is directly linked to effective working relationships with many other academic units within and outside of the University of Minnesota. UMR has no academic departments, courses, or credit-based programs directly under its control. Rather, all programming is linked to departments and colleges at UMTC and coordinate campuses. This approach requires that close working relationships be maintained among academic units to promote and facilitate the offering of academic credit programming to Rochester. Some academic units are extremely interested in serving the SE Minnesota region of the state while others are not inclined to attempt ventures off the UMTC campus. At times, the needs of the community may go unanswered if an academic unit does not wish to extend its services and share its expertise in this region. This may also impact the speed of UMR’s growth.

UMR is part of an academic collaborative relationship that includes the University of Minnesota campuses, Mayo Clinic, and MnSCU institutions. Each of these organizations has its own culture, traditions, priorities, and governance systems. As new programs are developed, initiatives must be consistent with the characteristics of the various higher education providers in the consortium. The complexities of collaborative relationships inherently hold the potential to slow progress of the development and implementation of new programming. Relationships of this nature present challenges. While many challenges have been met resulting in the development of strong academic programs that effectively use resources and talents from a host of institutions, the progress has not been as rapid as the community would like to see.
Among its constituents, UMR provides educational services to two major industries in Southeastern Minnesota – health care and information technology. Each of these industries is subject to economic realities of the marketplace. During periods of prosperity it is expected that companies will hire new employees and encourage them to pursue educational opportunities offered by universities. During periods of economic downturn there may be employee layoffs and/or reduction in company-based educational benefits. Over the long term, the economic trend in Southeastern Minnesota is expected to be positive and supportive of higher education.

One of the significant University contributions to Southeastern Minnesota is the biotechnology partnership between the UM Academic Health Center and the Mayo Clinic. This partnership brings together the strengths of each institution in specific research areas. As this research initiative evolves, there exists an opportunity for the University to directly impact workforce development not only in SE Minnesota but statewide as well. UMR staff members are working closely with leading Mayo Clinic educators to identify potential areas of academic program development that will support these efforts as well as meet other needs for health care providers in this region of the state.

Discussions regarding development of additional degree programs continue. Each academic initiative involves UMR participation with non-UMR groups. Degrees can be awarded by colleges at the UMTC, UM Crookston, UM Morris, or UM Duluth campuses and involve collaboration with multiple entities.

Achievement of goal: The Bachelor of Applied Science in Respiratory Care and Bachelor of Applied Science in Radiation Therapy remain on track for implementation Fall 2004. The viability of additional degrees continues to be discussed in response to economic development needs and will be implemented as adequate student interest and fiscal resources are available. The UMR program directors and provost work closely with health care providers, technology firms, and businesses to identify their needs and deliver appropriate programming.

Among the degree options being explored are bachelors degrees in health care management and health science. Consideration of strengthening specialty courses at the graduate level is also under discussion.

UMR is currently pursuing multiple avenues for future academic program identification, planning, and development. Two of these initiatives are bachelors of fine arts degrees in digital technology-related disciplines and graduate level certificates and degrees in healthcare administration. Initial discussions have been completed among the primary partners including: 1) UM Duluth School of Fine Art, Rochester Community and Technical College, and UMR for the fine arts degrees, and 2) Mayo Clinic (Rochester MN, Jacksonville FL, and Scottsdale AZ), UM School of Public Health, Labowitz School of Business and Economics, and UMR for the healthcare administration degree.

The next phase of this process is to conduct detailed market needs assessments and, if warranted, begin preliminary course modifications and development. UMR proposes to use $30,000 of compact funding support for the fine arts, and $20,000 for the healthcare administration programs to accomplish these two essential elements in the planning and implementation process.

One of the major provisions of the updated agreement between UM and MnSCU operation of the University Center Rochester (UCR) is that the UMR provost take the lead in curriculum development at the bachelor and graduate levels. Led by UMR, an inter-institutional Curriculum Review Team was formed with Winona State University, and Rochester Community and Technical College. This team was given the charge to identify procedures to improve curricular offerings at UCR. A major activity of this team has been to develop a database that lists all UCR degree, licensure, and certificate programs. A similar database has been developed for non-credit programming and it has been integrated with the credit database.

A preliminary process has been established, using these databases as a reference point, by which UCR credit programming will be periodically reviewed to determine the programs that are viable and necessary. A determination will be made regarding which programs should be grown, maintained, added or deleted; appropriate actions will be taken based upon these decisions.

Funding sources for future credit program initiatives will come from a variety of sources. O&M funds will be used from the sponsoring
department or college where the programs, certificates, or licenses reside, along with UMR O&M funds. Addressed later in this compact is a goal to strengthen the private donor giving to support strategic initiatives; these initiatives will include program development.

For the past three years, UMR has received $20,000 and UMD has received $35,000 each year for support of the MBA program. The third year of UMR compact funding supported planning for creating an online corporate finance course to provide students with prerequisite knowledge necessary for admission to and success in the MBA program. Planning for this initiative continues with the expectation that the course will be ready for implementation by Fall 2004.

3. Goal: Continue fund-raising efforts emphasizing establishing student scholarships and strategic investment funding for innovative programming and research.

Building upon previous years’ activities, UMR has initiated the silent phase of a fund-raising campaign titled “Building Tomorrow’s University Today.” The goal of the campaign is to raise $1 million for student scholarships and $1.5 million for strategic investments over an extended period of time; tentatively this time frame is five years. Scholarships will be sought for general as well as discipline specific areas of emphasis. Strategic investment funds will be used to enhance startup support for new academic programming and research. A volunteer campaign chair has been active in the planning and execution process for the campaign and a full time Director for Development has been appointed to oversee long-range development efforts.

Achievement of goal: The initial fund raising goal for the year was to raise $30,000. Performance exceeded this objective with the actual fund raising success at $174,000 for FY04. Moving forward, the goal for FY05 is an additional $200,000.

Gift teams have been established for each of four areas: Lead Gifts, Business & Technology, Education & Social Services, and Health Sciences. Teams include members of UMR staff and community volunteers. The teams will be working to identify and begin building relationships with potential donors. Two endowed scholarship funds have been created. The first is the H. Bryan Neel, III, Health Science Education Scholarship Fund created in recognition of service to higher education, including Regent Neel’s twelve years of service as a UM Regent. The second endowment is the James D. Clausen UMR Scholarship Fund established as a planned gift (charitable remainder trust). This fund will be used for scholarships targeted at students attending or planning to attend UMR.

The UM Foundation has been deeply involved in the campaign. UMF has provided solicitor training to volunteer gift teams, edited printed materials, and provided access and training for UMR staff on the Donor Support System. As with all other UM entities, UMF manages donated funds. The relationship with the Foundation has been highly beneficial and UMR will continue to work closely with the UMF staff.

A work plan has been created that sets intermediate action goals for the upcoming year. Among the activities are quarterly meetings with the Campaign Steering Team (comprised of community leaders), and periodic gift team meetings. Specific “special events” have also been scheduled. The gift teams will be working with community volunteers to channel their efforts in advancing donor participation in the fund-raising campaign. The Campaign Chair and Provost will be working with the Rochester Area Alumni and Friends of the University of Minnesota (RAAFUM) to establish a scholarship for UMR students. Collaboration with the Rochester Golf and Country Club – Women Helping Women group will continue. For the past three years, UMR staff have worked with this group to put on a golf tournament designed to raise funds for scholarships. This group’s contributions are close to qualifying for an endowed scholarship. It is anticipated that the minimum funds necessary will be achieved this year.

Support for these activities will come from O&M funds. The UM Foundation will provide consultation and training through their resources. Community volunteers will donate their time and talent to pursuing the fund-raising goal.


Progress has been made in advancing awareness of UMR as well as promoting the academic programming; however, community awareness of UMR’s activities in Rochester continues to be a major
challenge and critical element in the future success of UMR. One of the primary findings from the development (fund-raising) focus groups was that the programming, research, and outreach activities of UMR are impressive and moving in the right direction to satisfy community needs; however, the presence of UMR is not well enough known. A research study conducted by the Small Newspaper Group (SNG) reinforced this perception. As a result, a comprehensive public relations and marketing campaign was constructed and implemented to raise community awareness of UMR. These efforts included newspaper ads and news articles, radio & television advertising, a billboard, and numerous personal appearances and presentations by UMR staff.

Funding for future community awareness efforts comes from two primary sources. The first is O&M funds for UMR. A second source is the Greater Rochester Area University Center Board (GRAUC) which planned to contribute approximately $20,000 to help bolster these efforts and another $20,000 to help raise the awareness of the University Center Rochester. Unfortunately, GRAUC, similar to UM, experienced a funding shortfall. The Board asked that UMR and UCR review their needs and, if possible, modify their requests. UMR and UCR resubmitted requests reducing the amount to a total of $20,000.

Achievement of goal: Although full funding was not available, progress has been made in better positioning UMR in the minds of the public and in locating UMR staff at the University Center so that the University can be more easily found by current and prospective students.

Among the initiatives has been the production of a monthly television series featuring UMR accomplishments in teaching, community service, and research. Program directors and the provost have made formal presentations to professional, civic, and education groups. Since funding is limited, the marketing strategy for the future is to conduct a “media blitz” in the months immediately preceding each academic term.

Another major advancement has been to co-locate most of the academic program directors in the same office suite. This move has enhanced the opportunity for directors among the various academic disciplines to easily share information, provided a central clearing house for potential and current students to receive assistance without being directed to multiple locations throughout the center, and allowed more effective use of support staff. The next step in this process is to do minor renovation of current space and post appropriate signage.

5. Goal: Monitor agreements between UMR and UMTC colleges with regard to “seed” funding for Rochester-based faculty appointments.

Achievement of goal: This goal has been completed. While the agreements will continue to be monitored, the goal will be removed as a major ongoing initiative.

6. Goal: Student services will be enhanced at the University Center Rochester.

Another provision of the July 2002 agreement between UM and MnSCU charged the UMR Provost with the responsibility to lead a review of University Center Rochester student services. This study was conducted in cooperation with Winona State University, and Rochester Community and Technical College. In response to this directive a UCR Student Services Review Team was formed. The team was chaired by a UMR staff member and included representation from all three UCR partner institutions. At the recommendation of the UCR Executive Committee, an outside consultant was retained to assist in guiding the team through its deliberations.

The Student Services Review Team was charged with the responsibility to study UCR student needs and make recommendations to the UCR Cabinet for enhancing student services. Among the issues that were addressed by the team were:

a. Developing a plan for communication and sharing of student data among UCR partner institutions;

b. Developing and implementing an orientation for students that promotes the concept and opportunities at UCR;

c. Increasing customer service for students by one-stop availability of program and institutional information, along with enhanced visibility of the student services area; and

d. Determining the viability of inter-institutional academic advising to
support students in career paths as students move among UCR partner institutions.

The review committee study process costs included regular staff time and services of an outside consultant. The outside consultant fees were paid by using O&M funds from both UM and MnSCU. The team’s recommendations requiring financial and personnel resources were covered by UMR, WSU-RC, and RCTC O&M budgets. The study process will continue through the Spring 2004 semester with periodic reports to the UCR Cabinet and UCR Executive Committee.

Achievement of goal: The Student Services Review Committee made several periodic oral reports and a written summary report to the UCR Executive Committee. The focus of the reports was recommendations for enhancing the usability of the Center from the students’ point-of-view.

Following their study, the Student Services Review Committee made several recommendations to the UCR Cabinet. Among these ideas were: improving signage in critical student services areas; redesigning layout of bulletin boards, program information flyers, and current events/activity information; enhancing student orientation; co-locating program directors/advisors by institution to provide more effective use of support staff, program interaction, and referrals; and co-locating the initial information/advising personnel in the same general student services area.

The Student Services Review Committee will continue its work to further enhance responsiveness to student needs. Among the additional issues to be considered will be creation of a better integrated student management system for prospective students; completion of arranging student support services office locations to improve functionality, institutional identity, and student focus; and development of a web-based orientation.

During its first several years of operation UMR served primarily graduate students, who may be classified as having "non-traditional" student characteristics. Most of these people were over 30 years of age, employed full-time, not interested in university-based extracurricular activities, and had tuition and fees paid for by their employer. UMR continues to serve this population; however, as greater emphasis in program development is placed on baccalaureate degrees, the demographics for future students will be changing. Establishing the Bachelor of Science in Nursing degree in Rochester has accelerated the transformation of UMR student demographic characteristics.

Undergraduate students, as evidenced by the BSN students, tend to be younger, more interested in university-sponsored activities, require more personal one-on-one staff time, and do not have tuition/fees support from an employer. UMR will be conducting a student survey in order to gain a better understanding of the needs and opinions of this growing student population. This information will be used to provide guidance in enhancing student services.

7. Goal: Implementation of the College Board software for management of UCR student inquiries and information/marketing materials will be initiated.

An important element missing at the University Center Rochester (UCR) has been the capability of UM and MnSCU institutions to jointly identify, track, and respond to initial student inquiries. While each unit has done well in these tasks as separate institutions, there has been no mechanism available to pursue these from a university center perspective. In the previous compact, it was indicated that UCR had purchased ClassMaker, a software package designed to provide a solution to this challenge. The next step was to begin implementation of the software.

During the Spring 2004 semester, TMP, distributor of ClassMaker indicated that it would immediately be phasing out support for the product. They offered several remedies to the problem that had been created by this action. The UCR Cabinet made the decision to switch from ClassMaker to College Board software to accomplish the original goal of integrated data management. A satisfactory financial arrangement was reached and work began again on implementation of the software into UCR operations.

Subgoals identified in the previous compact will continue, but with an adjusted implementation timeline:

a. By Summer 2004, UMR will be using the software to track student inquiries;
b. By Summer 2004, the software will be configured for automated electronic response to inquiries and prospects based on institutional and program area of student interest;

c. By Fall 2004, there will be a coordinated UCR response to student inquiries where there are programmatic opportunities available through a single UCR partner or combination of UCR partners; and

d. By the end of Spring 2005, the prospecting function of the software will be fully implemented.

8. Goal: Outreach activities offered through non-credit initiatives will be refined.

In the past, a rich array of community enrichment and professional development programming has been offered. Unfortunately, a number of these programs have not been financially viable, operating at a net loss. As funding has been reduced, new offerings are expected to be at a breakeven point or to generate additional revenue. Since it could happen that fewer programs will be available with a corresponding reduction in headcount, alternative means for funding programs will be sought.

Achievement of goal: All three UCR partner institutions offer a variety of civic engagement and outreach activities. In order to more effectively serve the constituents and build community recognition of UCR, a common theme was selected by UCR partners. During FY04, the common theme was “The Current State of Corporate Responsibility.” Emphasis was placed on developing non-credit activities centered on this common theme. Led by a UMR program director, multiple non-credit opportunities were presented by involving UCR partner institutions and organizations not directly affiliated with the Center. Among the events/activities sponsored under the common theme were:

- Business Ethics, Higher Management, and Business Education
  Presented by Dean Kjell Knudsen,
  UM Duluth, Labovitz School of Business

- Corporate Responsibility in the Pharmaceutical Industry
  US Representative Gil Gutknecht

- Corporate Irresponsibility: It’s Not My Fault . . . Or is it?
  Professor Steven Castleberry
  UM Duluth, Labovitz School of Business

- A Conversation About Corporate Responsibility
  Consumer Advocate Ralph Nader
  Professor Ian Maitland
  UM Carlson School of Management

- The Current Climate of Corporate Responsibility
  Consumer Advocate Ralph Nader

As cited earlier in this compact, UMR has been charged with providing leadership for academic programming at the university center. Creation of a database of noncredit offerings from each of the UCR partner institutions has been completed. The database provides a systematic means for sharing information among the partner institutions. A detailed review of all UMR continuing and professional education/training activities has been conducted. Actions have been taken to grow, modify, or delete offerings so they are consistent with mission and fiscal considerations. In addition, a process has been established to review UCR non-credit offerings to promote greater articulation. Staff time for the creation of the database and subsequent reviews of the data was provided by O&M funds from UMR and the UCR partner institutions.

C. New Long-Term Goals/Priorities

The goals addressed earlier in this report continue to be the focus for UMR. No new long-term goals or priorities will be specified within this compact.

D. Diversity

Most of the academic programming and faculty for Rochester are provided by the UMTC and UM coordinate campuses. Faculty members from these campuses bring a rich diversity of race and ethnic background to UMR students. Of particular note are programs from the School of Nursing, Institute of Technology, the Evaluation Program from the College of Education and Human Development, and the MBA from UM Duluth.
Within the city of Rochester 57 different languages are spoken; this creates a number of challenges for health care providers, government agencies, businesses, and schools. In response to these challenges, UM Rochester is continuing to provide a certificate program in Interpreting and has added specialty courses in medical and legal interpreting. Planning for this venture has brought together representatives from UMR, Mayo Clinic, Olmsted Medical Center, local government, businesses, UMTC, Rochester Public Schools, and others.

Based on Fall 2003 enrollment in our degree programs at least 14 percent of the student population are people of color. Available data does indicate that there are a few more women than men pursuing education in Rochester (212 women and 171 men). As UMR continues to expand its degree and program offerings, the diversity of its student body should increase as well. As UMR has open staff positions, every effort is made to recruit a diverse pool of applicants from which to hire. Our UMR EOAA liaison meets with each search committee to provide information on EOAA search processes and recruitment strategies.

UMR continues its membership on the Rochester Diversity Council. UMR also co-sponsors and participates in the Rochester Martin Luther King Day activities, Boys and Girls Club, Habitat for Humanity and “Beat the Odds” activities.

E. Outreach and Civic Engagement

UMR is increasing its involvement in the community and responding to community needs. Several standing advisory groups provide regular input into credit and non-credit program activities. These groups include the Greater Rochester Area University Center Board (GRAUC), University Center Rochester Advisory Council, University of Minnesota Rochester Advisory Committee, and the Rochester Area Alumni and Friends of the University of Minnesota (RAAFUM).

The “Best of the Management of Technology” seminars continue to be among the most popular and highest rated offerings. A local advisory board and participation by the UMR and UM Center for Development of Technological Leadership (CDTL) staff provide program oversight and review of participant evaluations. During Summer 2003 UMR sponsored an interdisciplinary health care professional conference with Mayo Continuing Education and the American College of Nurse Practitioners Minnesota Affiliate. Additionally, during Summer 2003, UMR facilitated a computer science camp for high school teachers and students. This camp, funded by IBM, will be offered again during Summer 2004.

Selected areas of research, grants, and contracts have been and will continue to be pursued. Over the past year, UMR faculty have applied for two patents and as a result of working with our Rochester-based faculty one of the students has applied for yet a third patent. An initial agreement and grant award ($77,000) for conducting fuel cell research with a public power utility company is underway and a SOTATEC grant ($70,000) was secured to sponsor Rochester-based faculty research into image restructuring. These efforts will continue.

As part of its community responsibilities UMR personnel serve as members with RAAFUM, Christmas Anonymous, Chamber of Commerce Business Solutions Committee, SE MN Academic Group, Rochester Area Math Science Partnership, Rochester Higher Education Providers Committee, Rochester Software Consortium, The Rochester Area Economic Development, Inc., and a variety of other community service groups.

F. Enrollment Management

Enrollment Trends

Given that UM Rochester was reorganized in Fall 1999, enrollment data are presented in the context of the past four years and represent growth under the current administrative structure. The data that follow suggest positive trends in enrollment. These trends suggest a growing level of student participation and community satisfaction. Additional discussion of UMR’s enrollment is provided under section B, Goal 1.

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### Credit Courses

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### G. Facilities Issues

#### Compact Initiative Impacts and Space Management

As academic programming continues to grow at UMR, adequate space and facilities will increasingly be a concern. Future requirements for advanced chemistry and biology laboratories, faculty office space, staff space, and classroom availability may outpace the university center’s capability to meet these needs. MnSCU is responsible for the physical facility and has designated RCTC as the landlord. All new construction has been the responsibility of MnSCU and must primarily satisfy their needs; UM needs are a secondary concern.

An example of how the challenge of specialized space has been solved in the past was the need for establishing a space for the UMR nursing skills laboratory. Following extended discussions, it was determined that since the RCTC program in chiropractic technician would be suspended for a period of time, UMR could lease that space for three years. If the chiropractic technician program is reinstated after three years, the discussion will need to be revisited. This level of accommodation may not be possible for specialized science labs needs. As a result, UMR will need to examine other opportunities for providing adequate laboratory facilities or other dedicated space.

Some space usage decisions (i.e., office space, classrooms, and laboratories) at the University Center Rochester are administered collaboratively by Rochester Community and Technical College, Winona State University, and the University of Minnesota Rochester. UMR participates on University Center Rochester committees that review facilities-related issues. The Facilities, Safety and Grounds Committee is an AFSCME-mandated committee for Rochester Community and Technical College and the UMR Associate to the Provost is a member of this committee. The Program Director for Technology and Business and a program associate represent UMR on the Technology Committee. Support staff serve as representatives on the Bookstore and Food Service Committees. The Marketing Director serves on the UCR Marketing Committee, senior staff represent UMR on the UCR Council, and the provost serves as the chairperson for the UCR Cabinet.

During Spring 2004, the UCR partner institutions began discussions relating to procedures and policies for leasing space and replacing equipment at the center. Representatives from RCTC, WSU, UMR, and UMTC are included in the conversations. The charge to the committee encompasses these responsibilities: recommending a standardized process to address the fiscal sustainability of maintaining current facilities and operations while addressing UCR’s future building, utility, technology and service needs.

#### Major Capital Investment Priorities

The business and residential communities of Rochester have expressed a strong desire to establish a University of Minnesota campus that is distinct from UCR. The University of Minnesota Rochester Advisory Committee (UMR-AC), appointed by the UM Regents, believes that the University has limited institutional recognition at UCR and would like to move forward with creating a strong UM identity in Southeastern Minnesota. Recognizing that state funding for higher education has decreased significantly over the past year, the University of Minnesota Rochester Advisory Committee plans to undertake an initiative to identify and procure appropriate land for the University that will be of no or low cost to the institution.

The UMR Provost will serve as an advisor to the UMR-AC and provide input into the process by seeking information from appropriate departments and administrative leadership at the University. When the UMR-AC completes its work, the committee will offer recommendations to the UM administration and UM Regents.
H. Other Financial Issues

Revenue Generation

Transition phase

Prior to Summer 2002, all revenues from credit hour production by students at UM Rochester were returned to the main campus. This was the case even though in some instances UMR paid the faculty salary. This arrangement has been reviewed and modified. A means for tuition disbursement was developed that is benefiting both the UMTC colleges, coordinate campuses, and UMR. The newly modified system transferred a percentage of UMR’s funding allocation to UMTC colleges and then provided for 25% of the tuition to be directed to UMR. UMR is also receiving 100% of the tuition when it hires the faculty to teach the course. This arrangement is working well for standard face-to-face and ITV delivery of courses. Additional agreements will need to be made for accommodating Rochester-based students who are admitted to programs through UMR, receive student services from UMR, and are taking the coursework through the internet online.

The agreed-upon tuition revenue estimate for Rochester for FY04-05 is $389,199.

Technology and Library Issues

Sixty-nine percent of courses offered during Fall 2003 and sixty-one percent of Spring 2004 courses were taught via ITV, Internet, and UNITE. The majority of the courses are transmitted to UMR rather than UMR serving as the origination site. The completion of the TelePro project has positioned UMR to become more actively involved in exporting courses to other campuses and students at remote sites. The University Center Rochester has an upgraded technology center that will permit faculty located in Rochester to offer courses at UMTC and coordinate campuses. UMR provides funding of $93,852 (FY04) from O&M to support the ongoing ITV, media services and computer services at UCR.

The Master of Business Administration (MBA) program is delivered by UM Duluth faculty members on-site in Rochester. However, a distance delivery capability is available to support the on-site instruction. The probability exists that occasionally it will be impossible for faculty to drive or fly from Duluth due to weather. In those instances, the lectures may be taped or presented via ITV. A web-based course in corporate finance is being developed to help provide prerequisite coursework to students who are seeking admission into the MBA program.

Students pursuing masters degrees in engineering and computer science continue to take advantage of interactive television video streaming capabilities. Use of this technology permits UMR to offer coursework at a reasonable cost to groups of 2 or 3 students studying in highly specialized fields.

The Bachelor of Science in Nursing and Master of Social Work degree programs continue to use two-way instructional television for the didactic portion of the instruction. The clinical facets of the programs are delivered in Rochester and supervised by local faculty members. Unlike engineering and computer science students studying at the graduate level, undergraduate nursing students have indicated that learning via technology is difficult. As undergraduate programming is developed in the future, special attention will need to be given to the student demographics. Surveys indicate that students strongly prefer that instruction be delivered on-site whenever possible. When there is a choice between not receiving instruction in Rochester or receiving it via technology, students will opt for distance delivery. However, there is a marked preference for direct/in-person instruction.

All UMR students have access to the full range of library holdings of the University of Minnesota. They have the options of going to the libraries in person and/or accessing materials via electronic connections. The Goddard Library, located at the University Center Rochester, provides library services to UMR students and provides reference support, electronic access to resources from off campus locations, student information literacy skills training, interlibrary loan services, and connectivity to UM and MnSCU libraries. UMR provides O&M funding ($25,868) for operating and building the University’s collection at the Goddard Library. As the number of advanced programs is increased, additional funding will need to be directed toward enhancing library holdings.

I. Compact Development

This compact was prepared by the UMR Provost office and reviewed by UMR program directors and representatives from several advisory groups, including the UM Rochester Advisory Committee, Greater Rochester Area University Center Board (GRAUC), and University Center Rochester Advisory Council.
J. **Data Profile**

N/A

K. **Reports Summary and Allocation Summary**

Reports Summary – None required

### Historical Allocation Summary

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<tr>
<th>FY2002</th>
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<th>FY2004</th>
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<tr>
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</tr>
<tr>
<td>AHC, Nursing</td>
<td></td>
<td>287,500 N</td>
</tr>
<tr>
<td>MBA</td>
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<td>20,000 N</td>
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<tr>
<td></td>
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<tr>
<td>RRC Contribution</td>
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### Allocation Summary

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<th>FY2005 Recurring</th>
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<tr>
<td>Block grant for strategic initiatives</td>
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