

**UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS**

**MINUTES  
BOARD OF REGENTS' MEETING  
AND  
REGENTS' COMMITTEE MEETINGS**

**October 9-10, 1986**

**Office of the Board of Regents  
220 Morrill Hall**



UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Minutes of the Board of Regents' Meeting  
and Regents' Committee Meetings

October 9-10, 1986

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UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Physical Planning & Operations Committee

October 9, 1986

A meeting of the Physical Planning and Operations Committee of the Board of Regents was held on Thursday, October 9, 1986 at 1:45 p.m. in Room C234 on the Waseca Campus.

Regents present: Regent Goldfine, presiding; Regents Anderson, Casey, and Sahlstrom.

Staff present: Vice Presidents Dunham, Kegler, and Lilly; Secretary Muesing; Treasurer Campbell; Chancellor Imholte.

Student Representatives present: Tom Daniels and Rob Yost.

**VICE PRESIDENT'S MONTHLY REPORT**

The committee voted unanimously to recommend approval of the Vice President's Monthly Report.

**ANIMAL SCIENCE PHYSIOLOGY REMODELING PROJECT  
ST. PAUL CAMPUS**

The committee voted unanimously to recommend approval of a resolution authorizing the design and construction of the Animal Science Physiology Remodeling Project located on the St. Paul Campus.

**CENTENNIAL HALL ELECTRICAL UPGRADING  
MINNEAPOLIS WEST BANK CAMPUS**

The committee voted unanimously to recommend approval of a resolution authorizing the design and construction of the Centennial Hall Electrical Code Upgrading Project on the Minneapolis East Bank Campus.

**MIDDLEBROOK HALL HEATING AND COOLING IMPROVEMENTS  
& LIGHT FIXTURE REPLACEMENT  
MINNEAPOLIS WEST BANK CAMPUS**

The committee reviewed a proposed resolution that would authorize the design and renovation of the Middlebrook Hall heating and cooling improvements and light

fixture additions project located on the West Bank Campus. It was reported that this work is being requested to improve room temperature control, facilitate maintenance and remove condensate during the air conditioning mode.

Vice President Lilly reported that funding for this project is generated by revenues received from student housing fees.

#### **WINDOW REPLACEMENT, AGRICULTURAL ENGINEERING BUILDING ST. PAUL CAMPUS**

The committee reviewed a resolution that would authorize the design and construction of the Agricultural Engineering Building Window Replacement Project located on the St. Paul Campus. Estimated cost of the project is \$175,000 with funding provided in a Maintenance Appropriation. Estimated completion date is September 1987.

#### **TRAVEL POLICIES AND PROGRAMS**

Brian Gorman, Assistant to the Vice President of Finance presented information relating to recent changes to University travel policies.

Mr. Gorman reported that included in the changes are increased authority given to academic units; a travel services division developed in the Purchasing Department; the Ask Mr. Foster program which has generated a fare saving of 56% for University departments using it; and the introduction of the American Express Corporate Card program. Mr. Gorman presented details on each of the changes.

Regent Anderson complemented Mr. Gorman on his thorough presentation and Regent Sahlstrom asked if the information which had just been presented could be put in printed form.

#### **ANNUAL PURCHASING REPORT**

Treasurer Carol Campbell and Katherine Cram, Director of Purchasing & Materials Management, reviewed the 1985-86 Purchasing activity.

Ms. Cram reported that 76 percent of all purchases made at the University are by competitive bid; that sole source purchases did increase in the 1985-86 year and that the number of purchase orders is basically the same as last year. In addition, Ms. Cram presented the annual report of the Small Business Procurement/Set Aside Program indicating that awards to small business and small socially and economically disadvantaged (SED) businesses

should equal 20% of University procurement partially or fully funded by the Legislature. She stated that in fiscal year 1985-1986 total awards exceeded the 20% goal due to active outreach directed towards SED businesses that resulted in awards to these firms. She also stated that purchase awards to small businesses compare positively with previous years results, as the program has consistently met its goal. In addition, a concentrated effort to certify more small businesses throughout out-state Minnesota is planned for the 1986-87 year.

Regent Goldfine thanked Ms. Cram for her excellent presentation and stated that he is very comfortable with the Purchasing Program at the University at this time.

The meeting adjourned at 3:00 p.m.

*Barbara Muesing*  
BARBARA MUESING, Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Finance & Legislative Committee

October 9, 1986

A meeting of the Finance & Legislative Committee of Board of Regents was held on Thursday, October 9, 1986, at 3:15 p.m. in Room C234 on the Waseca Campus.

Regents present: Regent Drake, presiding; Regents Lebedoff, Long, McGuiggan, and Moore.

Staff present: President Keller; Vice Presidents Dunham, Lilly and Vanselow; Secretary Muesing; Treasurer Campbell.

Student Representatives present: Mary Davy and Rob Larson.

Chair Drake introduced Mr. Rob Larson the newly-appointed Student Representative from the Crookston Campus.

**VICE PRESIDENT'S MONTHLY REPORT**

The committee voted unanimously to recommend approval of the Vice President for Finance Monthly Report.

**INSURANCE/RISK MANAGEMENT PROGRAM**

The committee voted unanimously to recommend approval of the following resolution pertaining to the Insurance Risk Management Program:

WHEREAS, the University of Minnesota must balance the conflicting goals of minimizing insurance costs, protecting the institution and its officers and employees from loss, and fairly compensating claimants; and,

WHEREAS, insurance coverage is not always available in the marketplace or may be available only at prohibitive cost; and,



WHEREAS, a set of recommendations regarding major elements of the University insurance program has been presented to the Board of Regents in response to these issues,

THEREFORE BE IT RESOLVED, that the Vice President for Finance and Operations or his designee continue such actions as are necessary to implement the recommended insurance program;

RESOLVED FURTHER, that the Vice President for Finance and Operations or his designee be authorized to amend or create such exceptions to the insurance program as may be warranted due to changing market conditions or other factors which in his judgement provide a better opportunity for the University to meet the aforementioned goals.

A short discussion ensued relating to the various insurance policies held by the University.

#### **ANNUAL INVESTMENT REPORT**

Roger Paschke, Associate Investment Manager, presented the annual investment report of the University of Minnesota as of June 30, 1986.

Mr. Paschke reported that the following developments related to investment related activity for the past fiscal year:

- Effective July 1, 1985, the Permanent University Fund was authorized as the source of funds for matching private gifts in support of endowed chairs and professorships at the University. The investment guidelines and spending policies were reorganized to effectively support this program.
- The policy for the divestment of South African related investments was formally adopted by the Regents in October, 1985 with a full effective date of June 30, 1987. As part of this policy, the University has contributed approximately \$110,000 - the equivalent of the investment return from our South African related investments to a scholarship fund for bringing black South African students to the University. In addition, the voting of shareholder resolutions on social issues of concern to the University consistent with the Regents' policy was reinstated through the University Senate Committee on Social Concerns.

- The University's investment guidelines were revised to authorize international investments, venture capital and real estate investments, and to expand the guidelines for short-term investments. Programs in these areas were subsequently implemented during the fiscal year.
- An expanded program for providing below market mortgages to University faculty was implemented by redirecting a portion of the endowment from fixed income investments to mortgage investments. The program is designed to aid in the recruitment and retention of faculty at the University.
- A financial advisory committee composed of professors from the School of Management was formed to advise the University on issues of policy and key programs related to investments and finance. This committee has appeared before the Regents on a number of occasions and has addressed such issues as the PUF program, University debt financing, and the University's arbitrage activity.

The meeting adjourned at 4:30 p.m.

  
BARBARA MUESING, Secretary

Year 1986-87

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Staff & Student Affairs Committee**

**October 9, 1986**

A meeting of the Staff and Student Affairs Committee of the Board of Regents was held Thursday, October 9, 1986, at 3:10 p.m. in the Regents' Conference Room on the University of Minnesota, Waseca Campus.

Regents present: Regent Casey, presiding; Regents Anderson, Goldfine, Hilke, Sahlstrom and Schertler.

Staff present: President Keller; Vice Presidents Benjamin, Sauer, Vanselow and Wilderson; Secretary Muesing; Interim Associate Vice President Lupton; Assistant Vice President Potami; Chancellors Frederick, Heller, Imholte and Sargeant.

Student Representatives present: Judy Grew and Steve Hughes.

Regent Casey welcomed Steve Hughes, who is the new Student Representative from the Duluth Campus.

**VICE PRESIDENT'S MONTHLY REPORT**

Vice President Benjamin presented the Vice President's Monthly Report to the committee for approval. Dr. Benjamin commented on the recommendation to appoint Dr. Arthur Caplan as Program Director of the Biomedical Ethics Center, and stated that this is an outstanding appointment for the University of Minnesota.

Following a brief discussion, the committee voted unanimously to recommend approval of the Vice President's Monthly Report.

**APPOINTMENT OF CIVIL SERVICE COMMITTEE MEMBER**

The committee voted unanimously to recommend approval of the following resolution:

RESOLVED, that on the recommendation of the President, the following individual is appointed to the Civil Service Committee for a three-year term: Patricia A. Kindy.

President Keller introduced Bruce McKee, a Civil Service employee on the Waseca Campus, who was appointed to the Civil Service Committee at the September meeting. He noted that Mr. McKee is one of two members of the Committee from a coordinate campus.

President Keller stated that the other new members of the Civil Service Committee will be introduced at the November meeting.


#### UMW REPORT ON STUDENT LIFE

Chancellor Frederick introduced Gary Sheldon, Vice Chancellor for Student Affairs. Dr. Sheldon introduced the following individuals, who led discussions on three areas of student life at UMW: Donald Collins - out of classroom experience; Lucy Oliver - student development programs; and Joan Barrett - non-traditional students.

Student participants in the discussions were: Scott Aakre, Marla Aronson, Twylla Geise, Sonia Henderson, Lynn Hoffman, Kent Janssen, Cindy Meyer, Gary Ness, Wanda Renke, Troy Sandin, Kathy Solberg, Roger Solberg and Troy Stock. Kathy and Roger Solberg told the committee about their decision to attend UMW after they lost their family farm. They stated that the University of Minnesota, Waseca is responsible for restoring hope to their lives, and they expressed appreciation to the Regents for establishing the Regents' Farm Family Scholarship program.

Regent Casey expressed appreciation to Roger and Kathy Solberg for sharing their story with the committee. He also expressed appreciation to Dr. Sheldon and all of the other participants for the informative presentation on student life at UMW.

The meeting adjourned at 4:40 p.m.

  
BARBARA MUESING, Secretary

Year 1986-87

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Educational Planning & Policy Committee**

**October 9, 1986**

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, October 9, 1986, at 1:50 p.m. in the Regents' Conference Room on the University of Minnesota, Waseca Campus.

Regents present: Regent Schertler, presiding; Regents Drake, Hilke, Lebedoff, McGuiggan and Moore.

Staff present: Vice Presidents Benjamin, Dunham, Sauer, Vanselow and Wilderson; Secretary Muesing; Acting Associate Vice President Lupton; Assistant Vice President Potami; Chancellors Frederick, Heller and Sargeant.

Student Representatives present: Mohamad Al-Shofe and Patricia Thomas.

**DISCONTINUATION OF CONSTITUTION -  
INSTITUTE OF AGRICULTURE, FORESTRY AND HOME ECONOMICS**

Vice President Sauer recommended approval of the proposal to discontinue the Constitution for the Institute of Agriculture, Forestry and Home Economics. Dr. Sauer noted that he is establishing a branch station faculty consultative committee to ensure that there are no communication problems as a result of discontinuing the Constitution.

The committee voted unanimously to recommend approval of the proposed discontinuation of the Constitution.

**PATENT AND TECHNOLOGY TRANSFER POLICY**

The committee voted unanimously to recommend approval of the revised Patent and Technology Transfer Policy.

**PARENT EDUCATION LICENSURE OPTION,  
COLLEGE OF EDUCATION, TWIN CITIES CAMPUS**

Vice President Benjamin presented a proposed Parent Education Licensure Option, College of Education, Twin Cities Campus to the committee. He noted that the program will require no new faculty or additional resources.

Following a brief discussion, Regent Schertler noted that this item will be presented for approval at the November meeting.

**UMW REPORT ON EDUCATIONAL PROGRAMS**

Chancellor Frederick thanked the committee for providing an opportunity to present an update on UMW's educational programs. Dr. Frederick then presented a brief review of UMW's programs.

Thomas Lindahl, Vice Chancellor for Academic Affairs, led an in-depth discussion on UMW's academic programs and support services. He stated that the goal of UMW's Administrators is to develop an excellent technical college, and he discussed the importance of the concept of networking in achieving that goal.

Dr. Lindahl introduced the following individuals, and he stated that they have worked as a team since a re-organization three years ago: Byron Harrison, Director, Agricultural Industries & Services and Agricultural Production; Robert Krumwiede, Director, Animal Health Technology, Horticultural Technology and Related Education; William Nelson, Director, Agricultural Business, Food Industry & Technology, and Home & Family Services; and Nan Wilhelmson, Director, Library & Academic Support.

Associate Professor Nelson reported on the Rural Family Life Center. He stated that the mission of UMW requires the ability to respond to the needs of both traditional and non-traditional students. Dr. Nelson stated that the future of rural Minnesota will be affected in large part by what is done at the University of Minnesota, and he thanked the Regents for their support in meeting that challenge.

Professor Clayton Oslund presented a progress report on the honors program that was recently established at UMW. He stated that five students are in the program Fall Quarter, and the goal is to have 20-25 students involved.

Through the use of visual aids, Associate Professor David McCarthy reported on the new Mechanical Agriculture facility.

Dr. Lindahl presented a summary of the presentation,  
and a brief discussion ensued.

The meeting adjourned at 3:00 p.m.

*Barbara Muesing*  
BARBARA MUESING, Secretary

Year 1986-87

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Committee of the Whole**

**October 10, 1986**

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, October 10, 1986, at 8:50 a.m. in Room L125 on the University of Minnesota, Waseca Campus.

Regents present: Regent McGuiggan, presiding; Regents Anderson, Casey, Drake, Goldfine, Hilke, Lebedoff, Long, Moore, Sahlstrom and Schertler.

Staff present: President Keller; Vice Presidents Benjamin, Dunham, Kegler, Lilly, Sauer, Vanselow and Wilderson; Secretary Muesing; Associate Vice President Roszell; Acting Associate Vice President Lupton; Assistant Vice President Potami; Treasurer Campbell; Chancellors Frederick, Heller, Imholte and Sargeant.

Student Representative present: Tom Daniels.

**ELECTION OF TRUSTEE - HORMEL FOUNDATION**

The committee voted unanimously to recommend approval of the appointment of Dr. Harald H. O. Schmid, Acting Director of the Hormel Institute, as a Trustee of the Hormel Foundation for a one-year term.

**ELECTION OF TRUSTEES -  
UNIVERSITY OF MINNESOTA FOUNDATION**

The committee voted unanimously to recommend approval of the appointment of Stephen Pflaum as a Trustee of the University of Minnesota Foundation for an additional three-year term.

**SUMMARY OF EXPENDITURES**

The committee voted unanimously to recommend approval of the Summary of Expenditures for the Board of Regents'



Office and the Office of the President for the period July 1, 1985 through June 30, 1986.

### **1987 CAPITAL REQUEST AND UPDATE ON BIENNIAL REQUEST**

Vice President Kegler reviewed the 1987 Capital Request. He noted that the only modification to the Capital Request since the September meeting is the addition of a \$90,000 planning request for the Freshwater Research Institute Facility on the Duluth Campus.

Dr. Kegler stated that President Keller and his cabinet are currently developing a total priority list. President Keller commented briefly on the process being followed.

Dr. Kegler also noted that the Administration will present a Six-Year Plan, that is, the proposed requests for 1989 and 1991, at either the November or December meeting.

Following a lengthy discussion, the committee voted unanimously to recommend approval of the 1987 Capital Request in the amount of \$136.7 million.

### **PROPOSED ORGANIZATIONAL CHANGES**

President Keller reviewed a draft memorandum which outlines a plan to decentralize the University Administration. The plan will give the coordinate campuses more autonomy in managing day-to-day affairs, including budgeting and planning, civil service personnel operations, recordkeeping, setting student fees, and student affairs. As a result of the decentralization, the Chancellors will be responsible for the proper operation of their respective campuses. He stated that a reorganization within Morrill Hall to fit within this decentralization plan will be discussed at either the November or December meeting.

A brief discussion ensued. President Keller noted that the decentralization plan does not require action by the Regents. He stated that if the Regents are satisfied with the plan, he will discuss the plan with the Senate Consultative Committee. If the SCC is satisfied with the plan, President Keller stated that he will issue a final memorandum outlining the plan and the Vice Presidents will begin to implement the changes.

A brief discussion ensued, and the committee expressed support for the proposed organizational changes.

Regent McGuiggan raised the issue of the status of the University's real estate holdings. Several committee members asked for an update on those holdings. Regent Schertler noted for the record that the Regents received a letter regarding the Rosemount air field, and the Administration is reviewing the issue.

### **HECB LEGISLATIVE PROGRAMS**

President Keller reviewed the Minnesota Higher Education Coordinating Board's 1987-89 Budget Request. He expressed support for HECB's proposed increase in scholarship aid, which would result in greater support for part-time students. He also noted that HECB is proposing substantial increases in several other areas, including the Medical and Income Contingent Loan program, which is intended to respond to concerns of the University of Minnesota regarding tuition in professional schools. President Keller stated that the proposed program is good, but it does not respond to the University's tuition problems for students in professional schools.

President Keller noted that HECB is asking for a 28.1 percent increase, compared to a 13 percent increase in the University's biennial request, which includes an item for repairs and betterments which has not been funded in the past. A lengthy discussion followed the presentation.

### **UNIVERSITY'S PLANNING REPORT**

Prior to the biennial appropriation process, the Legislature requires each higher education system to submit a comprehensive planning report to HECB for review and comment. President Keller reviewed the draft of the University of Minnesota's 1986-87 Planning Report. He noted that the report is due on December 1, 1986, and stated that no Board action is required.

Following a brief discussion, President Keller stated that he will provide the Regents with a final copy of the 1986-87 Planning Report.

### **OVERVIEW OF INSTITUTE OF AGRICULTURE, FORESTRY & HOME ECONOMICS PROGRAMS IN SOUTH CENTRAL MINNESOTA**

Vice President Sauer presented a brief overview of the programs offered by the Institute of Agriculture, Forestry and Home Economics in South Central Minnesota. He noted that the Institute is composed of seven major units within the University, including the Waseca Campus and the Southern Experiment Station.

Ed Frederick, Chancellor of UMW; Dick Anderson, Superintendent of the Southern Experiment Station; and Sheryl Nefstead, District Extension Director; and several of their colleagues participated in an extensive discussion of the programs designed to meet the needs of people in South Central Minnesota. They discussed how the three units coordinate their efforts and work together on programs. It was noted that restructuring the Minnesota Extension Service will strengthen the linkage for cooperation and collaboration.

A brief discussion followed the presentation.

The meeting adjourned at 10:05 a.m.

  
BARBARA MUESING, Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

October 10, 1986

A meeting of the Board of Regents of the University of Minnesota was held on Friday, October 10, 1986 at 10:30 a.m. in Room L125 on the Waseca Campus.

Regents present: Anderson, Casey, Drake, Goldfine, Hilke, Lebedoff, Long, McGuiggan, Moore, Sahlstrom, and Schertler. President Keller presided.

Staff present: Vice Presidents Benjamin, Dunham, Kegler, Lilly, Sauer, Vanselow and Wilderson; Secretary Muesing; Treasurer Campbell; Chancellors Frederick, Heller, Imholte and Sargeant.

APPROVAL OF MINUTES

The Board of Regents voted unanimously to approve the minutes of the following meetings:

Physical Planning & Operations Committee -  
September 11, 1986  
Finance & Legislative Committee - September 11, 1986  
Staff & Student Affairs Committee - September 11, 1986  
Educational Planning & Policy Committee -  
September 11, 1986  
Committee of the Whole - September 12, 1986  
Board of Regents - September 12, 1986

REPORT OF THE CHAIR

Chair McGuiggan thanked the members of the Board that participated in the ceremony for the dedication of the new School of Management Building.

He also appointed Regent Schertler, Chair and Regents Moore and Casey to serve on a nominating committee to recommend individuals to serve on the Hospital Board of Governors for the terms expiring in December.

## REPORT OF THE PRESIDENT

President Keller presented a brief update on current searches being conducted.

He further reported on the 1986 fall enrollments for the University of Minnesota. He stated that while there was speculation that the University would have a large increase in enrollments, this did not prove to be true and there was only a slight increase for fall quarter 1986. He further reported that the College of Liberal Arts will target for a lower number of enrollments for fall 1987 and he reviewed the process whereby the targeting may be accomplished. He indicated that this is definitely not intended to cut off access to the University but "it will allow the University to set a target enrollment and have a way of meeting it that isn't arbitrary and doesn't work against the University."

President Keller reported on the tax reform act and some of the implications that it will have on higher education. He stated that a copy of the summary can be provided if members of the Board would like to have a copy.

President Keller also reported briefly on minority access. He stated that he recently participated in a meeting of higher and secondary education and political leaders to talk about a government education/private partnership for promoting minority student access to post secondary education. He stated that they will be working on a joint approach to consider the problems of minority access and that there was a good deal of positive response at the meeting. The meeting was well attended by representatives from private colleges, public universities, foundations and political leaders.

## GIFTS

Associate Vice President Roszell presented the monthly list of gifts to the University of Minnesota, the University of Minnesota Foundation, the Arboretum Foundation and the Minnesota Medical Foundation.

The Board of Regents voted unanimously to approve the gifts. Documentation is filed supplement to the minutes, No. 21,890.

## CONTRACTS & GRANTS/APPLICATIONS & AWARDS

Vice President Benjamin submitted for approval the contract & grants/applications & awards.

The Board of Regents voted unanimously to approve the contracts & grants/applications & awards. Documentation is filed supplement to the minutes, No. 21,891.

#### **REPORT OF THE COMMITTEE OF THE WHOLE**

Regent McGuiggan, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of resolution re Election of Trustee - Hormel Foundation:

**RESOLVED**, that on the recommendation of the Dean of the Graduate School and the President, Dr. Harald H. O. Schmid, Acting Director of the Hormel Institute, is appointed as a member of the Hormel Foundation Board of Trustees for a one-year term.

- b) Approval of resolution re Election of Trustee/ University of Minnesota Foundation, as follows:

**RESOLVED**, that on the recommendation of the President, Stephen Pflaum is reappointed to serve as a trustee of the University of Minnesota Foundation for a three-year term.

- c) Approval of the Summary of Expenditures for the Board of Regents' Office and the Office of the President for the period July 1, 1985 through June 30, 1986.
- d) Approval of the 1987 Capital Request. Documentation is filed supplement to the minutes, No. 21,892.

The Board of Regents voted unanimously to approve the recommendations of the Committee of the Whole.

Chair McGuiggan reported that the committee also reviewed proposed organizational changes; reviewed the Minnesota Higher Education Coordinating Board's 1987-89 Budget Request; reviewed a draft of the University of Minnesota's 1986-87 Planning Report; and received an overview of the Institute of Agriculture, Forestry & Home Economics programs in South Central Minnesota.

#### **REPORT OF THE FINANCE & LEGISLATIVE COMMITTEE**

Regent Drake, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of the Vice President for Finance Report which includes Investments, Accounts Receivable, Property Accounting, and Miscellaneous - Finance & Investments. Documentation is filed supplement to the minutes, No. 21,893.
- b) Approval of resolution re Insurance/Risk Management Program, as follows:

**WHEREAS**, the University of Minnesota must balance the conflicting goals of minimizing insurance costs, protecting the institution and its officers and employees from loss, and fairly compensating claimants; and,

**WHEREAS**, insurance coverage is not always available in the marketplace or may be available only at prohibitive cost; and,

**WHEREAS**, a set of recommendations regarding major elements of the University insurance program has been presented to the Board of Regents in response to these issues,

**THEREFORE, BE IT RESOLVED**, that the Vice President for Finance and Operations or his designee continue such actions as are necessary to implement the recommended insurance program;

**RESOLVED FURTHER**, that the Vice President for Finance and Operations or his designee be authorized to amend or create such exceptions to the insurance program as may be warranted due to changing market conditions or other factors which in his judgement provide a better opportunity for the University to meet the aforementioned goals.

The Board of Regents voted unanimously to approve the recommendations of the Finance & Legislative Committee.

Chair Drake reported that the committee also received a comprehensive review of the annual investment report of the University of Minnesota as of June 30, 1986.

#### **REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE**

Regent Schertler, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of resolution re Discontinuation of Constitution - Institute of Agriculture, Forestry and Home Economics, as follows:

**BE IT RESOLVED**, that the Board of Regents discontinue the Constitution for the Institute of Agriculture, Forestry and Home Economics.

- b) Approval of Patent and Technology Transfer Policy as follows:

**PATENT AND TECHNOLOGY TRANSFER POLICY**

1. PREAMBLE

The three basic purposes of the University are education, research, and public service. This policy is intended to advance these purposes by providing a means to transfer University developed technologies directly to external parties for beneficial use and to obtain and distribute income from such transfers. To accomplish this it is necessary to: (i) encourage faculty to identify and disclose technologies developed at the University; (ii) protect these technologies through patents, copyrights, semiconductor chip mask registrations, the Plant Protection Act, and other suitable means; (iii) advance beneficial public use of these technologies by effecting transfers under suitable agreements; (iv) derive income from such transfers to be used to support technology protection and transfer, advance University research and education, and compensate the University developers for their contributions to the development and transfer of technology; and (v) obtain recognition for the University and the University developers for advancing technology beneficial to society.

2. DEFINITIONS

The following terms shall have the indicated definitions throughout this policy and shall appear in upper case letters.

- a. PERSONNEL shall mean all persons employed or otherwise compensated by the University, including faculty, visiting faculty and researchers, staff, civil service employees, research and teaching assistants, residents, fellows and trainees. Personnel shall not include consultants to the University.
- b. UNIVERSITY FUNDS shall mean funds provided by the University for the specific purpose of supporting research. Typically this support may come from grant programs administered by the Graduate School, College or Department,



the Office of International Programs, or the Center for Educational Development. Additionally, this support may be from funds received by the University through federal and state appropriations to various university units.

- c. UNIVERSITY ADMINISTERED FUNDING shall mean funding provided to the University by an external entity to support research. Typically, such funding is provided by an agency of the federal government, the State of Minnesota, or private sources such as industry or foundations.
- d. DEVELOPMENT shall mean the results of research by PERSONNEL yielding such products as inventions, discoveries, apparatus, devices, processes, computer hardware, computer software, plants, organisms, genetic material, etc., and falling into one of the following categories:

CATEGORY (1) A DEVELOPMENT involving the use of UNIVERSITY FUNDS or UNIVERSITY ADMINISTERED FUNDING where disclosure and disposition of DEVELOPMENTS are required by the terms of the funding arrangement.

CATEGORY (2) A DEVELOPMENT involving the use of UNIVERSITY FUNDS or UNIVERSITY ADMINISTERED FUNDING where disclosure and disposition of DEVELOPMENTS are not required by the terms of the funding arrangement.

CATEGORY (3) A DEVELOPMENT not involving the use of UNIVERSITY FUNDS or UNIVERSITY ADMINISTERED FUNDING.

Developments do not include matter that is primarily educational, literary, or artistic in nature, except where the research sponsor requires application of this policy.

- e. DEVELOPERS shall mean all PERSONNEL who produce a DEVELOPMENT (e.g., the inventor of an invention upon which a patent application is filed, etc.).
- f. TRANSFEREE means any legally constituted organization or individual that acquires rights in a DEVELOPMENT under a license from the University.

- g. NET INCOME means the gross monetary payments the University receives as a result of transferring rights in a DEVELOPMENT less the University's out-of-pocket costs for protecting, developing, and transferring that DEVELOPMENT.

3. APPLICATION OF POLICY

- a. This policy shall be a condition of employment from the time that this policy becomes effective and applies to all PERSONNEL.

4. RIGHTS AND OBLIGATIONS

- a. Publication: Nothing in this policy shall be construed as affecting the rights of PERSONNEL to publish. An appropriate means of protection of a DEVELOPMENT may require a limited period of nondisclosure in order to secure certain rights. PERSONNEL may agree to observe such nondisclosure requirement.
- b. Category (1) DEVELOPMENTS: DEVELOPERS shall fully disclose to the University all DEVELOPMENTS made under a funding arrangement as required by that arrangement. The University shall handle such DEVELOPMENTS in accordance with the terms of the funding arrangement and this policy. The University may require the DEVELOPERS of such DEVELOPMENTS to assign title in such DEVELOPMENTS and to sign all papers and provide all other assistance necessary to effect the University's obligations under the funding arrangement.
- c. Category (2) DEVELOPMENTS: For DEVELOPMENTS where disclosure and disposition is not required under a funding arrangement, participation by DEVELOPERS in the technology transfer process at the University is voluntary. However, if DEVELOPERS elect to protect and/or commercially exploit their DEVELOPMENTS, they must first fully disclose in confidence those DEVELOPMENTS to the University. The University shall have the first right to acquire title to such DEVELOPMENTS.
- d. Category (3) DEVELOPMENTS: Participation by DEVELOPERS of Category (3) DEVELOPMENTS in the technology transfer process at the University is strictly voluntary. Obtaining

protection for such DEVELOPMENTS is complementary to the University's mission, is compatible with academic pursuits, such as publishing, and enhances the potential for beneficial use of the DEVELOPMENT. Accordingly, DEVELOPERS are urged to consider utilizing the University's technology transfer service.

- e. Category (2) and(3) DEVELOPMENT: The University shall evaluate each disclosed DEVELOPMENT and shall, within two weeks of the disclosure, contact the DEVELOPERS to discuss disposition of the DEVELOPMENT. If the University proceeds with protection or commercialization of the DEVELOPMENT, it will require the DEVELOPERS to assign title in the DEVELOPMENT to the University. The DEVELOPERS shall sign all papers and provide all assistance necessary to enable the University to obtain patent, copyright, chip mask, or other suitable protection for a DEVELOPMENT assigned to the University. DEVELOPERS shall also provide reasonable assistance to the University in identifying potential TRANSFEREES and in providing potential TRANSFEREES with information concerning such DEVELOPMENT. The University shall, at its own expense, use its best efforts to suitably protect and transfer DEVELOPMENTS assigned to the University. The University shall keep DEVELOPERS fully informed of such efforts. If the University determines that it will not proceed with the DEVELOPMENT and if it is permitted by the funding arrangement, the University will waive title to the DEVELOPMENT to the DEVELOPERS.
  - f. Scope of Protection: The nature and extent of the protection sought shall be decided by the Office of Patents and Licensing in consultation with PERSONNEL.
5. FINANCIAL CONSIDERATIONS FOR CATEGORY (1) AND (2) DEVELOPMENTS
- a. Generally: Out-of-pocket costs of assistance to be provided by DEVELOPERS under 4.b. and 4.e. shall be approved in advance and reimbursed by the University. The University shall share income derived from a DEVELOPMENT as provided below. Gross monetary income received by the University from a DEVELOPMENT

shall first be used by the University to reimburse itself for out-of-pocket costs associated with that DEVELOPMENT.

b. Distribution of NET INCOME from DEVELOPMENTS upon which a Patent Application is Filed: NET INCOME from such DEVELOPMENTS shall be divided as follows:

- (i) 33 1/3% to the Office of Patents and Licensing. The share of Patents and Licensing shall be used to cover the UNIVERSITY's out-of-pocket costs for technology protection, development and transfer activities concerning other DEVELOPMENTS not otherwise covered. The remaining portion of such share shall be used to support University activities.
- (ii) 33 1/3% to the unit from which the DEVELOPMENT came, to be divided 8% to the DEVELOPER's college and 25 1/3% to direct support of the DEVELOPER's research. In the event that the DEVELOPER leaves employment by the UNIVERSITY, the latter shall revert to the DEVELOPER's department. It is recognized that in a rare instance a DEVELOPMENT will return such a large amount of income to the UNIVERSITY that providing the full 25 1/3% share to the DEVELOPER's research would be inappropriate. In such instance, the DEVELOPER's Dean and Department Head may reduce the share of the net income that supports the DEVELOPER's research in a manner consistent with the preamble of this policy.
- (iii) 33 1/3% to be divided among the DEVELOPERS of the DEVELOPMENT. The DEVELOPERS and any others shall share in proportions agreeable among the DEVELOPERS.

c. Distribution of NET INCOME from DEVELOPMENTS upon which no Patent Application is Filed: NET INCOME from such DEVELOPMENTS shall be divided as follows:

- (i) 25% to the Office of Patents and Licensing.

- (ii) 75% to be divided among the DEVELOPERS. The DEVELOPERS and any others shall share in proportions agreeable among the DEVELOPERS.

6. FINANCIAL CONSIDERATION FOR CATEGORY (3) DEVELOPMENTS

Gross monetary income received from such DEVELOPMENTS shall be first used by the University to cover out-of-pocket costs associated with that DEVELOPMENT. NET INCOME shall be distributed as appropriate to the specific situation as agreed to by the DEVELOPER and the Office of Patents and Licensing. As a general rule for DEVELOPMENTS on which a patent application is filed, the NET INCOME will be distributed 50% to the DEVELOPERS and 50% to the Office of Patents and Licensing.

7. ADDITIONAL FINANCIAL CONSIDERATIONS FOR CATEGORY (1), (2), AND (3) DEVELOPMENTS

- a. Distribution of Other Compensation: The University may, as circumstances warrant, negotiate forms of compensation other than monetary income for a transferred DEVELOPMENT (e.g., shares of stock). In such circumstances the University shall make suitable arrangements for compensation of all persons and units having a right to a share in NET INCOME, with the express agreement of all such persons and units.
- b. Other Payments to DEVELOPERS: At its discretion, the University may pay DEVELOPERS for extraordinary efforts in identifying potential TRANSFERERS and interesting them in the DEVELOPMENT.

8. FUNDING TERMS

The obligations and procedures outlined by this policy are subject to the terms and conditions of any funding arrangement governing the disposition of a DEVELOPMENT. In the case of arrangements with industrial or other for-profit sponsors, the University shall not agree to any terms that give such sponsor substantial rights in DEVELOPMENTS without first consulting with the principal investigators. Generally, industry sponsors will acquire some rights in DEVELOPMENTS made under research projects they fund.

## 9. TRANSFER TERMS

The University will seek to transfer DEVELOPMENTS for commercialization to maximize their public utility and to obtain a fair return to the DEVELOPERS and the University for distribution in accordance with this policy. While it is impossible to define all of the situations that may arise and the appropriate terms for such situations, the following principles shall generally apply:

- a. The University shall not grant rights to a DEVELOPMENT without fair compensation in the form of royalties and/or other consideration, which may include funding of the research.
- b. The University may grant exclusive rights (including a grant of title) in a DEVELOPMENT to effect transfer. The University shall provide terms in the exclusive agreement that will obligate the party obtaining rights to adequately exploit the DEVELOPMENT to meet a market. The University shall also retain a right to terminate the exclusive agreement and reacquire all rights to the DEVELOPMENT if the party having exclusive rights does not adequately exploit the DEVELOPMENT.
- c. The University may grant rights to DEVELOPMENTS under more favorable terms than in (9.a) and (9.b) above where special circumstances warrant (e.g., a project utilizing base technology contributed by the sponsor or a situation where there are sufficient assurances that a DEVELOPMENT will be adequately exploited without the terms specified in (9.b)).
- d. The University may enter into agreements with organizations that will themselves attempt to transfer a DEVELOPMENT for commercialization.

## 10. OFFICE OF PATENTS AND LICENSING

All disclosures of DEVELOPMENTS shall be made to the University Office of Patents and Licensing. It is the responsibility of the Office of Patents and Licensing to administer disclosures and DEVELOPMENTS in accordance with work within this policy and seek approval from the Patent and

Technology Transfer Council for variations where the provisions of the policy are inadequate or inappropriate for a specific situation.

11. EFFECTIVE DATE

This policy shall become effective when adopted by the Board of Regents upon recommendation of the University Senate.

PATENT AND TECHNOLOGY TRANSFER AGREEMENT

I have read and understand the attached Patent and Technology Transfer Policy. In consideration of the provisions of that policy and my employment at the University of Minnesota, I agree to abide by that policy.

I agree to disclose to the University all technical developments that I conceive or develop with the use of University funds or University administered funding in all cases in which I decide to seek protection for that development through patents, copyrights, or other means or have decided to seek commercial exploitation of that development. I also agree to disclose to the University all technical developments I make under a University administered funding arrangement when required by that arrangement. For all developments I have agreed to disclose under the previous two sentences, I agree to sign all papers and provide all assistance necessary to give the University title to such developments, enable the University to obtain patent, copyright, or other suitable protection for such developments and enable the University to satisfy the terms of any applicable funding arrangement. I also agree to provide reasonable assistance to the University in identifying companies that may be interested in such developments and in providing information to such companies.

I understand that nothing in the Patent and Technology Transfer Policy or this Agreement restricts my right to publish the results of research I perform at the University. I also understand that I am not required to disclose technical developments to the University made without the use of University funds or University administered funding.

I understand that this Agreement does not give me any rights to developments not conceived by me.

Name (Please print or type) \_\_\_\_\_

Date \_\_\_\_\_ Signature \_\_\_\_\_

Social Security Number \_\_\_\_\_

This policy supercedes the policy approved by the Board of Regents dated May 9, 1980 and amended April 13, 1984.

The Board of Regents voted unanimously to approve the recommendations of the Educational Planning & Policy Committee.

Regent Schertler reported that the committee also reviewed a proposed Parent Education Licensure Option, College of Education, Twin Cities Campus and was presented with an update on UMW's educational programs.

#### **REPORT OF THE STAFF & STUDENT AFFAIRS COMMITTEE**

Regent Casey, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following action:

- a) Approval of resolution re Vice President's Monthly Report, as follows:

**RESOLVED**, that on the recommendation of the Vice President for Academic Affairs, the personnel actions affecting Academic and Professional and Administrative faculty and staff members as listed in the Vice President's Monthly Report are hereby approved.

Documentation is filed supplement to the minutes, No. 21,893.

- b) Approval of Appointment of Civil Service Committee Member, as follows:

**RESOLVED**, that on the recommendation of the President, the following individual is appointed to the Civil Service Committee for a three-year term: Patricia A. Kindy.

The Board of Regents voted unanimously to approve the recommendations of the Staff & Student Affairs Committee.



Regent Casey reported that the committee also received an indepth presentation on student life at the University of Minnesota Technical College at Waseca.

#### REPORT OF THE PHYSICAL PLANNING & OPERATIONS COMMITTEE

Regent Goldfine, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of the Monthly Report of the Vice President for Finance which included Purchasing, Project Status Report, and Miscellaneous - Physical Planning & Operations. Documentation is filed supplement to the minutes, No. 21,895.
- b) Approval of resolution re Animal Science Physiology Remodeling Project, as follows:

**RESOLVED**, that on the recommendation of the President and the Vice President for Finance and Operations, the appropriate administrative officers are authorized to proceed with the design and construction of the Animal Science Physiology Remodeling Project (old Dairy Barn) located on the St. Paul Campus.

- c) Approval of resolution re Centennial Hall Electrical Code Upgrading, as follows:

**RESOLVED**, that on the recommendation of the President and the Vice President for Finance and Operations, the appropriate administrative officers are authorized to proceed with the design and construction of the Centennial Hall Electrical code Upgrading Project on the Minneapolis East Bank Campus.

The Board of Regents voted unanimously to approve the recommendations of the Physical Planning & Operations Committee.

Regent Goldfine reported that the committee also reviewed a proposal for Middlebrook Hall heating and cooling improvement and light fixture replacement on the Minneapolis Campus and reviewed a proposal for window replacement for the Agricultural Engineering Building on the

St. Paul Campus. He also reported that the committee reviewed changes to the University travel policies and programs and reviewed the 1985-86 Annual Purchasing Report.

The meeting adjourned at 11:55 a.m.

  
BARBARA MUESING, Secretary