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**UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS**

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

**February 9-10, 1989**

**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

February 9-10, 1989

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Year 1988-89

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Physical Planning & Operations Committee

February 9, 1989

A meeting of the Physical Planning and Operations Committee of the Board of Regents was held on Thursday, February 9, 1989, at 1:30 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Roe, presiding; Regents Anderson, Craig, Grahek, and Kuderer.

Staff present: Chancellors Imholte and Sargeant; Vice Presidents Barbatsis and Campbell; Secretary Muesing.

Student Representatives present: Randy Peterson and Brian Thalmann.

VICE PRESIDENT'S MONTHLY REPORT

The committee voted unanimously to recommend approval of the Vice President's Monthly Report for February 1989.

Concerns were raised regarding the number of change orders on projects. Larry Anderson, Director of the Planning Office, explained the budgeting process for projects and why, in some cases, why there are more change orders on some projects. He reported that he would obtain additional information regarding change orders on individual projects and report back to committee members.

Regent Kuderer requested that the total cost of a project when completed be included in the Vice President's Monthly Report.

**PURCHASE OF GOODS/SERVICES OVER \$250,000**

The committee voted unanimously to recommend approval of a resolution authorizing the appropriate staff to award pending purchases/contracts over \$250,000 identified in the docket material.

**SNYDER HALL ALTERATIONS  
TWIN CITIES CAMPUS**

The committee voted unanimously to recommend approval of a resolution authorizing the design and construction of the Snyder Hall alterations to Rooms 322A and 328 Project located on the Twin Cities Campus. Estimated cost of the project was reported to be \$207,000 with funding provided from a special state appropriation for the Bio-Process Technology Institute.

**SALE OF PARCEL A, ALWORTH PROPERTY  
DULUTH**

The committee voted unanimously to recommend approval of a resolution authorizing the execution of the necessary papers for sale of 1.033 acres of land and improvements thereon identified as 2627 East 7th Street, Duluth, to Douglas and Bonita Bieniek for a price of \$90,000.

It was reported that the above resolution reflect acceptance of the high bid for one parcel and that a bid at or above the appraisal average for the second parcel was not received and may come back to the committee at a later date.

**LINKAGES BETWEEN SELVIG HALL, HILL BUILDING,  
OWEN HALL, BEDE HALL AND FOOD SERVICE BUILDINGS PROJECT  
CROOKSTON CAMPUS**

The committee voted unanimously to recommend approval of a resolution authorizing the design and construction required to complete the Linkages Project between Selvig Hall, Hill Building, Owen Hall, Bede Hall and Food Service Building located on the Crookston Campus. Estimated cost of the project was reported to be \$766,900 with funding provided from a 1987 legislative appropriation.

**PROPOSAL FOR FEASIBILITY STUDY OF ATHLETIC FACILITIES  
TWIN CITIES CAMPUS**

The committee voted unanimously to recommend approval of a resolution authorizing the allocation of \$250,000 from the President's Discretionary Fund to conduct a feasibility planning analysis for the development of major improvements to the University's basketball, hockey, and general sports arena facilities.

Regent Anderson stated that several options have been discussed regarding the improvements and passed out materials relating to one such option.

Regent Kuderer indicated that Freedom Hall in Kentucky was recently renovated. He stated that the structure was similar to Williams Arena and suggested that the administration examine that project.

**DELEGATION OF AUTHORITY**

The committee reviewed a proposal to amend the Committee Agenda Guidelines approved by the Board of Regents in July 1989 to exempt sponsored projects from the provision requiring Regents' approval of purchases over \$250,000.

Vice President Campbell stated that the intent of this proposal would be to facilitate purchasing procedures involving sponsored funds for the Office of Research and Technology Transfer Administration and for principal investigators of sponsored agreements. She stated that such purchases typically involve subcontracts, equipment, and other goods and services that have been specifically approved by the sponsoring agency in each agreement or by subsequent amendment for items not included in the original agreement.

**SALE OF 2,388.48 ACRES  
ST. LOUIS COUNTY (SALT SPRING LANDS)**

The committee information pertaining to the sale of the Salt Spring Lands in St. Louis County.

Ms. Sue Weinberg, Director of Real Estate, reported on discussions held with the U.S. Forest Service regarding the purchase of the University's Salt Spring Lands located in the Boundary Waters Canoe Area Wilderness and the Superior National Forest boundary. She stated that the U. S. Forest Service has expressed an interest in purchasing this land (totaling 2,388.48

acres) but may very likely need a congressional appropriation in order to obtain funding, which could take up to ten years to procure. As an alternative, she reported that the Forest Service suggested the University entertain a land exchange which would involve a third party, the Trust for Public Lands. The Trust for Public Lands would buy the property from the University with the stipulation that the Trust hold the land for later exchange with the U.S. Forest Service.

She stated that the administration is in the middle of discussions at this time with the Trust for Public Lands and when an agreement is reached, it will be brought back to the committee for review and approval.

#### **STEAM DISTRIBUTION EXPANSION, UMD**

The committee reviewed a proposed resolution authorizing the design and construction of the Steam Distribution Expansion Project located on the Duluth Campus.

It was reported that the work is being requested to improve the reliability of the steam distribution on the Duluth Campus. Estimated cost of the project was reported to be \$203,150 with construction to be complete in September 1989 and funding provided from Plant Services at Duluth.

#### **BOYNTON HEALTH SERVICE ASBESTOS REMOVAL AND REINSULATION TWIN CITIES CAMPUS**

The committee reviewed a proposed resolution that would authorize the design and construction of the Boynton Health Service Asbestos Removal and Reinsulation Project located on the Twin Cities Campus.

It was reported that the estimated cost of the project is \$176,500 with construction to be complete in June 1989 and funding provided by the Health Service.

#### **BLEGEN HALL METROPOL RESTAURANT REMODELING TWIN CITIES CAMPUS**

The committee reviewed a proposed resolution authorizing the administration to proceed with the design and construction of the Blegen Hall Metropol Restaurant Remodeling Project located on the Twin Cities Campus. Estimated cost of the project was reported to be \$370,000



with complete construction scheduled for September 1989 and funding provided by Support Services Reserves.

#### **FOURTH STREET PARKING RAMP PROJECT**

The committee reviewed a proposed resolution that would authorize the design and construction of the Fourth Street Ramp Project located on the Twin Cities Campus.

Mr. Larry Anderson, Director of the Planning Office and Neil Bakkenist, Assistant Provost, Support Services and Operations presented information to the committee regarding the parking shortage on the Twin Cities Campus, including past and future plans for accommodating this shortage. It was reported that this project includes an 1,100 car parking ramp for contract and hourly parking to be located on the existing contract lot #51. Construction on the site will mean some loss of existing surface parking, however, the net gain of parking capacity is expected to be approximately 800 spaces.

Estimated cost of the project was reported to be \$9,570,000 with construction to be complete by June 1990 and funding provided from Parking Reserves.

The committee engaged in an extensive discussion regarding future plans for additional parking including the possibility for an arena parking facility located in the Northeast Quadrant of the University. The committee also discussed the possibility of constructing climate controlled pedestrian links that would connect the parking ramps to some of the buildings on campus.

#### **MOOS TOWER 2ND FLOOR ALTERATIONS FOR THE DIETRICH CHAIR OF X-RAY CRYSTALLOGRAPHY, TWIN CITIES CAMPUS**

The committee reviewed a proposed resolution authorizing the design and construction of the Moos Tower 2nd Floor Alterations for the Dietrich Chair of X-Ray Crystallography Project located on the Twin Cities Campus.

It was reported that the project involves the remodeling of approximately 5,900 gross square feet of space on the second floor of the Moos Tower to create laboratories, offices and support space for research.

Estimated cost of the project was reported to be \$420,000 with construction to be complete by July 1989 and funding provided from an endowed chair and matching funds from the Permanent University Fund.

**NEW BUSINESS**

Regent Kuderer urged committee members to support the inclusion of planning money for the moving of Ecology & Behavioral Biology to the St. Paul Campus in any emergency bonding bill that may be passed during the 1989 session.

Regent Roe stated that he would expect that the Board will have an opportunity to review and have input into any bonding priorities before submission to the legislature.

The meeting adjourned at 2:50 p.m.

  
**BARBARA MUESING, Secretary**

Year 1988-89

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Finance & Legislative Committee

February 9, 1989

A meeting of the Finance & Legislative Committee of the Board of Regents was held on Thursday, February 9, 1989 at 3:00 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Lebedoff, presiding; Regents Kuderer, McGuigan and Roe.

Staff present: Chancellors Frederick, Imholte and Sargeant; Vice President Campbell; Secretary Muesing; Investment Director Paschke.

Student Representatives present: Alice Pegel and Sarah Schloegel.

VICE PRESIDENT'S MONTHLY REPORT

The committee voted unanimously to recommend approval of the Vice President for Finance Monthly Report for February 1989.

FINANCIAL MANAGEMENT/SYSTEMS DEVELOPMENT PLAN  
(Response to the Report of the Governor's  
Blue Ribbon Commission)

The committee reviewed the University's Financial System Improvement Plan which was developed in response to recommendations on Financial Management by the Blue Ribbon Commission.

Messrs. Steve Simpson, Aaron Reynolds and Gary Adams, from the accounting firm of Touche Ross presented

details on the Integrated Financial System which has been developed for the University of Minnesota by representatives from Touche Ross, in consultation with the University's financial administration, user organizations and with the University's Administrative Information Services.

Mr. Simpson reported that currently four major financial systems projects are underway: Property Accounting and Management Systems, Accounts Payable/Purchasing, Student Accounts Receivable and the Financial Management Data Base System and indicated that with the exception of the Financial Management Data Base project, all are funded and scheduled for completion within the next 12-18 months. In addition, a number of other financial system projects have been identified which include: On-line Payroll Update, Salary Changes System, and Human Resources Information System. Mr. Simpson explained in detail particulars of each project identified indicating the objectives and approach used for projects and estimated costs, and responded to questions posed by committee members.

Vice President Campbell then presented an update on progress to date on all of the major financial management recommendations that were contained in the Governor's Blue Ribbon Commission Report.

#### **CLARIFICATION OF RESERVES RESPONSE TO FINANCIAL REVIEW COMMITTEE**

Vice President Campbell presented information clarifying the definition, purpose, and computation formula for determining the recommended level of central reserves and fund balance as recommended by the University's Financial Review Committee.

Vice President Campbell reported that the primary functions of central reserves are:

- 1) Income protection: To insulate ongoing programs from sharp revenue shortfalls
- 2) Expenditure protection: To cover unanticipated expense transactions such as a sudden increase in interest cost on University variable rate debt.
- 3) Opportunity fund: To provide resources to enable the University to take advantage of unique situations, e.g. grant match

She stated that every analysis suggests that reserves in some form are vital to major research universities for the above three purposes and that other comparable universities maintain reserves of similar amounts to the University of Minnesota and for similar reasons.

She reported that within the University of Minnesota system, it has been determined that the size of central reserves should be related to the three purposes for which the reserves exist. In terms of income protection, the administration believes that the University should maintain central reserves equal to at least 3% of unrestricted current fund revenues and that expenditure protection reserves should approximate 2% of unrestricted current fund expenditures. She further stated that initial guidelines for expenditure of and reporting on central reserves were adopted by the Regents in June 1988. The guidelines require annual budgeting for reserve expenditures, define the categories of allowable expenditures, identify the reporting requirements, and discuss the appropriate reserve fund balances. In addition, she stated that these guidelines have been shared with the Financial Review Committee and the State Legislature and will be updated as necessary to meet Regents' policy directives.

#### **REVISION OF REGENTS' POLICY ON CENTRAL RESERVE EXPENDITURES**

The committee reviewed a proposed revision to the Regents' Policy on Central Reserve Expenditures which would clarify the Regents' intent that once discretionary funds have been allocated to the President, Vice Presidents, Provost, or Chancellors from Central Reserves, they are then exempt from guidelines governing Central Reserve expenditures.

Regent McGuiggan stated that he is concerned about recurring items that are funded through the President's Discretionary Fund and that before action is taken on the proposed revision, he would like information on how other Big Ten universities handle presidential discretionary funds and particularly how the University of Michigan operates its' President's fund.

#### **MODIFICATION TO RESERVE SPENDING PLAN**

The committee reviewed a proposed modification to the Reserve Spending Plan which would modify the plan to include an additional \$240,000 for funding needs for the

Office of External Relations in 1988-89 and \$109,190 to fund the cost of the Presidential Search.

Vice President Heydinger distributed material detailing expenditures for the Office of External Relations and described the budgets that comprise External Relations which are Alumni Association, Foundation, University Relations, and State Relations & Vice President's Office. He provided the percentage of those budgets that are covered by University funds and what is covered by other funds. In addition, Vice President Heydinger reviewed additional expenses incurred by External Relations during 1989 that were non-recurring items.

Committee members requested that Mr. Heydinger provide additional information regarding where the requested allocations will fit into the External Relations overall budget before action is taken on the item.

#### CONVERSION OF THE FACULTY RETIREMENT PLAN FROM A 403(b) TO A 401(a)

The committee reviewed a proposal to change the Faculty Retirement Plan from a 403(b) to a 401(a) plan.

Vice President Campbell presented background information on the change indicating that the conversion was proposed because the Tax Reform Act of 1986 imposed new restrictions on retirement programs offered by non-profit institutions and it was believed that the existing Faculty Retirement Program would not be in compliance with the new regulations. She reported that after consultation with representatives from the University's Employee Benefits Department, the University Attorney's Office and the law firm of Faegre and Benson, as well as the appropriate faculty committees, it was determined that the Faculty Retirement Plan should be submitted to the IRS for approval as a 401(a) plan. The IRS issued a favorable 401(a) determination letter and the University has the option of converting to a 401(a) plan effective July 1, 1989.

Vice President Campbell reviewed changes that must be implemented prior to the conversion and stated that the item will be on the agenda in March for action.

#### QUARTERLY MANAGEMENT REPORT

The committee reviewed the Quarterly Report on the fiscal status of the current funds of the University as

of December 31, 1988. Also included in the report was the status of the General Operations and Maintenance budget and the status of collegiate budgets as of December 31, 1988.

#### LEGISLATIVE UPDATE

Vice President Heydinger presented an update on recent hearings held at the Legislature and informed the committee about topics of future hearings.

He reported that University Research Day will be held February 22 at the State Capitol and reported that the Governor will be attending a special meeting of the University Senate February 23 on the West Bank Campus.

In addition, Vice President Heydinger passed out materials distributed by the Office of External Relations entitled Fact Sheets which were prepared in response to some of the questions most frequently asked at legislative events. He stated that some of the topics that may be covered on the Fact Sheets might pertain to the Minnesota Campaign, Endowed Chairs & Professorships, Foreign Teaching Assistants, Physical Plant & Operations Updates and Minority Programs.

The meeting adjourned at 4:20 p.m.

  
BARBARA MUESING, Secretary

Year 1988-89

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Educational Planning & Policy Committee

February 9, 1989

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, February 9, 1989, at 1:30 p.m. in Room 300, Morrill Hall.

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

Staff present: Vice President Clark; Secretary Muesing; Associate Vice President Perlmutter; and Assistant Vice Presidents Foster and Murthy.

Student Representatives present: David Minkkinen and Darrin Rosha.

VICE PRESIDENT'S MONTHLY REPORT

Vice President Clark presented the Vice President's Monthly Report to the committee for approval. She stated that 21 University faculty members received Fulbright awards, and noted that the University of Minnesota ranks first in the nation in the number of faculty who received Fulbright awards for 1988-89. In addition, the University is currently hosting 17 faculty from other countries who received Fulbright awards.

As a follow-up to the discussion at the January meeting regarding the College of Liberal Arts, Vice President Clark distributed a memorandum from Dean Lukermann in response to issues raised at that meeting. Regent McGuiggan expressed a concern that a discussion of CLA programmatic issues was not on the February agenda. Following a brief discussion, Regent Hilke suggested that committee members review the materials distributed by Dr. Clark, and Regents Casey, Lebedoff and Schertler and President Hasselmo can decide if it is necessary to schedule further discussion at the March meeting.



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

#### MAJOR IN INTERNATIONAL STUDIES FOR THE B.A. DEGREE, UMD

Vice President Clark and Judith Gillespie, Dean of the College of Liberal Arts at UMD, led a discussion on the proposal to establish a major in International Studies for the B.A. degree. Dr. Gillespie discussed the international programs available to UMD students, and stated that the proposed major is a natural outgrowth of the minor in this area.

Following a brief discussion regarding the proposal and transfer of credits, Regent Hilke noted that this item will be presented for approval at the March meeting.

#### REPORT ON THE COLLEGE OF BIOLOGICAL SCIENCES

Paul T. Magee, Dean of the College of Biological Sciences (CBS), led a discussion on the history of the College and the educational, research, outreach, funding and affirmative action aspects of the College.

Dean Magee stated that the educational programs emphasize undergraduate and graduate education, in addition to a significant public education component. An important aspect of the undergraduate experience is student research. He indicated that the College has excellent students and noted that the College has a very distinguished faculty, including three Regents' Professors.

Dean Magee stated that research within the College is highly varied, stressing the interdisciplinary nature of modern biological research. He noted that all research is externally funded, and stated that 1987-89 grant support totalled approximately \$6.8 million. He indicated that the College is working to increase external support.

Dean Magee also commented on the outreach and affirmative action initiatives of the College. He noted that efforts are being made to improve the educational offerings of CBS, and to expand the pool of potential undergraduate and graduate students and faculty members.

A lengthy discussion ensued, and committee members complimented Dean Magee on his presentation. Regent

McGuiggan expressed a concern that the outreach opportunities offered to talented high school students are limited to the metropolitan area, and he urged Dean Magee to consider expanding those opportunities to students in outstate Minnesota. Dean Magee concurred with the suggestion, but stated that additional funding would be necessary.

Following the discussion, Regent Hilke expressed appreciation to Dean Magee for his presentation.

The meeting adjourned at 2:40 p.m.

  
BARBARA MUESING, Secretary

Year 1988-89

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff & Student Affairs Committee

February 9, 1989

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, February 9, 1989, at 3:05 p.m. in Room 300, Morrill Hall.

Regents present: Regent Hilke, presiding; Regents Craig, Grahek and Schertler.

Staff present: Vice Presidents Barbatsis and Clark; Secretary Muesing; Associate Vice Presidents Lupton and Murthy; Assistant Vice Presidents Berg and Kvavik.

Student Representatives present: Leslie Ball and Michael Holland.

VICE PRESIDENT'S MONTHLY REPORT

Vice President Clark presented the Vice President's Monthly Report to the committee for approval, including a supplement noting the appointment of Jeanne Lupton as Acting Associate Vice President for Student Development, effective February 16, 1989. Dr. Clark noted the appointment of Linda Ellinger as Acting Assistant Vice President for Student Development, effective January 16, 1989, and the appointment of David Taylor as Dean of General College, effective February 16, 1989.

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

AMENDMENT TO STUDENT EMPLOYMENT RULES

Vice President Barbatsis presented a proposed amendment to the Student Employment Rules to the committee for approval. The proposed amendment reflects the Student Employment Committee's recommendation that the Committee include a minimum of three students. Mr.

Barbatsis also presented proposed amendments to the Student Employment Bylaws.

Regent Schertler noted that in December the committee recommended the inclusion of five students on the Student Employment Committee, and a lengthy discussion ensued regarding the issue of student representation on the committee.

Following the discussion, Vice President Barbatsis suggested that action be deferred until March so that the issues associated with student representation on the Student Employment Committee can be resolved. The committee concurred with suggestion.

### PLANS TO IMPROVE STUDENT STUDY SPACE

Assistant Vice President Kvavik led a discussion on the status of student study space on the Twin Cities Campus. He noted that a committee was appointed to review questions associated with study space, and stated that a recent survey addressed the following issues:

- Quantity of study space
- Quality and type of study space
- Distribution and location of study space
- Ease of access and security

Dr. Kvavik summarized the committee's conclusions and recommendations, and noted the following:

- There is sufficient non-library study space available, however, the amount of library study space is inadequate. To resolve this problem would require a major addition to Twin Cities Campus library facilities and renovation of existing libraries.

- The quality of study space is inadequate and must be addressed by the University at this time. In December of 1988, \$300,000 was allocated to address problems associated with the quality of study space. Currently, 68 rooms are being evaluated by a committee of students and administrators, and it is anticipated that up to 1,200 study spaces will be upgraded for student use in Fall Quarter, 1989.

- Distribution of study space is adequate, however, guidelines should be established

mandating that new or remodeled space provide adequate lounge and student study space.

- Access will be improved by a publication, to be distributed to students at orientation, noting where study space is located and when it is available. In addition, each building's directory will include the room numbers of available study space.

A lengthy discussion followed the presentation, and several committee members expressed concerns regarding the library situation. Regent Hilke thanked Dr. Kvavik for his report, and asked him to provide the committee with a progress report on the proposed improvement of study space.

#### REPORT ON FACULTY RETENTION ISSUES

Vice President Clark presented an overview of faculty retention issues, including a national perspective on the problem. She stated that shortages of quality faculty have developed in certain areas, such as computer science, mathematics, business, electrical engineering and some of the professional fields, which has resulted in the University being faced with a number of retention cases.

Dr. Clark discussed various strategies the University has used to retain key faculty, and she reviewed a list of examples of faculty retention cases, the University's response to those cases and the outcome.

The committee engaged in a lengthy discussion regarding the faculty retention problem. Committee members expressed concern regarding the situation, and stressed the importance of communicating this serious message to the Legislature. Regent Hilke stated that the quality of the faculty is the most important factor in determining the quality of the University, and he challenged the Administration to develop a comprehensive strategy for retaining quality faculty.

Vice President Allen, Associate Vice President Murthy, Assistant Vice President Bilek and Professor Rubenstein discussed the problems they have experienced in recruiting and retaining key faculty.

Regent Hilke thanked everyone for participating in the discussion, and asked that the Regents be kept informed regarding this issue.

FORMAT FOR UNIVERSITY PERSONNEL DEPARTMENT ANNUAL REPORT

Due to time constraints, discussion of this item was delayed until the March meeting.

Roger Forrester, Director of the University Personnel Department, introduced Mary Trandem, an Administrator in the Bursar's Office and a new member of the Civil Service Committee.

Ms. Trandem briefly addressed the committee.

The meeting adjourned at 4:50 p.m.

  
BARBARA MUESING, Secretary

Year 1988-89

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

February 10, 1989

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, February 10, 1989, at 8:30 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Lebedoff, presiding; Regents Anderson, Casey, Craig, Grahek, Hilke, Kuderer, McGuiggan, Moore, Roe and Schertler.

Staff present: President Hasselmo; Chancellors Frederick, Ianni, Imholte and Sargeant; Vice Presidents Allen, Barbatsis, Campbell, Clark, Donohue, Heydinger and Perlmutter; Secretary Muesing; Associate Vice Presidents Cross, Foster, Lupton, Murthy and Roszell; Assistant Provost Bakkenist; Assistant Vice President Ellinger.

Student Representative present: Randy Peterson.

ELECTION OF HUMPHREY INSTITUTE ADVISORY COMMITTEE MEMBERS

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

RESOLVED, that on the recommendation of the President, the following individuals are reappointed to the Hubert H. Humphrey Institute of Public Affairs Advisory Committee for a three-year term ending June 30, 1991: Frances Humphrey Howard, Dorothy Height and George Pillsbury. Further, that Orville Freeman is reappointed to complete the term of Frank Gibney, ending June 30, 1989.

RESOLVED, FURTHER, that on the recommendation of the President, the following individuals are appointed to the Hubert H. Humphrey Institute of Public Affairs Advisory Committee for a three-year term ending June 30, 1991: David E. Bell, Dr. Wilton S. Dillon,

Walter Mondale, Katherine Murphy, William R. Pearce and Dr. Vernon Ruttan.

#### RECOGNITION OF MCKNIGHT LAND GRANT PROFESSORS

Robert Holt, Dean of the Graduate School, commented briefly on the McKnight Land Grant Professorship Program, and stated that this is the third year of the program. He introduced the following 1989 McKnight Land Grant Professors: Linda J. Brady - Department of Food Science & Nutrition; James Kakalios - School of Physics & Astronomy; Homayoon Kazerooni - Department of Mechanical Engineering; Nita Krevans - Department of Classical & Near Eastern Studies; Kenneth Leopold - Department of Chemistry; Ellen Messer-Davidow - Department of English; Gianna Pomata - Department of History; Christian Teyssier - Department of Geology & Geophysics; and Robert Tranquillo - Department of Chemical Engineering & Materials Science.

#### MSPAN REPORT

President Hasselmo led a discussion of a report entitled "Maintaining Minnesota's Educational Advantage-An Analysis of Future Higher Education Needs and Alternative Strategies to Address Them in Minnesota" (MSPAN Report), which was prepared for The MSPAN Project by SRI International. He stated that development of the MSPAN Report began with a legislative directive to HECB in May of 1988, with the final report being released February 10. HECB will submit the Final Report and its recommendations to the Legislature on February 20. Dr. Hasselmo indicated that he hopes HECB will be cautious in its recommendations to the Legislature and that the Legislature will start discussing the issues, but not adopt new and very expensive solutions before there is adequate opportunity to determine what the existing systems can provide.

Dr. Hasselmo stated that this item was placed on the agenda to provide an opportunity for the Regents to begin discussing the stance the University should take regarding the recommendations contained in the MSPAN Report. He noted that the Report contains numerous recommendations, some of which have far-reaching potential consequences for the higher education system in Minnesota. He indicated that there has been limited discussion and analysis of the recommendations by the Higher Education Advisory Committee (HEAC), which includes the Chancellors of the state's four systems of



higher education, plus representatives of HECB. He commented briefly on the HEAC joint response to the Final Report, and stated that the discussions will continue.

President Hasselmo reviewed the seven educational policy objectives and strategies which were identified in the report, including a proposal to establish an additional four-year institution in the metropolitan area. He indicated that HEAC is reviewing the proposal to determine what the existing systems can do to meet the needs identified in the report. Dr. Hasselmo stated that his major concerns in regard to this study are the issues of access and quality, and he indicated that careful consideration must be given to the implications of further expansion of the state's higher education system when the existing systems face major resource needs.

Dr. Hasselmo stated that he intends to propose a process for review of the University's Mission Statement. He indicated that the discussion of the recommendations in the MSPAN Report will help identify the issues that must be considered in connection with revision of the Mission Statement.

A lengthy discussion followed the presentation, and committee members expressed support for President Hasselmo's position on the MSPAN Report. Several Regents commented on the expensive proposal to establish a new urban University, and Regent Hilke noted that the message to the Legislature has to be that with adequate funding, the University of Minnesota is willing to serve all students who are able to take advantage of its resources and that the University is willing to cooperate with the other educational systems in the state. Following the discussion, Dr. Hasselmo stated that the discussion regarding this item will continue.

#### OVERVIEW OF THE MINNESOTA CAMPAIGN

Associate Vice President Roszell presented an overview of the Minnesota Campaign, which began on January 1, 1985 and concluded on June 30, 1988. He noted that in June of 1985, the Legislature released the Permanent University Fund (PUF) as a source of matching funds. The original goals of the campaign were to raise \$300 million and endow at least 100 academic positions. At the conclusion of the campaign, \$365 million had been raised and 127 new endowed positions had been established.

Through the use of visual aids, Mr. Roszell discussed various aspects of the campaign, including the size and source of contributions. He commented on the response of University faculty and staff, and stated that it was one of the success stories of the campaign.

Mr. Roszell discussed the progress to date in filling the 127 endowed positions. He stated that searches are currently being conducted to recruit individuals to fill the remaining vacant positions.

Mr. Roszell indicated that approximately \$20 million in PUF money is still available. He stated that work is being done with Deans in some academic units which did not meet their goals to solicit further contributions which will be matched by the remaining PUF funds.

Mr. Roszell stated that many volunteers were essential to the success of the campaign, particularly Elmer Anderson, Russ Bennett, Marv Borman, Curt Carlson, Tom Keller and Jerry Shepherd. In addition, he noted that University Administrators made themselves available to describe Commitment to Focus or the need for an endowed academic position.

Regents expressed congratulations to Mr. Roszell on the success of the campaign, and Regent Moore stated that the success was the direct result of the hard work of Mr. Roszell, his staff and the many volunteers. President Hasselmo thanked Mr. Roszell for the presentation and for his leadership of the campaign. He also acknowledged the contributions of former President Kenneth Keller, who provided extraordinary leadership to the campaign. Regent Lebedoff also acknowledged the leadership of former Vice President David Lilly, and the tremendous contributions of Russ Bennett.

#### NEW BUSINESS

Regent Moore noted the recent death of Dr. Reginald Buckner, and invited everyone to attend a memorial service in his honor. She asked that a letter of sympathy be sent to his family on behalf of the Board.

The meeting adjourned at 10:05 a.m.

  
BARBARA MUESING, Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

February 10, 1989

A meeting of the Board of Regents of the University of Minnesota was held on Friday, February 10, 1989, at 10:30 a.m. in the Regents Room, 238 Morrill Hall.

Regents present: Anderson, Casey, Craig, Grahek, Hilke, Kuderer, Lebedoff, McGuiggan, Moore, Roe and Schertler. Regent Sahlstrom was connected via telephone. President Hasselmo presided.

Staff present: Chancellors Ianni, Imholte and Sargeant; Vice Presidents Allen, Barbatsis, Campbell, Clark, Donohue, Heydinger and Perlmutter; Secretary Muesing; Associate Vice Presidents Cross, Foster, Lupton, Murthy and Roszell.

APPROVAL OF MINUTES

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

Audit Committee - January 5, 1989  
Physical Planning & Operations Committee -  
January 12, 1989  
Finance & Legislative Committee -  
January 12, 1989  
Faculty, Staff & Student Affairs Committee -  
January 12, 1989  
Educational Planning & Policy Committee -  
January 12, 1989  
Committee of the Whole - January 13, 1989  
Board of Regents - January 13, 1989

REPORT OF THE PRESIDENT

President Hasselmo presented a lengthy report providing an update on issues that he reported on at the January meeting.

He described action that he has taken to date on six major areas identified in his January report. Those areas included:

Accountability - With the assistance of several administrators, he will address steps to ensure that the University continues to provide appropriate information on fiscal and operational matters to the Board of Regents, the Governor and the Finance Department, the Legislature, the University Senate and a variety of constituencies.

Managerial Effectiveness - Carol Campbell has been asked to serve as a lead person of a team established to identify and communicate steps to be taken to ensure that the University manages its human, financial, and physical resources effectively.

Governance and Administration - Chancellor Larry Ianni has been asked to lead a team to report on steps to be taken to ensure that the University is governed and administered in such a way that a proper balance is struck between centralized "system" functions and campus functions, including proper roles for the president, the vice presidents, and the chancellors.

Undergraduate Education - Robert Kvavik will lead a team that will identify steps to be taken to ensure that all undergraduate students receive a quality education, including entry-level instruction English and mathematics, general education, and the undergraduate majors.

Research Development - Dean Robert Holt will lead a team to report on steps to be taken to ensure that the University's activities in research, scholarship, and artistic expression continue to prosper.

Outreach, Extension, and Technology Transfer - Dean Edward Schuh will lead a team to report on steps to be taken to ensure that the University serves the state and nation through effective sharing of its resources in teaching and research/scholarship/artistic activities with agencies, institutions, organizations and individuals.

President Hasselmo reported that a detailed report on the topic of Faculty and Staff Recruitment and

Retention had been presented at the Faculty, Staff, and Student Affairs Committee and he reviewed some of the critical issues that were contained in that report.

In addition, President Hasselmo reviewed the status of the University Budget for the next biennium paying particular note to some of the priorities included in the request. He also spent time outlining his plans for the organization of Central Administration.

President Hasselmo then presented the following resolution to the members of the Board for consideration and action. He indicated that the resolution clearly states to the Governor, the Legislature, and the people of the State of Minnesota that the University has acted, or is determined to act, on all the criticisms and recommendations that were brought forward in the Blue Ribbon Commission's Report, the Legislative Auditor's Report, and the University Financial Review Committee Report:

**WHEREAS**, the Regents of the University of Minnesota have received the reports and recommendations of the Legislative Auditor, the Governor's Blue Ribbon Commission on Financial Management of the University of Minnesota, and the University Financial Review Committee, and

**WHEREAS**, these reports and recommendations must be regarded as thoughtful and constructive advice on the governance, administration, and management of the University, and

**WHEREAS**, the Board of Regents, the central administration, and the administration of Physical Plant Operations have already taken action on many of the recommendations in the three reports, and

**WHEREAS**, the remaining recommendations to be acted upon in the near future constitute helpful directions for the Board of Regents and the University administration,

**BE IT THEREFORE RESOLVED**, that the Board of Regents:

- (1) Recognizes the contributions of the Legislative Auditor, the Governor's Blue Ribbon Commission, and the University Financial Review Committee,

- (2) Endorses, in principle, their recommendations as constructive guidance for action, and
- (3) Accepts the responsibility to report fully and widely on all actions taken by this Board and the University administration in response to all of the recommendations.

The Board of Regents applauded President Hasselmo on his report and then voted unanimously to approve the above resolution.

President Hasselmo continued his report by introducing Mr. M. "Gus" Donhowe, the University's new Senior Vice President for Finance and Operations and Dr. David Taylor, the new Dean for General College. Both gentlemen spoke briefly to the Board.

Dr. Hasselmo also recognized Carol Campbell for her work during the past year as Acting Vice President for Finance and Operations and Dr. Keith McFarland for his service as the Acting Dean of General College.

#### REPORT OF THE CHAIR

Chair Lebedoff reported that the Board of Regents recently held an all-day retreat at the Scanticon Conference Center and described briefly some of the topics discussed during the session. He reported that the Board spent a considerable amount of time at the retreat discussing two lists that were prepared by the Minnesota Regent Candidate Advisory Council which propose a list of Board responsibilities as well as individual Regent responsibilities. He stated that there was unanimity among members of the Board that the two lists be endorsed by the Board of Regents and he moved that the Board adopt the following lists of responsibilities:

#### MINNESOTA REGENT CANDIDATE ADVISORY COUNCIL BOARD OF REGENTS' RESPONSIBILITIES

1. Clarify the mission of the University and approve programs necessary to achieve it.
2. Appoint, monitor, advise, motivate, support, evaluate and, if necessary or advisable, replace the President.
3. Approve major policies, long-range plans, educational programs and annual budgets, while clearly delegating administrative responsibilities.

4. Accept fiduciary responsibility for the long-term welfare of the University.
5. Ensure adequate resources - human, financial, physical - and effective management of those resources.
6. Preserve institutional autonomy, recognizing that the preservation of autonomy requires accountability.
7. Ensure collaboration with other educational systems and with other institutions related to its mission.
8. Serve as a court of appeals when appropriate.
9. Enhance the public image of the University.
10. Monitor and evaluate the performance of the institution in achieving its goals and mission.
11. Regularly evaluate the Board's performance and take steps to improve it.
12. Assure that the University of Minnesota remain an equal opportunity institution.

**MINNESOTA REGENT CANDIDATE ADVISORY COUNCIL  
INDIVIDUAL REGENT RESPONSIBILITIES**

1. To seek to be fully informed about the University and its role in the state and in higher education and to be responsive to the changing environments which affect it.
2. To support the mission of the University.
3. To speak one's mind at Regents' meetings, but support policies and programs once established.
4. To understand that the Regents' role is policy making and not involvement in administration or the management process.
5. To strengthen and sustain the President while being an active, energetic and probing Board member exercising critical judgment on policy matters.
6. To communicate promptly to the President any significant concern or complaint and then let the President deal with it.

7. To defend the autonomy and the independence of the University.
8. To maintain an overriding loyalty to the entire University rather than to any part of it or constituency within it.
9. To represent all the people of Minnesota and no particular interest, community or constituency.
10. To help enhance the public image of the University and the Board of Regents.
11. To recognize that authority rests only with the Board as a whole and not in its individual members.
12. To recognize that the President is the primary spokesperson for the University, and the Chair of the Board is the only other person authorized to speak for the Board.
13. To foster openness and trust among the Board of Regents, the Administration, the faculty, the students, state government and the public.
14. To maintain a decent respect for the opinions of one's colleagues and a proper restraint in criticism of colleagues and officers.
15. To recognize that no Board member shall make any request or demand for actions that violate the written policies, rules and regulations of the Board or of the University.
16. To maintain the highest ethical standards and never to allow any personal conflict of interest to exist.

The Board of Regents voted unanimously to adopt the above lists of responsibilities.

Chair Lebedoff then called on Regent Schertler who presented a report from the Regents' Awards Committee. Regent Schertler reviewed a Regents' Policy Statement for Awards and Recognition which was formulated with the help of the All-University Honors Committee and President Hasselmo. She stated it will be before the Board in March for action.

Regent McGuiggan expressed some concerns regarding how the approving authority for the awards is presented in the statement and Regent Moore requested that the



committee consider adding a provision for naming University buildings after former presidents. Regent Schertler noted the concerns and stated that those concerns would be considered before action is requested.

Chair Lebedoff called on Regent Charles Casey for a report of the Regents' Staffing Committee. Regent Casey presented a plan for staffing the Board of Regents Office that was prepared by his committee. He reported that after several meetings, the committee recommends that one professional staff position be created with one civil service position also proposed to provide secretarial support. In addition several recommendations were included in the report regarding classifications and title changes. Regent Casey asked that Board members review the recommendations of the committee before action is requested at the March meeting.

#### 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. 22,096.

#### CONTRACTS & GRANTS/APPLICATIONS & AWARDS

Vice President Clark submitted for approval the contracts & grants/applications & awards.

The Board of Regents voted unanimously to approve the contracts & grants/applications & awards.

Documentation is filed supplement to the minutes, No. 22,097.

#### REPORT OF THE COMMITTEE OF THE WHOLE

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

- a) Approval of resolution re Election of Humphrey Institute Advisory Committee Members as follows:

**RESOLVED**, that on the recommendation of the President, the following individuals are reappointed to the Hubert H. Humphrey Institute of Public Affairs Advisory Committee for a three-year term ending June 30, 1991: Frances Humphrey Howard, Dorothy Height and George Pillsbury. Further, that Orville Freeman is reappointed to complete the term of Frank Gibney, ending June 30, 1989.

**RESOLVED, FURTHER**, that on the recommendation of the President, the following individuals are appointed to the Hubert H. Humphrey Institute of Public Affairs Advisory Committee for a three-year term ending June 30, 1991: David E. Bell, Dr. Wilton S. Dillon, Walter Mondale, Katherine Murphy, William R. Pearce and Dr. Vernon Ruttan.

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

Chair Lebedoff reported that the committee also recognized the 1989 McKnight Land-Grant Professors; discussed the MSPAN Report and received an overview of the Minnesota Campaign. In addition, the recent death of Dr. Reginald Buckner was acknowledged at the meeting.

Chair Lebedoff also reported that the committee reviewed the Report of the University Financial Review Committee.

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

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

- 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. 22,098.

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

Chair Lebedoff reported that the committee also reviewed the University's Financial System Improvement Plan; received information clarifying the definition, purpose, and computation formula for determining the recommended level of central reserves and fund balances; reviewed a proposed revision to the Regents' Policy on Central Reserve Expenditures; reviewed a proposed to convert the Faculty Retirement Plan from a 403(b) to a 401(a) plan; reviewed the Quarterly Management Report; and received a legislative update.

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

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

- a) Approval of the Vice President's Monthly Report for January 1989. Documentation is filed supplement to the minutes, No. 22,099.

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

Chair Hilke reported that the committee also reviewed a proposal to establish a major in International Studies for the B.A. degree at UMD and received a report on the College of Biological Sciences.

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

Regent Hilke, 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 including the added supplement presented at the meeting. Documentation is filed supplement to the minutes, No. 22,100.

The Board of Regents voted unanimously to approve the recommendation of the Faculty, Staff & Student Affairs Committee.

Chair Hilke reported that the committee also reviewed a proposed amendment to Student Employment Rules which will be acted on at the March meeting; reviewed plans to improve student study space on the Twin Cities Campus; and received a report on faculty retention issues. He further reported that due to time constraints, discussion on the agenda item Format for University Personnel Department Annual Report was delayed until the March meeting.

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

Regent Roe, 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. 22,101.
- b) Approval of resolution re Purchase of Goods/Services Over \$250,000, as follows:

RESOLVED, that on the recommendation of the Interim President and the Acting Vice President for Finance and Operations, the appropriate staff are authorized to award pending purchases/contracts over \$250,000.

Documentation is filed supplement to the minutes, No. 22,102.

- c) Approval of resolution re Snyder Hall, Alterations, Twin Cities Campus, as follows:

RESOLVED, that on the recommendation of the President and the Acting Vice President for Finance and Operations, the appropriate administrative officers are authorized to proceed with the design and construction of the Snyder Hall Alterations to Rooms 322A and 328 Project located on the Twin Cities Campus.

- d) Approval of resolution re Sale of Parcel A, Alworth Property, Duluth, as follows:

RESOLVED, that on the recommendation of the President and the Acting Vice President for Finance and Operations, the appropriate administrative officers are authorized to execute the necessary papers for sale of 1.033 acres of land and improvements thereon identified as 2627 East 7th Street, Duluth, to Douglas and Bonita Bieniek for a price of \$90,000.

- e) Approval of resolution re Linkages Between Selvig Hall, Hill Building, Owen Hall, Bede Hall and Food Service Buildings Project, Crookston Campus, as follows:

RESOLVED, that on the recommendation of the President and the Acting Vice President for Finance and Operations, the appropriate administrative officers are authorized to proceed with the design and construction required to complete the Linkages Project between Selvig Hall, Hill Building, Owen Hall, Bede Hall and Food Service Building located on the Crookston Campus.

- f) Approval of resolution re Proposal for Feasibility Study of Athletic Facilities on the Twin Cities Campus, as follows:

RESOLVED, that on the recommendation of the President and the Acting Vice President for Finance and Operations, the appropriate administrative officers are authorized to allocate \$250,000 from the President's Discretionary Fund to conduct a feasibility planning analysis for the development of major improvements to the University's basketball, hockey, and general sports arena facilities.

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

Chair Roe reported that the committee also reviewed a proposal to amend the Committee Agenda Guidelines which were approved by the Board of Regents in July 1989 and reviewed information pertaining to the sale of the Salt Spring Lands in St. Louis County. In addition, he reported that the committee reviewed several proposed

projects which included Steam Distribution Expansion in Duluth; Boynton Health Service Asbestos Removal and Reinsulation; Blegen Hall Metropol Restaurant Remodeling; Fourth Street Parking Ramp; and Moos Tower 2nd Floor Alterations for the Dietrich Chair of X-Ray Crystallography. He further reported that the committee discussed one item of new business which pertained to the inclusion of planning money for the moving of Ecology & Behavioral Biology in any 1989 bonding bill.

#### REPORT OF THE AUDIT COMMITTEE

Regent Kuderer, Chair of the committee, reported that the committee had met on January 5, 1989 and voted unanimously to recommend approval of the following actions:

- a) Approval of resolution re Review of Financial Statements, as follows:

RESOLVED, that the management letter issued by Peat, Marwick & Main for the 1988 audit and the A-110 Report be directed to the Vice President for Finance for review and response by April 1, 1989.

- b) Approval of resolution re Internal Audit Reports, as follows:

RESOLVED, that the following audits be accepted as presented by the Director of Audits and referred to the University Compliance Officer:

Office of Minority & Special Student  
Affairs  
University of Minnesota Hospital & Clinic  
Bursar  
Radio Stations (requested by the  
Corporation  
for Public Broadcasting)  
Biological Sciences (follow up)

- c) Approval of resolution re Policy to Use Outside Private Firms for External Financial and Compliance Auditing, as follows:

RESOLVED, that upon the recommendation of the Audit Committee, the Board of Regents

should continue its policy of having external audits performed by one of the Big Eight accounting firms.

RESOLVED FURTHER, that the University will rotate external auditors following the engagement of the current external auditor using guidelines as proposed by the Internal Audit Department.

- d) Approval of resolution re Department of Audits - Budget Request, as follows:

RESOLVED, that the Department of Audits Budget Request for additional Audit Resources in the amount of \$160,000 for permanent needs and \$90,000 for one-time needs be approved and that the University Administration amend the 1989-90 Legislative Request to include \$250,000 for the additional audit resources.

- e) Approval of resolution re Operating Guidelines, Meeting Dates and Permanent Agenda Items, as follows:

RESOLVED, that upon the recommendation of the Audit Committee, the operating guidelines, meeting dates and permanent agenda items are approved as presented.

- f) Approval of resolution re Amendment to Yearly Audit Plan, as follows:

RESOLVED, that upon the recommendation of the Audit Committee, the yearly Audit Plan presented to the Committee be amended to include a follow up audit for the Used Equipment Program.

The meeting adjourned at 12:05 p.m.

  
BARBARA MUESING, Secretary

