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UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

MINUTES

BOARD OF REGENTS' MEETING

AND

REGENTS' COMMITTEE MEETINGS

April 12-14, 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

April 12-14, 1989

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UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Audit Committee

April 12, 1989

A meeting of the Audit Committee of the Board of Regents was held on Wednesday, April 12, 1989 at 2:00 p.m. in Room B12, Morrill Hall.

Regents present: Regent Kuderer, presiding; Regents Lebedoff and McGuiggan.

Staff present: Vice President Donhowe; Executive Director Muesing; Assistant Vice President Potami; Controller Campbell, and Director of Audits, Patrick Spellacy.

Others present: Steve Laible, Don Frank and Jim Franz from Peat Marwick Main & Co. and John Ausmussen and Al Finlayson from the Legislative Auditor's Office.

STATUS REPORT ON MANAGEMENT LETTER

The committee received a status report on three recommendations that were contained in Peat Marwick Main's Management Letter which was presented at the January Audit Committee.

The following information was reported with regard to each account:

(1) Report on Overexpended Restricted Accounts

Controller Campbell reported that a draft financial policy is under consideration which gives deans' offices the responsibility for expenditure control. The policy would also allow the Senior Vice President for Finance to direct Accounting Records and Services to transfer funds from other unrestricted sources if deans' offices take no corrective action. She further reported that expenditure controls

will be reconsidered as an integral part of the implementation of the new general ledger system. Vice President Donhowe reported that further information regarding the handling of overexpended restricted accounts will be presented at the July meeting of the Audit Committee.

(2) Vacation Policy for Civil Service

It was reported that the chair of the Civil Service Committee has agreed to discuss a proposed rule change with the Civil Service Committee. The results of that meeting will be available by the July meeting of the Audit Committee.

(3) Data Ownership Policy

Controller Campbell reported that the University acknowledges the need for an institution-wide data ownership policy, indicating that some areas already have such policies with related procedures for data access. She further reported that a data access and ownership policy is currently being considered and should be available in draft form for the July meeting.

Chair Kuderer asked Controller Campbell if she had any additional comments regarding the University's response to the Management Letter prepared by Peat Marwick Main & Co. Ms. Campbell stated that she had none. Regent Kuderer stated it should then be noted for the record that the recommendations as made by the external auditor are being implemented or will be implemented as soon as possible. Ms. Campbell stated that it should also be noted that where there are major problems requiring major changes, the changes may take considerable time and therefore the problems may show up again on another audit.

HOSPITAL AUDITS

The committee engaged in a discussion regarding audits of the University Hospital. Regent Kuderer raised concern that the Board of Governors has been given oversight authority for hospital operations and that therefore, the results of all external audits for the University Hospital are viewed only by the Finance Committee of the Board of Governors. It was reported that while the Hospital activities are included in the

Financial Statements of the University, there is no review of external audit recommendations by the Regents' Audit Committee.

The Committee discussed options for the possible review of Hospital Audits. It was the consensus of the Committee that the responses of the Board of Governors Finance Committee to the external auditor's recommendations should come to the Audit Committee and in turn to the Board of Regents for review.

REPORT FROM THE LEGISLATIVE AUDITOR

Mr. John Ausmussen from the Office of the Legislative Auditor, reported that the Legislative Auditor plans to begin a financial audit of the University of Minnesota. He stated that the intention of the audit is to establish a routine schedule of financial and compliance auditing of the University. He reported that the audit will begin immediately, that it will cover the years ended June 1987 and 1988; that it should be completed with a final report by August. The offices to be audited will be the Board of Regents, the Office of the President, and the Offices of the Vice Presidents.

STATUS REPORT ON OTHER EXTERNAL AUDITS

Steve Laible reported that two items were still pending from the June 30, 1988 Audit which are Student Financial Aid and the NCAA Audit. He reported that the final document on Student Financial Aid was issued March 31, 1989 and the NCAA Audit report will be issued by May 15, 1989.

INTERNAL AUDITOR'S STATUS REPORT

Patrick Spellacy, Director of Audits, presented the Quarterly Report to the Committee which included a report on audits issued since January 5, 1989, audits in process, next audits scheduled and changes in the Audit Plan.

Mr. Spellacy reported that work on the Compliance Officer data base should be finished by May 15 with a completed manual of the operating procedures and a report will be available at the July Audit Committee meeting. It was further reported that Carol Campbell is temporarily serving as the Compliance Officer; that a position description has been prepared, submitted and

classified by the personnel department; and that funding has been provided for the position which has been posted as an Entry Level Auditor.

Mr. Spellacy also reported on four audits that had been completed due to special requests and indicated that approximately 100 hours had been spent conducting the four audits.

After discussion regarding items contained in the Quarterly Report, the Committee voted unanimously to recommend approval of the Changes in the Annual Audit Plan which was presented in the Quarterly Report.

The committee then reviewed for action two sections to be included in the Audit Committee Guidelines: 1) Personnel and Hiring Actions and 2) Reporting the Results to the Board.

Regent McGuiggan raised concern regarding the language in "Reporting the Results to the Board" indicating that he would prefer if results from audits were reported to the Board of Regents at the discretion of the entire Audit Committee rather than at the discretion of the Chair of the Audit Committee. After some discussion, the committee voted unanimously to recommend approval of the Audit Committee Guidelines pertaining to Personnel and Hiring Actions, Section D and voted by a majority of 2 to 1 to recommend approval of the Audit Committee Guidelines pertaining to Reporting Results to the Board, Section E. Regent McGuiggan voted against the motion.

The committee reviewed the proposed Timelines for the External Auditors Selection. After a modification relating to who will evaluate proposals, the Committee voted unanimously to recommend approval of the Timelines for External Auditor Selection for 1989.

It was noted that a screening committee to evaluate proposals will be appointed at the July meeting of the Audit Committee.


HEALTH AND HUMAN SERVICES AUDIT

Assistant Vice President Tony Potami reported on an extensive review of specific topics relating to research at universities which was conducted by the Federal Department of Health and Human Services. He stated that the review was the result of a House Appropriations Committee's request to review the reasons for the rising costs of research throughout the nation.

Mr. Potami reported that at the exit conference, the auditors informed him that their review had concluded that the University's systems and procedures in the areas reviewed were sound and that they had found no adverse situations or practices that would contribute significantly to increasing costs of research. However, he reported, in January 1989 the Department of Health and Human Services issued a draft report entitled Survey Report on the Cost of Research at Colleges and Universities which did not cover the topics included in the initial review and which excluded the previous statements about the University of Minnesota. Mr. Potami reported that he has forwarded a response to the Department of Health and Human Services noting concerns and reviewed them for the committee.

He stated that this item is brought to the committee for information at this time and indicated that a final report will be issued in the next few months. At that time, he will report back to the committee.

The meeting adjourned at 4:25 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

Year 1988-89

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Physical Planning & Operations Committee

April 13, 1989

A meeting of the Physical Planning and Operations Committee of the Board of Regents was held on Thursday, April 13, 1989, at 1:35 p.m. in Room 300, Morrill Hall.

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

Staff present: Chancellors Ianni, Imholte and Sargeant; Vice Presidents Barbatsis, Donhowe and Donohue; Associate Vice Presidents Hewitt and Foster; Controller Campbell.

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 April 1989.

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.

PROJECTS ALREADY SUBMITTED FOR INFORMATION

The committee voted unanimously to recommend that the appropriate administrative officers are authorized to proceed with the design and construction of the following projects:

- a. Construction of a Pre-Fab Addition to Building CRL, the International Union of Operating Engineers Training Program, Local 49.

- b. Darland Administration Building, Roof Replacement Project located on the Duluth Campus.
- c. Coal Storage Silo Facility located at the St. Paul Campus Heating Plant.

**BIERMAN OUTDOOR TRACK AND FIELD FACILITY UPGRADE
TWIN CITIES CAMPUS**

The Committee voted unanimously to recommend approval of a resolution authorizing the administration to proceed with the design and construction of the Bierman Outdoor Track and Field Facility Upgrading Project located on the Twin Cities Campus.

It was reported that the existing track has been unusable for intercollegiate meets for two seasons and that it is scheduled for use during the 1990 U.S. Olympic Festival. The scope of the project includes the realignment of the running track and field events runways, the installment of a urethane surface over the new underlay and to provide a permanent base for bleacher seating to accommodate 4,000 spectators. The estimated cost of the project was reported to be \$1,135,000 with funding to be provided through the variable rate bond fund and to be repaid from event fees and additional revenues generated during special events. June 1990 was reported as the estimated completion date of the project.

**TRANSIT SERVICES CONTRACT
TWIN CITIES CAMPUS**

The committee voted unanimously to recommend approval of a resolution authorizing the awarding of the Route 13 (intercampus) transit service contract to Medicine Lake Bus Company and award the Route 52 (commuter) transit service contract to the Metropolitan Transit Commission.

**MEDICAL SCHOOL ADDITION
DULUTH CAMPUS**

The committee voted unanimously to recommend approved of a resolution authorizing the administration to proceed with the design and construction of the Medical School Addition Project located on the Duluth Campus.

It was reported that funding for this portion of the project will come from a 1987 Legislative Appropriation

and that funding for construction is anticipated to be included in a 1989-90 Bonding bill. Total cost of the project was reported to be \$3,022,000 with an estimated completion date of November 1991. 1991.

**HOUSE AND FLAT PURCHASE
BIRMINGHAM, ENGLAND**

The committee reviewed a proposed resolution that would authorize the Administration to purchase a house and a flat in Birmingham, England, in the vicinity of the University of Birmingham for a price not to exceed \$250,000. It was reported that the house and flat will be used to provide additional faculty housing for the UMD Study in England Program. It was reported further that the Duluth Administration recently signed an academic exchange agreement with the University of Birmingham indicating an intent to continue, over the long term, the study abroad program.

Regent Anderson asked the Administration to furnish the committee with a visual identity for the type of house and flat proposed to be purchased. It was also reported that the UMD Administration has secured internal loan financing for the purchase of the house and flat with rents paid by the program director and quarterly faculty to be used to repay the loan.

**GRIGGS HALL ADDITION
DULUTH CAMPUS**

The committee reviewed a proposed resolution that would authorize the design and construction of the Griggs Hall Addition to provide additional student housing on the Duluth Campus. It was reported that the purpose of the addition is to meet the demand for on-campus housing for undergraduate students. Funding will be provided from various auxiliary services on the Duluth Campus and from a Variable Rate Bond Loan. The estimated cost of the project was reported to be \$4.7 million with an estimated completion date of August 1990. The committee briefly discussed future enrollment plans for UMD.

**TATE LABORATORY OF PHYSICS ALTERATIONS
TWIN CITIES CAMPUS**

The Committee reviewed a proposed resolution that would authorize alterations to be made in the Tate Laboratory of Physics located on the Twin Cities Campus. The purpose of the request was reported to be for restructuring of spaces and functions to optimize space

within the Physics Building and to accommodate changing program needs. Estimated cost of the project was reported to be \$210,000 with funding to be provided from the Institute of Technology Program Accommodation Remodeling Account and estimated for completion in September 1989.

**NORTH HALL WINDOW REPLACEMENT
TWIN CITIES CAMPUS**

The committee reviewed a proposed resolution that would authorize the replacement of windows in North Hall on the Twin Cities Campus. Estimated cost of the project was reported to be \$260,000 with funding to be provided from a Physical Plant Operations Repair and Replacement Appropriation and an estimated completion date of November 1989.

**MOOS TOWER, BIOMEDICAL ENGINEERING CENTER
RENOVATION PLAN, TWIN CITIES CAMPUS**

The committee reviewed a proposed resolution that would authorize the renovation of existing Dental School laboratories with office/support space to accommodate the Biomedical Engineering Center. The estimated cost of the project was reported to be \$354,500 with funding provided from Medical School private gifts and an estimated completion date of February 1990.

**FOOD SERVICE BUILDING, KIEHLE LIBRARY,
BEDE HALL, MCCALL HALL AND KNUTSON HALL REROOFING
CROOKSTON CAMPUS**


The committee reviewed a proposed resolution that would authorize the replacement of roofs on several buildings on the Crookston Campus. The buildings included in the maintenance project are: Library, Food Service, Bede Hall, McCall Hall, and Knutson Hall. Funding for the project (estimated at \$120,000) will be provided from the Crookston Campus Plant Services Repair and Betterment Funds. Completion is scheduled for September 1989.

**SHEPHERD LABORATORY ELECTRON MICROSCOPE
EXPANSION PROJECT, TWIN CITIES**

The committee reviewed a proposed resolution that would authorize the design and construction of the Shepherd Laboratory Electron Microscope Expansion Project located in the Twin Cities Campus. It was reported that the project consists of constructing a below grade addition to the Shepherd Laboratories to house the

special space needed for high resolution microscopes. Estimated cost of the project was reported to be \$2.2 million with funding provided from variable rate bonds and repaid by a combination of user fees and indirect cost recovery funds. The estimated completion date was reported to be September 1990.

The meeting adjourned at 3:00 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

Year 1988-89

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Finance & Legislative Committee

April 13, 1989

A meeting of the Finance & Legislative Committee of the Board of Regents was held on Thursday, April 13, 1989 at 3:10 p.m. in Room 300, Morrill Hall.

Regents present: Regent Anderson, presiding; Regents Kuderer, Lebedoff, Moore, McGuiggan and Roe.

Staff present: Chancellor Imholte; Vice President Donhowe; Controller Campbell; Asset Management 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 April 1989.

DELEGATION OF AUTHORITY AMENDMENT

The committee reviewed a proposed resolution to amend the Delegation of Authority allowing the University's business to be conducted in a more timely manner by extending the authority for certain actions to additional appropriate officers of the University of Minnesota Duluth. The resolution will be on the agenda for action in May.

MODIFICATION OF RESERVE SPENDING PLAN

The committee reviewed a proposal to modify the Reserve Spending Plan to disburse monies from central

reserves for two building projects at the University of Minnesota Morris: \$120,750 for construction of two temporary faculty office buildings and \$178,000 for construction on the plaza between Briggs Library and Edson Hall. The item will be on the agenda for action in May.


LEGISLATIVE UPDATE

Vice President Heydinger and Mr. Tom Nelson, Director of State Relations, presented an update on progress of the Legislative session.

Vice President Heydinger reviewed proposed items contained in bonding bills and appropriations bills for both the House and Senate. With regard to the appropriations bills, he stated that the House subcommittee had set a target range of \$86 to \$91 million in new funds for the University of Minnesota and indicated that the Senate will begin their allocations next week. He stated that the Administration was aiming for \$102 million in new funds. In addition, Vice President Heydinger distributed a worksheet which illustrated proposed distribution of funds for the higher education systems in Minnesota. The worksheet showed proposed significant increases in funding for the state universities and community colleges based on increases in their enrollments. Several regents expressed concern regarding loss of funding for the University due to the University's plan to decrease its enrollment as part of Commitment to Focus and asked what they could do to help. Mr. Nelson responded that contact with members from both the House and Senate as soon as possible would be very helpful as the House would be making some decisions on the bills on Friday and the Senate shortly thereafter.

Vice President Heydinger stated that he would keep members of the Board informed on the decisions made by the Legislature.

The meeting adjourned at 3:30 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Educational Planning & Policy Committee

April 13, 1989

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, April 13, 1989, at 1:35 p.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: Chancellors Frederick and Imholte; Vice Presidents Clark and Perlmutter; Executive Director Muesing; Assistant Vice President Carrier.

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, including University program-related items and Minnesota Higher Education Coordinating Board items.

Dr. Clark indicated that the University recently entered into an agreement with the Guthrie Theater Foundation for the purpose of jointly conducting a professional actor training program at the graduate level. She also reported that Dr. Carole Bland, Professor in the Department of Family Practice and Community Health Medicine, has been named an American Council of Education Fellow for 1989-90 and Dr. William E. Wright, Professor in the Department of History, received the Commander's Cross, First Class of the Order of Merit of the Republic of Austria.

A brief discussion ensued, and the committee voted unanimously to recommend approval of the Vice President's Monthly Report.

SERVICES FOR THE RURAL ELDERLY MAJOR, UMW

Edward Frederick and Thomas Lindahl, Chancellor and Vice Chancellor of the Waseca Campus, respectively, led a discussion on a proposed Major in Services for the Rural Elderly within the Home and Family Services Program. They indicated that the major has been developed to train persons for paraprofessional employment in the field of aging, with special emphasis on the needs of the elderly in a rural setting, and stated that it fits the mission of the college and the needs of the area.

Following a brief discussion, Regent Casey stated that this item will be presented for approval at the May meeting.

SCHOOL OF PUBLIC HEALTH REPORT

Dr. Robert Kane, Dean of the School of Public Health, led a lengthy discussion regarding the School and the public health field. He stated that Public Health is an eclectic field, which draws upon the talents of a variety of health professionals to contribute to the well-being of society.

Through the use of visual aids, Dean Kane reviewed the School's mission of education, research and service:

Education - Dean Kane stated that the School's 81 full-time faculty instruct 261 professional students and 104 graduate students. He noted that the School is efficient in teaching and that its ratio of student credit hours to faculty is the highest among the University's health professional schools.

Dean Kane indicated that the School prepares practitioners and researchers through its role as a professional school offering two professional degrees--the Master of Public Health and the Master of Health Administration. In addition, the M.S. and Ph.D. degrees are offered through the Graduate School in a number of Public Health specialty fields.

Research - Dean Kane stated that the School of Public Health is an active producer of meaningful research, noting that it is the third largest provider of externally funded research in the University. In 1987-88, he indicated that the School's external research expenditures were in excess of \$21 million.

Dean Kane stated that the School provides benefits to the state and nation in a broad range of areas, including cardiovascular disease, cancer, health services research, aging and environmental health.

Dean Kane commented on a number of Public Health programs in which the School is involved, including the Minnesota Heart Health Program, the Minnesota Heart Study, the Treatment of Mild Hypertension Study and research to explore new ways of reducing cancer rates through dietary modifications.

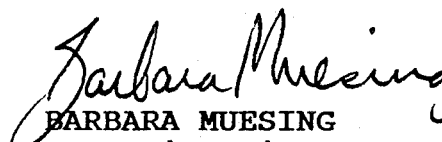
Service - Dean Kane reported that the School has developed a series of partnerships with private and public organizations. He stated that techniques developed in the Minnesota Heart Health Program have been applied in other settings, including a grocery store labeling program for health foods (Shop Smart) and marking restaurant menus to indicate healthy items (Dining a la Heart Program).

Dean Kane stated that the School of Public Health is currently underfunded, while stressing that the School is a good economic investment. He noted that a smaller proportion of the School's total support comes from state sources than other schools of public health (17 percent versus the national average of 41 percent).

In conclusion, Dean Kane stated that the School has a lot to offer and it is positioned to affect public policy in the future in four major focus areas - health promotion, aging, health care delivery and health effects of hazardous chemicals.

A discussion followed Dean Kane's report and Regent Casey thanked him for the presentation.

The meeting adjourned at 2:30 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

Year 1988-89

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff & Student Affairs Committee

April 13, 1989

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, April 13, 1989, at 3:10 p.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: Chancellors Frederick, Imholte and Sargeant; Vice Presidents Allen, Barbatsis, Clark and Donohue; Executive Director Muesing; Assistant Provost Bakkenist; Assistant Vice Presidents Carrier and Ellinger.

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, noting a leave of absence for Dean Keith McFarland from March 1, 1989 to August 31, 1989, at which time his service to the University will end.

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

RESULTS OF PAY EQUITY RESURVEY OF FOOD SERVICE MANAGEMENT CLASSES AND RESULTING CIVIL SERVICE CLASS CHANGES

Roger Forrester, Director of the University Personnel Department and Karen Wolterstorff, Compensation Manager, discussed a pay equity resurvey of Food Service Management classes and the resulting Civil Service class changes.

A discussion followed, and the committee voted unanimously to recommend approval of the following Civil Service class changes:

- 1) New Class No. 6332V, Area Manager, Food Services, (\$1984-3149, All - Target: A12), effective on April 16, 1989.
- 2) Change to V Class of Class No. 6328, Food Operations Manager, effective on May 1, 1989.
- 3) Title change of Class No. 6319F from Food Operations Supervisor 2 to Food Operations Supervisor, effective on April 16, 1989.
- 4) Abolishment of Class No. 6322F, Food Operation Supervisor, effective on April 16, 1989.

**AMENDMENT TO BLANKET LABOR AGREEMENT WITH THE MINNESOTA
STATE BUILDING AND CONSTRUCTION TRADES COUNCIL -
TENTATIVE LABOR AGREEMENT BETWEEN THE UNIVERSITY AND
GRAPHICS COMMUNICATION, INC. UNION LOCAL 1B**

Roger Forrester, Director of the University Personnel Department, reviewed a proposed amendment to the Blanket Labor Agreement with the Minnesota State Building and Construction Trades Council and the 1987-91 Labor Agreement between the University and Graphic Communications International Union 1-B. He introduced Jack Loza, Robert Manthey and Lester Metz, who were involved in the negotiation of these contracts.

A brief discussion ensued, and Regent Schertler expressed appreciation to Mr. Forrester and everyone involved in the negotiation process for resolving all of the issues in the contracts.

Following the discussion, the committee voted unanimously to recommend approval of the proposed labor agreements.

UNIVERSITY SENATE COMMITTEE RESTRUCTURING

The committee discussed the proposed University Senate committee restructuring plan, whereby the number of committees would be reduced from 41 to 18 by eliminating standing and operations committees and

substituting a subcommittee option under the principal committees.

Regent Schertler stressed the importance of continuing the balance of student and faculty participation that has existed under the current University Senate committee structure. Professor Mark Brenner, Chair of the Senate Consultative Committee, responded that the Senate Constitution provides for diversity of representation, and it is the intent of the SCC to maintain and improve the current representation.

The committee voted unanimously to recommend approval of the proposal to restructure the University Senate committees.

Regent Casey asked the Administration to report back to the committee in one year on how the new University Senate committee structure is working. Vice President Clark stated that she will provide the requested update.

1989-90 STUDENT SERVICES FEES

Vice President Barbatsis presented the proposed 1989-90 Student Services Fees for all campuses to the committee for information.

Mr. Barbatsis stated that the Administration concurs with the Student Services Fees Committee's recommended fees for the Twin Cities Campus, with the exception of the proposed fee of \$29.75 for the Minnesota Unions, with \$25.75 allocated for operations and \$4.00 for facilities. The Administration recommends the same total fee, with \$24.15 allocated for operations and \$5.60 for facilities.

Mr. Barbatsis indicated that the Fees Committee recommended a fee of \$54.00 for Boynton Health Service and elimination of the partial refund of the fee which is currently available to students who have health care coverage that duplicates Boynton's benefits. He noted that the Minnesota Student Association does not agree with the recommendation to discontinue the refund.

Mr. Barbatsis commented on the University's contractual arrangements with the Minnesota Public Interest Research Group (MPIRG), and asked the committee to consider two issues: the status of the present contract on the Morris and Twin Cities Campuses and the possible terms of further contractual agreements.

Mr. Barbatsis stated that the MPIRG contract may be terminated at any time the number of students who pay the MPIRG fee on the Twin Cities and Morris Campuses drops below 50 percent for two consecutive quarters, noting that the level of participation has dropped below 50 percent for Fall Quarter, 1988 and Winter Quarter, 1989. For this reason, he stated that the fees collected for MPIRG during Spring Quarter are being held pending a determination by the Regents regarding the disposition of the monies collected. Mr. Barbatsis stated that the contract must be renewed in July if it is not terminated.

The committee discussed the Fees Committee's recommendations regarding the fee for Boynton Health Service. Regent Craig expressed concerns about the proposal, and suggested setting fees that are in accord with the cost of care at the health service or contracting with other health plans so students covered under those plans could receive care at Boynton. Donald Peters, Director of Boynton Health Service, responded to Regent Craig's concerns, stating that by eliminating the refund, Boynton will be better able to provide comprehensive health care to all students. He stated that Boynton currently has a contract with Aware Gold, however, Group Health has refused to enter into a contractual arrangement with Boynton. Wally Storbakken, Chair of the Student Fees Committee, stated that the committee feels the recommendation is in the best interest of the student body as a whole, even though some students have other health coverage.

Mr. Storbakken noted that in June of 1987 the Regents reviewed the Report of the Task Force on Student Services Fees, which urged the Administration to seek legislative funding for many items currently funded by student services fees. Regent Hilke asked the Administration to provide the committee with an update on the progress made on the recommendations contained in that report at the June meeting.


A lengthy discussion also ensued regarding the issues concerning the MPIRG contract and fee. Following the discussion, the committee voted by a majority, with Regents Casey and Grahek voting against the motion, to recommend approval of the following resolution:

BE IT RESOLVED, that the 50 percent participation requirement of the University of Minnesota's contractual agreement with the Minnesota Public Interest Research Group (MPIRG) is waived for Spring and Summer Quarters, 1989 and that the University will

collect those fees for Spring and Summer Quarters in the same manner as it has done under the contract for previous quarters. Refunds of the MPIRG fee will be offered to students under similar circumstances as in previous quarters. The issue of the terms of future contracts between MPIRG and the University of Minnesota shall be referred to the student associations on the Twin Cities and Morris Campuses for review. The Administration shall request that these bodies submit their recommendations as soon as possible.

Regent Schertler noted that the committee did not have an opportunity to review the proposed fees for the coordinate campuses. Regent Hilke stated that the proposed 1989-90 fees will be presented for approval at the May meeting, and there will be an opportunity to discuss all of the fees at that time.

The meeting adjourned at 4:55 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

April 14, 1989

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, April 14, 1989, at 8:35 a.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: President Hasselmo; Chancellors Frederick, Ianni, Imholte and Sargeant; Vice Presidents Allen, Barbatsis, Clark, Donhowe, Donohue, Heydinger and Perlmutter; Executive Director Muesing; Associate Vice Presidents Foster, Murthy, Robb and Roszell; Assistant Provost Bakkenist; Assistant Vice President Ellinger.

Student Representative present: Randy Peterson.

RECOGNITION OF ATHLETIC ACHIEVEMENTS

Rick Bay, Director of Men's Intercollegiate Athletics, introduced coaches and student-athletes from the Men's Basketball, Hockey and Wrestling Teams who were present at the meeting to represent the teams being recognized for their athletic achievements.

Chris Voelz, Director of Women's Intercollegiate Athletics, introduced coaches and student-athletes from the Women's and Men's Swimming and Diving Teams who were present at the meeting to represent the teams being recognized for their athletic achievements.

Regent Sahlstrom stated that the Regents received a letter praising the Basketball Team on its behavior during the NCAA tournament and he commended the team and its coaching staff for their fine representation of the University of Minnesota. President Hasselmo noted that he received an additional letter regarding the behavior of the Basketball Team and stated that the team is a true credit to the institution.

Regent Lebedoff stated that the Regents are very proud of the accomplishments of the University's student-athletes and indicated that the stature of the institution is improved through their efforts.

COMMUNICATION PLAN

President Hasselmo and Vice President Heydinger led a discussion of a draft Communications Plan for the University. The theme of the plan is "Listening to Minnesota: Demonstrating Accountability Through Improved Communication".

Dr. Heydinger noted that Lee & Riley, Inc. helped to develop the proposed Communications Plan. He used visual aids to review the following aspects of the proposed plan:

Basic Principles

- The citizens of Minnesota have a right to know the University's plans and actions.
- The University is defined by the quality of those plans and actions, not by the quality of its communications.
- The proper role of communication is to portray accurately what is happening.
- Good communication involves "listening to" more than "speaking at".

Communication Objectives

To communicate to the citizens of Minnesota:

- The University's purpose and mission
- The University's performance and its accomplishments
- The University's accountability and responsiveness
- The University's value and payback

Publics Addressed

- Greater Minnesota

- Twin Cities metropolitan area
- Legislature and the Governor
- University alumni and donors
- Media
- University community of faculty, staff and students
- Minnesota secondary education community

Vice President Heydinger reviewed proposed plans to meet the four objectives of the Communications Plan, including town meetings, development of communication policies and guidelines, regional tours for new faculty and a hotline. In summary, he stated that the proposed Communications Plan will result in the following:

- Citizens will better understand the role and the importance of the University.
- The University will have increased faith, confidence, trust and support.
- The state will have a stronger University.

A brief discussion followed the report. Regent Lebedoff thanked President Hasselmo and Vice President Heydinger for their presentation.

MINNESOTA EXTENSION SERVICE ANNUAL REPORT

Vice President Allen and Dean Patrick Borich, Director of the Minnesota Extension Service (MES), presented the MES annual report to the committee for discussion. Dr. Allen noted that the Minnesota Extension Service celebrates its 80th anniversary in 1989.

Dr. Borich presented an update on restructuring the Extension Service and reported on the programs of the MES, including Project Future and Project Support II. He stated that the MES has been called upon to address a number of problems within the state, including the 1988 drought and water quality.

Dr. Borich stated that the land grant mission is alive and well, but he expressed concerns regarding MES funding since 24 percent of its budget comes from federal sources. He noted that while MES faculty are

under a great deal of pressure, they remain proud to be faculty of the University of Minnesota.

Dr. Borich announced the formation of a Blue Ribbon Committee to study the University-County Extension Partnership, which will be chaired by Regent Kuderer. He stated that the work of the Committee will result in MES being more responsive, more reactive and a better member of the outreach arm of the University.

A brief discussion followed the presentation. Regent Lebedoff commended Dr. Borich for the on-going efforts to make the Minnesota Extension Service even more responsive and pledged the Regents' on-going support.

REPORT ON TUITION

Through the use of visual aids, Vice President Donhowe led a discussion regarding tuition, which included a review of the Interim Report of the Tuition Study Group.

Mr. Donhowe discussed the possible 1988-89 tuition implications and stated that the decision facing the Board is to increase tuition by 9 to 10 percent or to make the necessary reductions in the budget. Mr. Donhowe indicated that the Board has several long-term options, including modification of the state's cost-related tuition policy and support of the Higher Education Coordinating Board's position with respect to student financial aid. He stated he does not feel it is feasible to modify the cost-related tuition policy for the entire University, however, it is clear that the Medical School, School of Dentistry, College of Veterinary Medicine and College of Pharmacy cannot follow the rule and that therefore, the University should work to modify the rule during the 1991 session.

A lengthy discussion ensued regarding the proposed level of tuition increases and the issue of cost-related tuition. Several Regents urged the Administration to take a leadership position on the issue of modifying the cost-related tuition policy for the entire University and to approach the matter in a positive, creative manner. Regent Hilke indicated that he was disappointed with the Report of the Tuition Study Group because it does not address the concerns which have been raised by the Board.

Chair of the Student Representatives, Randy Peterson, reported that students are concerned about the Report of the Tuition Study Group, particularly the

recommendation to discontinue tuition banding.

Following the discussion, President Hasselmo noted that he has requested additional studies of the effect of tuition rates on access and the length of time it takes students to complete their educational experience. He stated that he will report the results of those studies and he reaffirmed his commitment to go to the Legislature with the message that the University's goal is to improve the quality of the educational experience.

BUDGET PRINCIPLES

Vice President Donhowe presented the proposed 1989-90 Budget Principles to the committee for information, along with a Budget Implementation Strategy for fiscal year 1989-90.

A lengthy discussion ensued regarding the proposed Budget Principles and Regents proposed several modifications. Regent Hilke suggested that the second principle be amended to read as follows:


Student tuition should be established at the level necessary to insure the maintenance of academic quality and the ability of students to obtain a quality education; mindful of the University's mission and legislative intent.

Regent Schertler suggested that merit not be considered in determining faculty salary increases and proposed that the fifth principle be amended to read as follows:

Salary plans should be designed to 1) correct inequities, 2) reward promotion consistent with State law and/or collective bargaining agreements, and 3) respond to market factors.

Following the discussion, it was noted that the document will be modified to reflect the suggestions before it is presented for approval at the May meeting.

The meeting adjourned at 11:15 a.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

Year 1988-89

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

April 14, 1989

A meeting of the Board of Regents of the University of Minnesota was held on Friday, April 14, 1989, at 11:30 a.m. in the Regents Room, 238 Morrill Hall.

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

Staff present: Chancellors Frederick, Imholte and Sargeant; Vice Presidents Allen, Barbatsis, Clark, Donhowe, Donohue, Heydinger and Perlmutter; Executive Director Muesing; Associate Vice Presidents Foster, Hewitt, Murthy, Robb and Roszell; Controller Campbell.

APPROVAL OF MINUTES

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

Physical Planning & Operations Committee -
March 9, 1989
Finance & Legislative Committee -
March 9, 1989
Faculty, Staff & Student Affairs Committee -
March 9, 1989
Educational Planning & Policy Committee -
March 9, 1989
Committee of the Whole - March 10, 1989
Board of Regents - March 10, 1989

REPORT OF THE PRESIDENT

President Hasselmo reported briefly on items contained in his written report to the Board. Information in his report pertained to a University Communications Plan, status of Central Administration searches, recognition of student athletes, tuition, and

extensive comments on the project MSPAN 2000. He also reported briefly on the budget for the coming biennium indicating that an increase of \$100 million is needed from the Legislature and urging Regents assist with conveying that message to legislators.

President Hasselmo also noted that Associate Vice President Steve Roszell has accepted a new position and will be leaving the University after 10 years of service.

He further stated that the legislature will most likely elect new Regents before the next meeting and commended Regents Hilke, Lebedoff, McGuiggan and Moore for their outstanding service to the University.

REPORT OF THE CHAIR

Chair Lebedoff presented parting remarks as Chair of the Board of Regents. He extended his gratitude to other members of the Board, the Administration and the University faculty, staff and students.

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. 22,112.

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. 22,113.

REPORT OF THE COMMITTEE OF THE WHOLE

Chair Lebedoff reported that the committee reviewed a draft Communications Plan prepared in response to concerns that the University needs to more effectively communicate with its multiple constituencies. The committee also reviewed an annual report on the Minnesota

Extension Service and a report on Tuition. Proposed Budget Principles for 1989-90 were also reviewed and will be acted on at the May meeting.

Chair Lebedoff also reported that the committee recognized athletic achievements of students during the past year.

REPORT OF THE FINANCE & LEGISLATIVE COMMITTEE

Regent Anderson, 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. 22,114.

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

Chair Anderson reported that the committee also reviewed a proposal to amend the Delegation of Authority and a proposal to modify the Reserve Spending Plan. He further reported that the committee received an update on progress on the legislative session.

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

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

- a) Approval of the Vice President's Monthly Report. Documentation is filed supplement to the minutes, No. 22,115.

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

Chair Casey reported that the committee also reviewed a proposal for a Major in Services for the Rural Elderly at the University of Minnesota Waseca and received an extensive presentation on the School of Public Health Report.

**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 actions:

- 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. Documentation is filed supplement to the minutes, No. 22,116.

- b) Approval of Civil Service Class Changes as presented to the Committee and filed supplement to the minutes, No. 22,117.

- c) Approval of resolution re Amendment to Blanket Labor Agreement with the Minnesota State Building & Construction Trades Council-Tentative 1987-91 Labor Agreement with the Graphic Communications Intl Union 1-B, as follows;

RESOLVED, that the amendment to the Blanket Labor Agreement with the Minnesota State Building & Construction Trades Council and the 1987-91 Labor Agreement with the Graphic Communications International Union 1-B are hereby approved.

Documentation is filed supplement to the minutes, No. 22,118.

- d) Approval of resolution re University Senate Committee Restructuring, as follows;

RESOLVED, that the recommendation to amend the University Senate and Twin Cities Campus Assembly Constitutions, as approved by those groups in November, 1988 and February 1989 respectively, and as presented to the Board of Regents for information at the March, 1989 meeting, are hereby approved.

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

Chair Hilke reported that the committee also voted by majority to recommend the following action:

- a) Approval of resolution re MPIRG Contract and Fee, as follows:

BE IT RESOLVED, that the 50 percent participation requirement of the University of Minnesota's contractual agreement with the Minnesota Public Interest Research Group (MPIRG) is waived for Spring and Summer Quarters, 1989 and that the University will collect those fees for Spring and Summer Quarters in the same manner as it has done under the contract for previous quarters. Refunds of the MPIRG fee will be offered to students under similar circumstances as in previous quarters. The issue of the terms of future contracts between MPIRG and the University of Minnesota shall be referred to the student associations on the Twin Cities and Morris Campuses for review. The Administration shall request that these bodies submit their recommendations as soon as possible.

The committee engaged in a short discussion regarding the fee and Vice President Barbatsis stated that he would like to make one clarification. He stated that the fees for Spring and Summer Quarters 1989 cited in the resolution were already acted on last year so the resolution would apply for the 1990 fees.

The Board of Regents voted by majority to recommend approval of the resolution with Regents Casey, Grahek and Kuderer voting against it.

Chair Hilke reported that the committee also reviewed the proposed 1989-90 Student Services Fees which will be acted on at the May 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. 22,119.

b) Approval of resolution re Purchase of Goods/Services Over \$250,000, as follows:

RESOLVED, that on the recommendation of the President and the Senior 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. 22,120.

c) Approval of resolution re Projects Already Submitted for Information, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to proceed with the design and construction of the following projects:

a. Construction of a Pre-Fab Addition to Building CRL at the Rosemount Research Center by the Tenant of Building CRL, the International Union of Operating Engineers Training Program, Local 49.

b. Darland Administration Building, Roof Replacement Project located on the Duluth Campus.

c. Coal Storage Silo Facility located at the St. Paul Campus Heating Plant.

d) Approval of resolution re Bierman Outdoor Track and Field Facility Upgrade, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to proceed with the design and construction of the Bierman Outdoor Track and Field Facility

Upgrading Project located on the Twin Cities Campus.

- e) Approval of resolution re Transit Services Contract, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to proceed to award the Route 13 (intercampus) transit service contract to Medicine Lake Bus Company and award the Route 52 (commuter) transit service contract to the Metropolitan Transit Commission.

- f) Approval of resolution re Medical School Addition, Duluth Campus, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to proceed with the design and construction of the Medical School Addition Project located on the Duluth Campus.

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 several projects for information which included: Griggs Hall Addition on the Duluth Campus; alterations to the Tate Laboratory of Physics; window replacement in North Hall; renovation plan for the Biomedical Engineering Center located in Moos Tower; roof replacement for the Food Service Building, Kiehle Library, Bede Hall, McCall Hall and Knutson Hall on the Crookston Campus; and the Shepherd Laboratory Electron Microscope Expansion Project. In addition, the committee reviewed a proposal for the purchase of a house and flat in Birmingham, England for use by UMD faculty participating in the Study in England Program.

REPORT OF THE AUDIT COMMITTEE

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

- a) Approval of the Changes in the Annual Audit Plan, Section B, as follows:

Each year at the April meeting of the Audit Committee, the External and Internal Auditors present, and the Audit Committee reviews and approves, the annual audit plan.

Throughout the year, however, it may be necessary update or revise the plan to respond the changing needs. To ensure some uniformity in changes to the annual plans, the following guidelines have been established:

1. The annual audit plan will include a certain amount of time to handle small special requests (involving less than 100 hours) and investigations that come to the Vice President for Finance and Operations, the Chairman of the Audit Committee, or the Director of Audits.
2. The status of these special requests and investigations will be included in the quarterly status report unless a public disclosure would possibly hamper an investigation. In these cases, however, the Vice President for Finance and the Chairman of the Audit Committee will be notified.
3. When a change to the annual audit plan is necessary due to such things as scheduling conflicts, delays in completing scheduled audits, or changes in personnel, the change will be included in the quarterly report as soon as the need for change becomes apparent.
4. Changes in the annual audit plan (other than investigations or reasons in item number 3) from the originally adopted plan will be voted on by the Audit Committee and forwarded to the full Board.

- b) Approval of Audit Committee Guidelines pertaining to Personnel and Hiring Actions, Section D, as follows:

1. Hiring of the External Auditor

In the past, there has been an informal policy to rotate the University external auditor every 5 years. This is a practice somewhat unique to public organizations related to the issue of spending public dollars with a variety of vendors.

Other than that concern, there are advantages and disadvantages to a planned rotation of external auditors that are summarized below:

Advantages of Rotation

- o Help to assure a competitive price for services
- o Periodically gain a new perspective
- o Greater satisfaction with level of service

Disadvantages of Rotation

- o Loss of continuity, experience, and historical perspectives
- o New auditor's first year requires a significant commitment of University's personnel time
- o Less satisfaction with the level of service

There are arguments to be made by both sides, and therefore there is no right answer to the question. Because of this, the University has decided to not have a formal policy on rotation. Rather, the past practice of a five-year rotation will serve as a guideline.

The rotation or extension of auditing service will be left as an option to be determined as it best fits the needs of the University. The policy will be considered every five years, and the contracts entered into by the University should provide this flexibility.

2. Hiring, Dismissal, and Evaluation of the Internal Auditor

The Director of Internal Audits reports functionally to the chair of the Board of Regents Audit Committee and the Vice President for Finance and Operations, and administratively to the Vice President for Finance and Operations. Also, as required by the Audit Committee Charter, the appointment and removal of the Director of Audits must be approved by the Audit Committee.

Because the Director of Audits reports administratively to the Vice president for Finance and Operations, the annual evaluations of performance will be conducted by that Office. Input regarding the evaluation may be solicited from the Audit Committee as necessary.

- c) Approval of the 1989 Amended Timelines for External Auditors Selections as follows:

<u>Dates</u>	<u>Action</u>
Mar 1	Letter to affected parties informing them of process and estimated deadlines
Mar-Apr	Draft RFP
Apr 14	Mail Draft to Affected Units
	- Finance SVP
	- Finance Assoc VP
	- ARS
	- Hospital
	- ORTTA
	- AIS
	- Attorney
	- Financial Aid
	- Employee Benefits
May 15	Comments on Rough Draft Due Back
June 15	Final Rough Draft Distributed
July 12	Regents Audit Committee RFP
July 17	Mail Out RFP

Aug 4	Bid meeting to Answer any Questions by CPA firms
Sept 15	Proposals Due Back
Sept 18 - Oct 6	Proposals Evaluated - by Screening Committee
Oct 11	Audit Committee Meeting
Oct 16	Regents Approve Selection

Chair Kuderer also reported that the Committee voted by majority to recommend approval of the following action:

- a) Approval of Audit Committee Guidelines pertaining to Reporting Results to the Board, Section E, as follows:

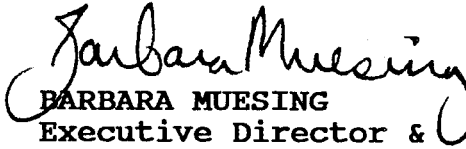
Reporting Results to the Board

Reporting audit results to the full Board of Regents shall be at the discretion of the Audit Committee, but it will minimally include:

- 1) The results of the annual financial statement audit conducted by the external auditors
- 2) Any Level One recommendations (Essential) that have not been completed by management in the agreed-upon time frame

The Board of Regents voted to approve the recommendations of the Audit Committee.

Chair Kuderer reported that the Committee also received a status report on Management Letter recommendations; discussed Hospital Audits; reviewed the Internal Auditor's Quarterly Report; and reviewed information pertaining to a recent review conducted by the Department of Health & Human Services.


BARBARA MUESING
 Executive Director &
 Corporate Secretary

