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**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

MINUTES

BOARD OF REGENTS' MEETING

AND

REGENTS' COMMITTEE MEETINGS

October 11-13, 1989

Office of the Board of Regents

220 Morrill Hall

Year 1989-90

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

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

October 11-13, 1989

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Year 1989-90

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Audit Committee

October 11, 1989

A meeting of the Audit Committee of the Board of Regents was held on Wednesday, October 11, 1989 at 12:00 noon in Room 300, Morrill Hall.

Regents Present: Regent Craig, presiding; Regents Keffeler, Kuderer and Sahlstrom.

Staff Present: Senior Vice President Donhowe, Executive Director Muesing, Associate Executive Director Janzen, Controller Campbell, and Director of Audits Patrick Spellacy.

Student Representative present: David Minkkinen.

COMPLIANCE OFFICER QUARTERLY REPORT

The committee reviewed a summary of the University's departmental compliance with audit recommendations issued between July 1, 1988 and March 31, 1989. It was reported that University departments have complied with 88% of the recommendations issued in internal audit reports. Thirty-seven of 353 proposed recommendations have not been implemented. Departments intend to comply with 30 of the non-implemented recommendations and withdrawal requests are being processed for the remaining 7 recommendations. It was further reported that all essential recommendations have been implemented and that departments have not expressed any insurmountable obstacles preventing compliance.

Grainne Medearis, the new University's Policy and Compliance Officer, was introduced to the committee. Several committee members complemented Ms. Medearis on the Report. Mr. Spellacy reported that the establishment of the compliance process has already increased the implementation rate in departments.

DIRECTOR OF AUDITS QUARTERLY REPORT

Patrick Spellacy, Director of Audits, presented the quarterly report to the committee, which included a report of audits issued since July 12, 1989, audits in progress, and next audits scheduled.

Mr. Spellacy reviewed details of the following audits issued since July 12, 1989:

- College of Veterinary Medicine (follow up)
- School of Public Health
- Analysis of Trademark and Logo Licensing
- Review of Leukemia Research Funds
- Concerts and Lectures (follow up)
- Institute of Agriculture, Forestry and Home Economics (follow up)
- UMD - Registration, Fee Assessment and Student Accounts Receivable
- University of Minnesota, Morris - Financial Management Data Base - 90 Day CUFS Evaluation

The committee engaged in an extensive discussion relating to the audit pertaining to Financial Management Data Base - 90 Day CUFS Evaluation. The evaluation pertained to the selection of the software package currently proposed for use in the University's proposed Financial Management System Project. This software package is titled College-University Financial System (CUFS) and was developed by the American Management System. Mr. Spellacy reported that the objective of the audit was to ensure that system evaluation and acceptance processes had been properly and completely performed. He further reported that the results of the audit concluded that the CUFS evaluation and acceptance processes were not properly and completely performed and indicated that the implementation plan created a significant risk of cost overrun and a delayed implementation schedule. Four recommendations were included in the report to minimize future project risks, which included regular updates to Regents about revised cost or time estimates.

Controller Campbell indicated that the administration agreed with the recommendations contained in the audit report and that there is complete cooperation between the Finance and Audit Departments. In answer to a question, Mr. Spellacy reported that he is satisfied with the process if the four recommendations are followed. Regent Keffeler stated that she wants assurance from the Administration that the recommendations will be completed.

After further discussion, it was the consensus of the committee that the recommendation of the Audit Committee would be for the University to proceed with the Financial Management Systems Project, with the knowledge that the potential cost and time risks on the project are great, however also aware that there are no good alternatives to the proposed new Management System.

REVISION OF AUDIT COMMITTEE CHARTER

The committee reviewed and voted unanimously to recommend a proposed change to the Audit Committee Charter to increase the number of members on the Audit Committee as follows:

RESOLVED, that the Board of Regents Audit Committee Charter be revised under the section entitled "Organization" to read as follows:

The Audit Committee of the Board of Regents shall be a permanent committee consisting of three to five members of the Board of Regents. The members of the Audit Committee shall be appointed by the Chair of the Board of Regents recognizing the need for continuity of membership from year to year.

It was noted that this change was requested to allow greater flexibility in the size of the Audit Committee.

SELECTION OF EXTERNAL AUDITOR

The committee reviewed the Administration's proposal for the engagement of an external auditor for the University of Minnesota.

It was reported that five firms submitted proposals and after evaluation of all criteria, the Administration recommended the firm of Coopers and Lybrand.

A summary of the results of the ratings was briefly reviewed. It was noted that partners of the firms were interviewed during the selection process and all firms clearly understood that the firm selected would be responsible to the Board of Regents.

Regent Keffeler requested that the Audit Committee schedule another meeting to interview the top two firms before a final selection is made. Committee members agreed with Regent Keffeler's request and asked that a meeting with the firms of

Coopers & Lybrand and Deloitte & Touche be scheduled as soon as possible.


NEW BUSINESS

Legislative Audit

It was reported that the final report of the Legislative Audit was recently released and that all Regents had received a copy. Several Regents expressed disappointment that the positive changes which have occurred at the University were not more clearly noted in the report.

The audit was based mainly on reviews of the 1987 and 1988 fiscal years with some recent practices cited.

The meeting adjourned at 1:50 p.m.


Barbara Muesing
Executive Director and
Corporate Secretary

Year 1989-90

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Physical Planning & Operations Committee

October 12, 1989

A meeting of the Physical Planning and Operations Committee of the Board of Regents was held on Thursday, October 12, 1989 at 1:35 p.m. in Room C234, Administration Building, Waseca Campus.

Regents present: Regent Sahlstrom, presiding; Regents Casey, Kuderer, M. Page, Roe and Schertler.

Staff present: Chancellors Frederick, Ianni and Sargeant; Senior Vice President Donhowe; Vice Presidents Allen and Heydinger; Associate Vice Presidents Hewitt and Robb; Associate Executive Director Janzen; Treasurer Campbell; Asset Management Director Paschke.

Student Representatives present: Randy Benson and Randy Peterson.

UMW REPORT ON PHYSICAL PLANT

Lowell Rasmussen, Director of Plant and Support Services, presented an overview of the physical plant and support services at UMW. He reviewed items pertaining to UMW contained in the Capital Request and indicated that the campus has proceeded according to its long-range development plan to build a campus capacity for 1,000 full-time students. He also indicated that the number one need and request of the Waseca campus has been and continues to be the Rec Sports/Phy Ed facility.

Mr. Rasmussen also reviewed needs and challenges in the areas of Repair and Renovation, Health and Safety, Security Funding, Custodial/Maintenance Staffing, Labeling/Equipment/Telecommunication and Video Instruction Systems, and Integrated Facility Management Systems.

POSSIBLE PURCHASE OF KOCH FARM AT LAMBERTON

The committee reviewed a proposal for the possible purchase of the Koch Farm at Lambertton. Vice President Gene Allen reported that this farm, located across the road from the Southwest Experiment Station, has been rented by the University for the past two years for research purposes and the owners now want to sell the property. He stated that a major setback in the research program would occur if the University were to lose access to this experimental property and he would like authority from the Committee to proceed with negotiations on the purchase of this property.

In addition, Vice President Allen stated that purchases of experimental lands like this occur from time to time and are unique in that most often the asking price for the property is higher than the appraised value due to the research conducted on the land.

Senior Vice President Donhowe explained further that this type of land purchase would be an exception to normal policy for land purchases and would only occur when timing is of special importance and the parcels are critical to the University's research. He further indicated that a long range agenda of these types of unique land purchases would also be provided for the committee.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

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

Regent Kuderer asked for a report that indicates how University departments account for property purchased on an on-going basis.

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 PREVIOUSLY 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. Millard/Owre Hall Third Floor Remodeling/Pharmacology, Twin Cities Campus
Estimated cost of the project: \$1,295,450
Funding: Asbestos Settlement Funds and Medical School Funding Internal Loan
Estimated completion: July 1990
- b. Moos Tower, Fourth and Fifth Floors, Human Genetics Institute Remodeling, Phase II, Twin Cities Campus
Estimated cost of the project: \$1,400,000
Funding: Medical School
Estimated completion: November 1990
- c. Mayo Fifth Floor Pediatric Oncology Office Remodeling, Twin Cities Campus
Estimated cost of the project: \$115,500
Funding: Medical School and Department of Pediatrics Development Fund
Estimated completion: January 1990
- d. Mayo Conversion of Room C325 into Hematology Laboratory, Twin Cities Campus
Estimated cost of the project: \$191,000
Funding: Medical School Dean's Office and Department of Medicine
Estimated completion: February 1990
- e. Animal Science - Veterinary Medicine Alterations to Rooms 350, 354, 359 and 369, Large Animal Clinic, Twin Cities Campus
Estimated cost of the project: \$103,600
Funding: Department of Large Animal Clinical Sciences, College of Veterinary Medicine, and Health Sciences Indirect Cost Recovery Funds
Estimated completion: April 1990
- f. Parking Lots Number 33, C70, C82, C88, 95 and SC175 Lighting Upgrade, Twin Cities Campus
Estimated cost of the project: \$160,000
Funding: Parking Services
Estimated completion: May 1990
- g. Siebert Field Baseball Stadium Field Lighting, Twin Cities Campus
Estimated cost of the project: \$280,000
Funding: Men's Intercollegiate Athletics or Internal Loan
Estimated completion: May 1990

- h. Kirby Student Center Stair Tread Replacement, Duluth Campus
Estimated cost of the project: \$120,000
Funding: Physical Plant, Duluth Campus, General Operations and Maintenance Appropriation
Estimated completion: September 1990
- i. Chemistry Building Corrosive Waste and Piping Replacement, Phase II, Duluth Campus
Estimated cost of the project: \$270,750
Funding: Central Reserves
Estimated completion: September 1990
- j. Griggs Hall Addition, Student Housing, Cost Increase, Duluth Campus
Estimated cost of the project: \$6,150,000
Funding: Various auxiliary services on the Duluth campus (Stadium Apartments, Services Improvement Reserve, Food/Vending Services Operations, Village Apartments Repair/Replacement Reserves) and Variable Rate Bond Loan
Estimated completion: October 1990
- k. Research Laboratory Building, Roof Replacement, Duluth Campus
Estimated cost of the project: \$133,000
Funding: Plant Services - Duluth Campus
Estimated completion: August 1990

**PROJECTS APPROVED IN THE CAPITAL REQUEST
AND FUNDED BY LEGISLATIVE APPROPRIATION**

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. Campus Center, Duluth Campus
Estimated cost of the project: \$13,500,000
Funding: 1987 Legislative appropriation
Estimated completion: July 1992

**SALE OF 2605-2615 EAST 7TH STREET (PARCEL B, ALWORTH
PROPERTY) TO KEIGH AND PATRICIA OLSON**

The committee voted unanimously to recommend approval of a resolution that would authorize the appropriate administrative officers to sell the property identified as 2605-

2615 E. 7th Street, Duluth, to Keith and Patricia Olson, for the sum of \$117,000.

AUTHORITY TO NEGOTIATE SALE OF LAND

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

- a. Authority to Negotiate Sale of 14.7 Acres to the City of Falcon Heights

Mr. Thomas Baldwin, Mayor of Falcon Heights, spoke briefly to the committee requesting that a possible lease arrangement for this property be considered in the negotiations.

A motion was made and seconded that the resolution be amended to include the negotiation of the sale or lease of this land.

- b. Authority to Negotiate Sale of 1.793 Acres at Morris to Stevens Community Memorial Hospital

PROJECTS PRESENTED FOR INFORMATION

The committee reviewed for information the following projects:

Millard Hall Fifth and Sixth Floor Remodeling (Physiology) Twin Cities Campus

This project consists of remodeling approximately 21,000 square feet of departmental office and library, research laboratory spaces, support spaces, and corridor updating. The remodeling will provide research space for a new department head and additional faculty members who have been recruited and will soon be a part of the Physiology Department. The renovation of these research laboratory spaces are needed for the department's increased emphasis in the areas of cell physiology and neuroscience.

Estimated cost of the project was reported to be \$2,041,700 with \$130,000 provided from Asbestos Settlement Funds and \$1,911,700 from a Medical School Funding Internal Loan. Estimated completion is scheduled for December 1990.

**Mayo Cooling Tower Replacement
Twin Cities Campus**

This project consists of the demolition and removal of the existing cooling tower, including asbestos abatement, from the Mayo west wing roof and the installation of a new cooling tower, including necessary mechanical and electrical connections. The request was made because the old tower can no longer be maintained and provide the condensing capacity required of the chiller plant.

Estimated cost of the project was reported to be \$195,000 with funding provided from Physical Plant Operations and an estimated completion date of April 1990.

**Phillips-Wangensteen Building
Room 8-323 Otolaryngology Laboratory Alterations
Twin Cities Campus**

The scope of this project is to finish existing shell space in the Phillips-Wangensteen Building for use as a clinical psychoacoustics laboratory to house four federally funded hearing research programs.

Estimated cost of the project was reported to be \$151,000 with funding provided from the Lion's International Hearing Foundation and an estimated completion date of May 1990.

Regent Roe noted that the funding for this project was provided from the Lion's International Hearing Foundation and stated that it should be acknowledged that there are many outside organizations that donate funds to the University.

**Social Science Tower, Elevator System Upgrading
Twin Cities Campus**

The scope of this project is to repair the elevator system components which operate in the Social Science Tower. The elevators are not working effectively and do not properly respond to hallway calls.

Estimated cost of the project was reported to be \$203,000 with funding provided from the 1988-89 Repair and Replacement Budget and an estimated completion date of May 1990.

REPAIRS AND REPLACEMENT PLANS

The committee reviewed the Administration's proposal for utilizing the University's Repair and Replacement (R&R) budget for fiscal year 1989-90.

Senior Vice President Donhowe described the process for detailing the development of the 1989-90 State Repairs and Replacement program and provided the committee with a copy of the proposed 1989-90 allocations. He reported that funding for the program was approved as part of the Budget Plan in July. He further stated that the Administration is proposing to present the entire Repair and Replacement program for information at this time and request approval of the plan at the November meeting. He stated that this is a change from past procedures of bringing individual Repairs and Replacement projects to the Board for information and action. Senior Vice President Donhowe stated that he believes this change will be beneficial to the Board as it will now see the proposed projects in the context of an entire plan and should speed up the completion of the projects and improve efficiency. The projects would be reported on in the Monthly Report of the Senior Vice President.


Mr. Kirk Campbell, Director of Physical Plant, described the projects contained in the 1989-90 Repair and Replacement Allocations Report and responded to questions posed by committee members.

OLD BUSINESS

Student Representative Randy Peterson asked if the committee might schedule the review of Landscape Projects on the agenda again as time constraints prevented any questions on the item at the September meeting.

Regent Sahlstrom asked Administration to comply with Mr. Peterson's request.

The meeting adjourned at 3:00 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

Year 1989-90

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Finance & Legislative Committee

October 12, 1989

A meeting of the Finance & Legislative Committee of the Board of Regents was held on Thursday, October 12, 1989 at 3:15 p.m. in Room C234, Administration Building on the Waseca Campus.

Regents present: Regent Schertler, presiding; Regents Anderson, Grahek, Keffeler, M. Page and Sahlstrom.

Staff present: Chancellor Ianni; Senior Vice President Donhowe; Vice President Donohue; Associate Executive Director Janzen; Controller Campbell; Asset Management Director Paschke.

Student Representatives present: Kent Janssen and Larry Gunderson.

UMW REPORT ON MANAGEMENT SYSTEMS

Vice Chancellor Thomas Fider presented an overview of the computing and management systems at UMW outlining the needs and challenges faced by the Waseca Campus.

Included in his review were descriptions of the Management Systems organization at UMW, facilities and equipment, software utilized and budget. Some of the items reported as needs and challenges were the development of academic computing labs, upgrading of equipment and systems, training of faculty and staff users on new technology and electronic data transfer with the Twin Cities Campus.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

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

UNIVERSITY GROVE

The committee reviewed a proposed resolution that would authorize the appropriate administrative officers to enter into negotiations with residents of the University Grove relating to restructuring the financial arrangements with regard to Grove land leases and mortgage loans. Possibilities for alternative financial arrangements could involve sale of land to current residents and removal of any restrictions regarding eligibility for residents in the University Grove.

Roger Paschke, Director of Asset Management, explained that the Grove, adjacent to the St. Paul Campus, consists of 102 homes owned by faculty and senior administrators, but constructed on land leased from the University. Mortgages have traditionally been provided from the Permanent University Fund (PUF) and are carried as assets in PUF. The mortgages are carried at book value, but if adjusted to market could result in an unrealized loss in excess of \$1,000,000 for the Permanent University Fund. He reported that since the Permanent University Fund investment must adequately support the endowed chair program, the administration feels the mortgages are not an appropriate investment for PUF. He reported that the administration had developed a proposal to relieve PUF of current and future obligations to fund Grove mortgages. The proposal contained the following major components:

- The University will make no new loans against Grove property
- The University will provide an incentive for residents to refinance existing debt through other financial institutions. The incentive will involve a present value calculation of remaining debt, which for most residents will result in the ability to pre-pay the mortgage at an amount less than the mortgage balance.
- Contingent upon refinancing any debt, residents would agree to dissolve the land lease and will be able to purchase the land from the University at a price of \$13,000 per lot. This is the average value assigned to Grove lots by the Ramsey County Assessor.
- Any land lease currently in place may be continued if residents so desire. Land leases expiring after the original 60-year term may be renewed for an additional twenty years at \$50.00 per month.

He further reported that the proposal would necessitate that all current University restrictions concerning residency in the Grove be dissolved. In addition, he stated the plan had been discussed with an ad hoc committee of residents from the Grove and additional meetings will be scheduled with the residents in coming weeks.

The committee engaged in an extended discussion with several Regents voicing concerns that the Grove has been an asset to the University for many years to faculty and staff. Regent Anderson requested the Administration to continue to pursue solving the problem of obtaining external financing for the mortgages before action is requested on the item.

RUMINCO, LTD. TAX STATUS AND DIVIDENDS

The committee reviewed a proposed resolution that would authorize the appropriate officers of the University to take the actions necessary, as stipulated by the Internal Revenue Service, to permit RUMINCO, Ltd. to qualify as a tax-exempt organization.

In addition, the appropriate officers of the University would be authorized to cause RUMINCO, Ltd. to declare a dividend of \$4,000,000 payable to the University of Minnesota. Such a dividend would be allocated to the administrative offices of the University in proportion to the premiums paid into RUMINCO, LTD. from inception through December 31, 1986.

As background information, Controller Campbell reported that RUMINCO, LTD. was originally formed as a taxable foreign corporation that provides insurance for the University of Minnesota and for associated entities all of which exist and operate solely for the benefit of the University.

She further reported that a request for a tax-exempt status ruling on RUMINCO, LTD. was sent to the IRS several months ago. The response from the IRS was received, which stated that a favorable ruling would be provided if certain conditions were met. Controller Campbell reviewed those conditions for the committee and stated that the committee will be requested to act upon them at a future meeting.

Controller Campbell further reported that the administration is also recommending that RUMINCO declare a dividend payable to the University of Minnesota of \$4,000,000 with \$3,000,000 payable early in 1990 and \$1,000,000 payable in 1991. She stated this declaration of dividend is requested because the network of RUMINCO has increased considerably over the past 5 years and beyond its reasonable requirement.

She stated that action will also be requested on this item at the November meeting.

Controller Campbell further reported that the Office of Asset Management is preparing a ruling request to determine whether there would be any negative tax consequences to either RUMINCO, LTD. or to the University of Minnesota if certain international arbitrage transactions were directed through RUMINCO, LTD. The transactions, permitted under University investment guidelines, would be for the benefit of the University Investment Program and consist of the purchase and sale of foreign securities, security equivalents and currencies including various hedging in other arbitrage instruments and techniques. She stated that the administration will keep the Regents informed regarding this request.

Regent Keffeler expressed concern regarding the proposed dividend which would be apportioned to the participating administrative offices based on a ratio of premiums paid. She stated if funds are returned to a department, thereby increasing the amount of departmental reserves, the University needs to be certain that all of the funds are considered as priorities are set later on during the budgeting process. She indicated for the record that she will look forward to seeing the full record of reserves when the budgeting cycle begins.

CURRENT FUNDS FINANCIAL REVIEW

Controller Campbell presented the unaudited results of current fund operations for the year ended June 30, 1989. Included in her review were balance sheets and a statement of revenues, expenditures and other changes which reflect the ongoing teaching, research and public service functions of the University, University Hospital and Clinic, and auxiliary enterprises.

The meeting adjourned at 4:30 P.M.


BARBARA MUESING
Executive Director &
Corporate Secretary

Year 1989-90

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff & Student Affairs Committee

October 12, 1989

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, October 12, 1989, at 1:40 p.m. in the Regents' Conference Room on the University of Minnesota, Waseca Campus.

Regents present: Regent Craig, presiding; Regents Anderson, Grahek, Keffeler and Rosha.

Staff present: President Hasselmo; Chancellors Frederick and Imholte; Senior Vice President Kuhi; Vice Presidents Barbatsis, Heydinger and Perlmutter; Executive Director Muesing; Assistant Vice President Carrier.

Student Representatives present: Michael Holland and Alice Pegel.

UMW REPORT ON STUDENT LIFE

Chancellor Frederick led the discussion on UMW student life and the student affairs programs offered at UMW. He stated that the philosophy at UMW is to focus on the students, with emphasis on teaching and student development.

Gary Sheldon, Vice Chancellor for Student Affairs, reviewed three parts of UMW's total educational program. He discussed the non-traditional student program, including a \$50,000 grant from the Blandin Foundation which assists non-traditional students through honor loans and a child care program. Dr. Sheldon noted that students receive no-interest honor loans, which they are encouraged to pay back in the future. However, there is no obligation to do so. This is the second year UMW has been awarded a grant from the Blandin Foundation and to date, approximately 60 students have benefited from this program. Ranita Pyle, a first-year student majoring in Veterinary Technology, discussed how the assistance she has

received from the Blandin Foundation has made it possible for her to continue her education.

Dr. Sheldon reported on UMW's programs for minority and international students. He introduced Anthony James, a second-year student majoring in Light Horse Management, who has been hired by the Admissions Department to help recruit and retain students of color and to serve as an advocate for the minority students on campus. Mr. James discussed his recruiting activities and his educational experiences at UMW.

Dr. Sheldon reported that UMW received a two-year, \$83,000 grant from the federal government to assist in alcohol and drug education on campus. As a result of this grant, the "Totally Well Program" was developed to help students, faculty and staff with lifestyle management and to make necessary improvements. Andy Bragman, a second-year student majoring in Agronomy Technology and Animal Nutrition, and Chris Traxler, a second-year student majoring in Food Production, discussed the wellness program on campus and various activities associated with the program.

A brief discussion followed the presentations, and Regent Craig expressed appreciation to everyone for their participation.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Regent Craig welcomed Senior Vice President Kuhi to his first meeting of the Faculty, Staff & Student Affairs Committee. Dr. Kuhi stated he is looking forward to working with the Regents and administrative staff.

Senior Vice President Kuhi presented the Senior Vice President's Monthly Report to the committee for approval, including a supplement noting the appointment of Marcia Fluer as Director of University Relations, effective October 16, 1989. Dr. Kuhi stated that he is impressed with the quality of the new faculty appointments recommended in the Report.

President Hasselmo and Dr. Kuhi reported on the status of major administrative searches currently being conducted. Regent Keffeler urged the Administration to ensure that the candidate pools for those searches represent adequate diversity so that the appointments will reflect the objectives of the Board. Dr. Hasselmo stated that he has been monitoring the searches and indicated that the candidate pools should result in appropriate appointments.

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

CIVIL SERVICE CLASS CHANGES

Roger Forrester, Director of the University Personnel Department, presented the following Civil Service class changes to the committee for approval:

1. New Class No. 3555V, Assistant Director, Boynton Nursing, (\$2446-4042, A20M), effective October 16, 1989.
2. New Class No. 3702, Program Assistant, 4-H, (\$1347-1909, C14F - Target Grade C17), effective October 16, 1989.
3. New Class No. 3703, Nutrition Education Assistant, (\$1347-1909, C14F - Target Grade C17), effective October 16, 1989.
4. Abolishment of Class No. 1918, Manager, Minnesota Book Center, (\$2203-3623, A16M), effective October 16, 1989.
5. Abolishment of Class No. 5188V, Shops Manager, (\$2359-3892, A19M), effective October 16, 1989.

The committee voted unanimously to recommend approval of the Civil Service class changes.

COLLECTIVE BARGAINING AGREEMENT BETWEEN THE UNIVERSITY AND UNIT 4 OF AFSCME LOCAL 1164

Roger Forrester, Director of the University Personnel Department, presented the Collective Bargaining Agreement between the University and Unit 4 of AFSCME Local 1164 to the committee for approval. He noted that the proposed Agreement has already been ratified by the union.

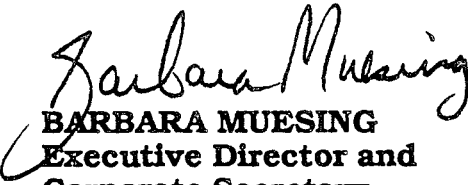
Mr. Forrester introduced Elizabeth White, Director of Human Resources at the University Hospital & Clinic, who had overall responsibility for the negotiating process; Linda Skallman, Labor Relations Manager at the University Hospital & Clinic, who was chief negotiator; and Bev Hall, the AFSCME Business Representative. Mr.

Forrester noted that it was a long negotiation process, and he commended Ms. Skallman for doing an excellent job.

In response to a question from Regent Keffeler, Ms. Skallman stated under the terms of the contract employees' salaries will increase by 12 percent over the next two years and she summarized how the new contract compares with general market rates. She noted that the contract establishes a good salary structure in terms of the Hospital's ability to recruit and retain employees.

The committee voted unanimously to recommend approval of the proposed Collective Bargaining Agreement.

The meeting adjourned at 2:20 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

Year 1989-90

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Educational Planning & Policy Committee

October 12, 1989

A meeting of the Educational Planning & Policy Committee of the Board of Regents was held on Thursday, October 12, 1989, at 3:15 p.m. in the Regents' Conference Room on the University of Minnesota, Waseca Campus.

Regents present: Regent Roe, presiding; Regents Casey, Craig, Kuderer and Rosha.

Staff present: Chancellors Frederick, Imholte and Sargeant; Senior Vice President Kuhi; Vice Presidents Barbatsis and Perlmutter; Executive Director Muesing; Assistant Vice President Berg.

Student Representatives present: David Minkkinen and Sarah Schloegel.

UMW REPORT ON EDUCATIONAL PROGRAMS

Chancellor Frederick and Dr. Thomas Lindahl, Vice Chancellor for Academic Affairs, led the discussion on UMW's educational programs. Dr. Lindahl indicated that UMW is a single-mission college which prepares students for mid-management positions in broad fields related to agriculture and services to rural homes and communities, and he commented on the employment opportunities available to UMW graduates.

Dr. Lindahl stated that UMW offers an Associate in Applied Science Degree in seven program areas - Agricultural Business, Agricultural Industries and Services, Agricultural Production, Food Industry and Technology, Home and Family Services, Horticultural Technology and Veterinary Technology. He indicated that students are also required to take arts and sciences courses, which provide the basis for them to successfully transfer to bachelor-level programs.

Mark Wilson, Associate Professor in the Animal Science program, discussed the UMW Honors Program. He stated that

development of the program began five years ago to improve recruitment of high ability students, to provide enrichment opportunities for high ability students through academic and cultural experiences and to increase the overall level of academic standards on campus. He stated that 15 students may participate in the program each quarter. They must maintain a 3.5 grade point average and they participate in an honors course, special honors challenge activities and a leadership and development plan. Dr. Wilson noted that the first student who completed the program graduated in Spring, 1989 and seven more participants are expected to graduate in Spring, 1990.

Myron Amy, Assistant Professor in the Agricultural Business program, reported that the Agricultural Business curriculum was recently revised in two main areas - supervision, to prepare students for mid-management careers, and computer skills and applications. He stated that these revisions were developed to correspond with curriculum revisions in the College of Agriculture on the Twin Cities Campus, which will result in improved transfer procedures. Dr. Amy also stated that they worked with some major businesses in the community to complete the curriculum revisions, which brought some additional resources to UMW that helped implement some of the major curriculum changes.

Brad Peterson, Associate Professor in the Landscape Horticulture and Turf Management program, discussed new programs in Golf Course and Grounds Management and Golf Course and Grounds Mechanization. He indicated that six months ago a cooperative agreement was reached with the Lakeside Country Club in Waseca to use its golf course for laboratory experience. Dr. Peterson stated that this arrangement provides students with practical educational experiences that would not otherwise be available. It also has resulted in manufacturers of irrigation and golf course equipment providing equipment for student use and learning experiences.

Dr. Lindahl introduced the following members of his Academic Affairs administrative team: Nan Wilhelmson, Director of the Library and Academic Support; Robert Krumwiede, Director of the Arts and Sciences program area, Horticultural Technology and Veterinary Technology; William Nelson, Director of Agricultural Business, Home and Family Services and Food Industry and Technology; and Byron Harrison, Director of Agricultural Industries and Services and Agricultural Production.

A brief discussion followed the presentations, particularly with respect to transfer of students. Dr. Lindahl stated that 20-22 percent of UMW students transfer to various institutions following graduation. He noted that UMW continues to have the largest number of transfer students to the College of Agriculture on the Twin Cities Campus. He noted that data is not available on students who do not transfer

immediately following graduation from UMW. Regent Roe thanked everyone for their participation in the presentation.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

President Hasselmo introduced Dr. Leonard Kuhi, the new Senior Vice President for Academic Affairs and Provost. Dr. Kuhi stated that he is looking forward to working with the Regents and administrative staff.

Senior Vice President Kuhi presented the Senior Vice President's Monthly Report to the committee for approval. He reviewed the University of Minnesota program-related items, including the establishment of the College of Architecture and Landscape Architecture as an independent unit effective July 1, 1989, and the name change of the Department of Theatre Arts in the College of Liberal Arts to the Department of Theatre Arts and Dance. Dr. Kuhi commented on the 38 patents issued to University faculty during fiscal year 1989, noting that this is a significant increase over the 27 patents issued in 1988. He also reviewed the Minnesota Higher Education Coordinating Board (HECB) items, including HECB's Annual Report on Headcount Enrollment by Racial/Ethnic Group.

A lengthy discussion ensued regarding the University's minority enrollment and Regent Kuderer stated that in order to be successful in increasing the enrollment of minority students, it is necessary to contact students at an early age. President Hasselmo and several committee members commented on University programs which target young students, and Regent Casey stated that he feels the University has made significant progress in increasing minority enrollment. Student Representative Michael Holland, who serves on the Presidential Task Force on Diversity, stated that the Task Force is addressing the issues raised by the committee, but noted that progress will be limited without a commitment of funds. President Hasselmo responded, noting that resources have been committed to Dr. Cross' office and he also stated that a request for additional funding will be included in the next budget.

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

UPDATE ON MSPAN I

President Hasselmo led a discussion regarding the University's response to the MSPAN I Report. He noted that the Legislature asked the University to respond specifically to access to upper division

education in the metropolitan corridor and access to practitioner-oriented graduate programs (master's degree programs).

Dr. Hasselmo stated that the Higher Education Advisory Council (HEAC), which he chairs, is developing a joint response to be submitted to the Higher Education Coordinating Board (HECB) by early December. HECB will then review HEAC's response and submit its recommendations to the Legislature. The joint response will:

- address the needs of existing students and programs;
- state that any effort to serve additional students through new or expanded programs must take into consideration quality and cost factors; and
- state that the response to MSPAN I, although focusing on the metropolitan area, must reflect statewide perspective and vision. A complete response cannot be made until MSPAN II has been completed in December, 1990 and there is a complete perspective on the state's educational needs.

Dr. Hasselmo reviewed undergraduate enrollment needs. He noted that there have been preliminary discussions of 2+2 arrangements involving the University and North Hennepin Community College and Inver Hills Community College, whereby the University would offer selected four-year majors on the community college campuses. However, he indicated that before implementation of such an arrangement, the University would need an understanding with the Legislature regarding implications on enrollment, financing and basic services.

President Hasselmo discussed the position of the University and the State University System regarding practitioner-oriented degree programs. He stated that the University has chosen to limit enrollment in those programs, seeing its responsibilities at the bachelor's and doctoral levels as taking precedence over responsibilities at the master's level. Dr. Hasselmo stated that the University has responsibility in the areas of engineering and computer science, cognitive science and psychology, and mass communications, technical writing and public relations and given adequate resources, the University would be willing to expand practitioner-oriented degree programs after 4:00 p.m. and on weekends in engineering and computer science.

Following a brief discussion, President Hasselmo stated that if the response to MSPAN I contains proposals that require Board action, it will be presented for information at the November meeting and action in December.

The meeting adjourned at 4:30 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

Year 1989-90

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

October 12, 1989

A meeting of the Committee of the Whole of the Board of Regents was held on Thursday, October 12, 1989, at 10:10 a.m. in Room L125, Administration Building, Waseca Campus.

Regents present: Regent Casey, presiding; Regents Craig, Grahek, Keffeler, Kuderer, M. Page, Roe, Rosha, Sahlstrom and Schertler.

Staff present: President Hasselmo; Chancellors Frederick, Ianni, Imholte and Sargeant; Senior Vice Presidents Donhowe and Kuhi; Vice Presidents Allen, Barbatsis, Donohue, Heydinger and Perlmutter; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice Presidents Foster and Robb; Assistant Vice Presidents Berg, Carrier, Kvavik and Vikmanis.

Student Representative present: Randy Peterson.

Regent Casey welcomed everyone to the Waseca Campus and extended appreciation to Chancellor Frederick and his staff for hosting the Board of Regents' meetings. Dr. Casey also welcomed Senior Vice President Kuhi to his first meeting.

Dr. Casey noted that Regents Anderson and A. Page were unable to attend the meeting, however, both discussed their concerns regarding the proposed Enrollment Policy with the President prior to the meeting.

ENROLLMENT POLICY

President Hasselmo led a discussion regarding the University's Enrollment Policy. He stated that the Legislature asked the University to clarify its enrollment objectives through the 1992-93 biennium, and noted that the response is due by December 1, 1989.

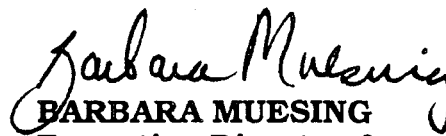
Dr. Hasselmo stated that the administrative recommendation, which will be presented to the Board for approval at the November meeting, is to confirm the system-wide enrollment targets established for the University in 1987 for the period through academic year 1992-93. He indicated that if the University is going to improve the learning experience for students and improve graduation rates, it is necessary to address the negative impact of overcrowding.

In addition, Dr. Hasselmo addressed the following issues related to the Enrollment Policy: mission differentiation; retention and college attendance rates; individual campus enrollments; diversity; tuition and student financial aid; and MSPAN I. He also reviewed data on actual and estimated undergraduate enrollment for the period from Fall 1986 through Fall 1992; comparisons of direct instructional funding throughout the University in 1986-87; costs of undergraduate instruction from state and tuition sources; and a chart illustrating actual and projected numbers of Minnesota high school graduates from 1978 through 2007.

An extensive discussion followed the presentation. Several Regents spoke in support of the administration's recommendation, particularly with respect to its potential impact on the University's low graduation rates and high drop-out rates. Regents Roe and Schertler spoke in opposition to the recommendation, and expressed concerns regarding its effect on the University's land grant mission. In response to a suggestion by Regent Roe, President Hasselmo indicated that the University's Enrollment Policy and its implications will be assessed on an annual basis.

Following the discussion, Regent Casey summarized the issues related to the proposal to confirm the University's enrollment targets. He stated that it is impossible for the University to improve undergraduate instruction and the student experience, which will result in increased graduation rates and lower drop-out rates, without limiting enrollment. Dr. Casey stated that the Board must provide the leadership necessary to improve education in the state, and he asked the Regents to be prepared to consider approving the proposed Enrollment Policy at the November meeting.

The meeting adjourned at 11:30 a.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

Year 1989-90

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

October 13, 1989

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, October 13, 1989, at 8:40 a.m. in Room L125, Administration Building, Waseca Campus.

Regents present: Regent Casey, presiding; Regents Anderson, Craig, Grahek, Keffeler, Kuderer, A. Page, M. Page, Roe, Rosha, Sahlstrom and Schertler.

Staff present: President Hasselmo; Chancellors Frederick, Ianni, Imholte and Sargeant; Senior Vice Presidents Donhowe and Kuhi; Vice Presidents Barbatsis, Donohue, Heydinger and Perlmutter; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice Presidents Hewitt and Robb; Assistant Vice President Kvavik.

Student Representative present: Randy Peterson.

OVERVIEW OF PROGRAMS IN SOUTHERN MINNESOTA

Chancellor Frederick led a discussion of the University of Minnesota programs in the Waseca area, including the University of Minnesota, Waseca, the Southern Experiment Station and the Minnesota Extension Service. He stated that the three units coordinate their efforts to address the needs of the people in South Central Minnesota.

Richard Anderson, Superintendent of the Southern Experiment Station, discussed the experiment station system throughout the state and the agriculture industry. He commented on the research conducted at the Southern Experiment Station. He stated that the Station has a long history of interaction with collegiate and Extension programs.

Sheryl Nefstead, Extension District Director, discussed the efficiency and effectiveness which result when the three units work together to deliver education to the people of the state. She

introduced Roger Wilkowske, Water Quality Extension Agent, who reported on an Extension water quality project which he is directing. Scott Nefstead, a 4-H member, also reported on a water quality project he worked on and he stated that he has received support from the University, the Experiment Station, the Extension Service and the Minnesota Geological Survey.

Dr. Frederick discussed the development of a Joint College-Experiment Station-Extension Service Task Force Model which has as its objectives:

- becoming familiar with other faculty members in each unit of the University in the Waseca area;
- becoming aware of existing programs, teaching and research among the units in the Waseca area; and
- determining joint faculty inservice educational needs.

He stated that the outcomes of the Joint Task Force meetings have been a joint needs assessment, joint educational programs, joint faculty development and the discovery of mutual ways of sharing resources, such as publications, audio-visual materials and physical plant support.

A brief discussion followed the presentations, and President Hasselmo stated that this is a wonderful illustration of the multiple responsibilities of the University of Minnesota. Regent Casey thanked everyone who participated in the presentation. He also expressed appreciation to Dick Anderson for his years of service to the Experiment Station and wished him well in his retirement.

ELECTION OF HORMEL FOUNDATION TRUSTEE AND MEMBER OF THE BOARD OF DIRECTORS OF THE HORMEL INSTITUTE

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

RESOLVED, that on the recommendation of the Dean of the Graduate School and the President, Dr. Harald H. Schmid, Director of The Hormel Institute, is appointed as a member of The Hormel Foundation Board of Trustees for a one-year term, effective September 15, 1989.

RESOLVED, FURTHER, that on the recommendation of I. J. Holtan, Chairman of The Hormel Foundation, Jerry A. Anfinson is appointed as a member of the Board of Directors of The Hormel Institute.

ELECTION OF HUMPHREY INSTITUTE ADVISORY COMMITTEE MEMBERS AND OFFICERS

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

RESOLVED, that on the recommendation of the Dean of the Humphrey Institute of Public Affairs and 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, 1992: Orville Freeman, Josie Johnson, Evelyn O'Connor and Stephen Roszell.

RESOLVED, FURTHER, that on the recommendation of the Dean of the Humphrey Institute and the President, Orville Freeman is reappointed as Chair of the Advisory Committee for a one-year term expiring June 30, 1990, and Roxanne Givens is appointed as Vice Chair for a one-year term expiring June 30, 1990.

HONORS COMMITTEE REPORT

The committee voted unanimously to recommend approval of the Report of the All-University Honors Committee.

LEGISLATIVE CAPITAL REQUEST

President Hasselmo and Senior Vice President Donhowe presented the 1990-91 Legislative Request for Capital Improvements to the committee for approval. Dr. Hasselmo noted that the Request includes construction projects only and that those projects are closely related to the University's academic priorities.

Following a brief discussion, the committee voted unanimously to recommend approval of the 1990-91 Legislative Request for Capital Improvements.

FINANCIAL MANAGEMENT SYSTEM

Senior Vice President Donhowe and Controller Campbell led the discussion regarding the new Financial Management System and presented the following resolution to the committee for approval:

RESOLVED, that the Board of Regents approve the purchase of the College and University Financial System (CUFS) software package, with modifications, and the purchase of programming and implementation services from the vendor, American Management Systems, Inc. (AMS) for a total estimated cost not to exceed \$1,450,000 including \$284,000 licensing fee, \$167,000 fixed price system enhancements and \$150,000 estimated cost enhancements included in the proposed contract and additional estimated costs of \$848,500 for maintenance fees, system modifications and implementation support through June 30, 1991.

Regent Craig, Chair of the Audit Committee, reported that the proposed Financial Management System was discussed and approved unanimously by the Committee. Regent Kuderer noted that the Audit Committee examined alternative systems, none of which were feasible. He also stated that the total estimated cost of the project is \$13 million, but the possibility of cost overruns exists.

A lengthy discussion ensued and several Regents expressed concerns regarding the risks associated with the project, including potential cost and time overruns and the possibility that the project will not be effective upon completion. Mr. Donhowe discussed minimizing the risks associated with the project, and noted that the Finance and Audit Departments are cooperating on this project and the Finance Department has accepted the steps proposed by the Audit Department to minimize the risks.

Following the discussion, Regent Casey expressed appreciation to the Audit Committee for its thorough review of the proposal for a new Financial Management System. He stated that the Regents understand the need for the new system and acknowledge the associated risks. The committee voted unanimously to recommend approval of the resolution.

ELECTION OF MINNESOTA LANDSCAPE ARBORETUM FOUNDATION TRUSTEES

President Hasselmo presented a recommendation that Darrel Alkireis, Charlotte Drake, Helen C. Hartfiel and David Lilly be appointed to fill four positions on the Minnesota Landscape Arboretum Foundation Board of Trustees.

This recommendation will be presented to the committee for approval at the November meeting.

ANNUAL INVESTMENT REPORT

Roger Paschke, University Investment Manager, presented the Annual Investment Report to the committee. Mr. Paschke used slides to review the investment results, asset allocations, fund values for the endowment funds, reserves and retirement funds for the fiscal year ended June 30, 1989 and the investment objectives for 1990. He noted the the University's total assets as of June 30, 1989 were \$953.4 million.

Regent Casey expressed appreciation to Mr. Paschke for his report and commended him for doing an outstanding job of managing the University's investments. Regent Anderson stated that the University is performing very well in the investment area, and expressed appreciation to Mr. Donhowe, Ms. Campbell and Mr. Paschke for their efforts.

The meeting adjourned at 10:30 a.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

October 13, 1989

A meeting of the Board of Regents of the University of Minnesota was held on Friday, October 13, 1989, at 10:40 a.m. in Room L125, Administration Building, on the Waseca Campus.

Regents present: Anderson, Casey, Craig, Grahek, Keffeler, Kuderer, A. Page, M. Page, Roe, Rosha, Sahlstrom and Schertler. President Hasselmo presided.

Staff present: Chancellors Frederick, Ianni, Imholte and Sargeant; Senior Vice Presidents Donhowe and Kuhi; Vice Presidents Barbatsis, Donohue, Heydinger, and Perlmutter; Executive Director Muesing, Associate Executive Director Janzen, Associate Vice Presidents Hewitt and Robb; Assistant Vice President Kvavik.

APPROVAL OF MINUTES

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

Physical Planning and Operations Committee -
September 7, 1989
Finance and Legislative Committee- September 7, 1989
Educational Planning and Policy Committee -
September 7, 1989
Faculty, Staff and Student Affairs Committee -
September 7, 1989
Committee of the Whole - September 8, 1989
Board of Regents - September 8, 1989

REPORT OF THE PRESIDENT

President Hasselmo presented his monthly report to the Board. Included in his report were items pertaining to a Plan to Improve the Students' Learning Experience at the University of Minnesota; 1989-90 Presidential Goals and Objectives;

President's Report to the People of Minnesota: 1988-89; University of Minnesota Leadership Program for Academic Administrators; Annual Meeting of the Association of Graduate Schools; Midwest Universities Consortium for International Activities; Minnesota-Manitoba Agreement for Educational Cooperation; and Planning for the 1990 U.S. Olympics Festival and the 1991 International Summer Special Olympics. A copy of the President's Report is on file in the Office of the Board of Regents.

REPORT OF THE CHAIR

Chair Casey thanked the faculty, staff and students at UMW for the hospitality shown to members of the Board and Administration during their visit to the campus.

He reported that he has appointed a Nominating Committee for the Hospital Board of Governors to be chaired by Regent Grahek with Regents Craig and Mary Page also serving.

In addition, he noted that Regent Alan Page had been selected as a member of the Minnesota Sports Hall of Fame and that Regent Mary Page has been selected as a member of the Council for Agricultural Research Extension and Teaching.

He further reported that President Hasselmo, Vice Chair Kuderer, Executive Director Muesing and he recently met with the Chair, Vice Chair and Executive Director of the Higher Education Coordinating Board to discuss a number of issues of mutual interest particularly relating to MSPAN and enrollment policies.

Chair Casey expressed appreciation to the members of the Board for their willingness to participate in the numerous events held during the past month.

GIFTS

Vice President Heydinger 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. 22,161.

CONTRACTS AND GRANTS/APPLICATIONS AND AWARDS

Senior Vice President Kuhl submitted for approval the contracts and grants/applications and awards.

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

Documentation is filed supplement to the minutes, No. 22,162.

REPORT OF THE COMMITTEE OF THE WHOLE

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

- a) Approval of resolution re Election of Hormel Foundation Trustee and Member of the Board of Directors of the Hormel Institute, as follows:

RESOLVED, that on the recommendation of the Dean of the Graduate School and the President, Dr. Harald H. Schmid, Director of the Hormel Institute, is appointed as a member of the Hormel Foundation Board of Trustees for a one-year term, effective September 15, 1989.

RESOLVED, FURTHER, that on the recommendation of I. J. Holtan, Chair of The Hormel Foundation, Jerry A. Anfinson is appointed as a member of the Board of Directors of the Hormel Institute.

- b) Approval of resolution re Election of Humphrey Institute Advisory Committee Members and Officers, as follows:

RESOLVED, that on the recommendation of the Dean of the Humphrey Institute of Public Affairs and 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, 1992: Orville Freeman, Josie Johnson, Evelyn O'Connor and Stephen Roszell.

RESOLVED, FURTHER, that on the recommendation of the Dean of the Humphrey Institute and the President, Orville Freeman is reappointed as Chair of the Advisory Committee for a one-year term expiring June 30, 1990, and Roxanne Givens is appointed as Vice Chair for a one-year term expiring June 30, 1990.

- c) Approval of the Report of the All-University Honors Committee. Documentation is filed supplement to the minutes, No. 22,163.
- d) Approval of resolution re 1990-91 University of Minnesota Legislative Request for Capital Improvements, as follows:

RESOLVED, that the University of Minnesota's 1990-91 Legislative Request for Capital Improvements be approved for submission to the legislature.

Documentation is filed supplement to the minutes, No. 22,164.

- e) Approval of resolution re Financial Management System, as follows:

RESOLVED, that the Board of Regents approve the purchase of the College and University Financial System (CUFS) software package, with modifications, and the purchase of programming and implementation services from the vendor, American Management Systems, Inc. (AMS) for a total estimated cost not to exceed \$1,450,000 including \$284,000 licensing fee, \$167,000 fixed price system enhancements and \$150,000 estimated cost enhancements included in the proposed contract and additional estimated costs of \$848,500 for maintenance fees, system modifications and implementation support through June 30, 1991.

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

Chair Casey reported that the committee also received an overview of University Programs in Southern Minnesota; reviewed proposed names to serve as trustees on the Minnesota

Landscape Arboretum Foundation; reviewed the Annual Investment Report; and discussed the proposed Enrollment Policy at length.

REPORT OF THE EDUCATIONAL PLANNING AND POLICY COMMITTEE

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

- a) Approval of the Senior Vice President's Monthly Report. Documentation is filed supplement to the minutes, No. 22,165.

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

Chair Roe reported that the committee also received a presentation on UMW educational programs and an update on MSPAN I.

REPORT OF THE FACULTY, STAFF AND STUDENT AFFAIRS COMMITTEE

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

- a) Approval of a resolution re Senior 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 supplement, be approved. Documentation is filed supplement to the minutes, No. 22,166.

Senior Vice President Kuhi introduced Ms. Marcia Fluer, newly-appointed Director of University Relations, who spoke briefly to the Board.

- b) Approval of Civil Service Class Changes as presented to the committee and filed supplement to the minutes, No. 22,167.

- c) Approval of the Collective Bargaining Agreement between AFSCME Local 1164 and the University of Minnesota as it relates to employees assigned to the Unit 4 Bargaining Unit.

Documentation is filed supplement to the minutes, No. 22,168.

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

Acting Chair Craig reported that the committee also received a presentation on UMW Student Life.

REPORT OF THE PHYSICAL PLANNING AND OPERATIONS COMMITTEE

Regent Sahlstrom, 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 Senior Vice President for Finance, which included Purchasing, Project Status Report, and Miscellaneous - Physical Planning and Operations. Documentation is filed supplement to the minutes, No. 22,169.
- 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. 22,170.

- c) Approval of a resolution regarding 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. Millard/Owre Hall Third Floor Remodeling/Pharmacology, Twin Cities Campus
Estimated cost of the project: \$1,295,450
Funding: Asbestos Settlement Funds and Medical School Funding Internal Loan
Estimated completion: July 1990
- b. Moos Tower, Fourth and Fifth Floors, Human Genetics Institute Remodeling, Phase II, Twin Cities Campus
Estimated cost of the project: \$1,400,000
Funding: Medical School
Estimated completion: November 1990
- c. Mayo Fifth Floor Pediatric Oncology Office Remodeling, Twin Cities Campus
Estimated cost of the project: \$115,500
Funding: Medical School and Department of Pediatrics Development Fund
Estimated completion: January 1990
- d. Mayo Conversion of Room C325 into Hematology Laboratory, Twin Cities Campus
Estimated cost of the project: \$191,000
Funding: Medical School Dean's Office and Department of Medicine
Estimated completion: February 1990
- e. Animal Science - Veterinary Medicine Alterations to Rooms 350, 354, 359 and 369, Large Animal Clinic, Twin Cities Campus
Estimated cost of the project: \$103,600
Funding: Department of Large Animal Clinical Sciences, College of Veterinary Medicine, and Health Sciences Indirect Cost Recovery Funds
Estimated completion: April 1990
- f. Parking Lots Number 33, C70, C82, C88, 95 and SC175 Lighting Upgrade, Twin Cities Campus
Estimated cost of the project: \$160,000
Funding: Parking Services
Estimated completion: May 1990

- g. Siebert Field Baseball Stadium Field Lighting, Twin Cities Campus
Estimated cost of the project: \$280,000
Funding: Men's Intercollegiate Athletics or Internal Loan
Estimated completion: May 1990
 - h. Kirby Student Center Stair Tread Replacement, Duluth Campus
Estimated cost of the project: \$120,000
Funding: Physical Plant, Duluth Campus, General Operations and Maintenance Appropriation
Estimated completion: September 1990
 - i. Chemistry Building Corrosive Waste and Piping Replacement, Phase II, Duluth Campus
Estimated cost of the project: \$270,750
Funding: Central Reserves
Estimated completion: September 1990
 - j. Griggs Hall Addition, Student Housing, Cost Increase, Duluth Campus
Estimated cost of the project: \$6,150,000
Funding: Various auxiliary services on the Duluth campus (Stadium Apartments, Services Improvement Reserve, Food/Vending Services Operations, Village Apartments Repair/Replacement Reserves) and Variable Rate Bond Loan
Estimated completion: October 1990
 - k. Research Laboratory Building, Roof Replacement, Duluth Campus
Estimated cost of the project: \$133,000
Funding: Plant Services - Duluth Campus
Estimated completion: August 1990
- d) Approval of the following projects approved in the Capital Request and Funded by Legislative Appropriation as follows:
- a. Campus Center, Duluth Campus
Estimated cost of the project: \$13,500,000
Funding: 1987 Legislative appropriation
Estimated completion: July 1992

- e) Approval of resolution re Sale of 2605-2615 E. 7th Street, Duluth, 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 sell the property identified as 2605-2615 E. 7th Street, Duluth, to Keith and Patricia Olson, for the sum of \$117,000.

- f) Approval of resolution re Authority to Negotiate Sale or Lease of Land to the City of Falcon Heights, 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 negotiate the sale or lease of 14.7 acres of land located at the southeast quadrant of the intersection of Roselawn and Cleveland Avenues to the City of Falcon Heights.

- g) Approval of resolution re Authority to Negotiate Sale of Land to Stevens Community Memorial Hospital, 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 negotiate the sale of 1.793 acres of land at South Street and Columbia Avenue, Morris, to the Stevens Community Memorial Hospital.

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

Regent Sahlstrom reported that the committee also reviewed the following projects for information:

- a. Millard Hall Fifth and Sixth Floor Remodeling (Physiology), Twin Cities Campus
- b. Mayo Cooling Tower Replacement, Twin Cities Campus

- c. Phillips-Wangensteen Building Alterations to Room 8-323, Twin Cities Campus
- d. Social Science Tower, Elevator System Upgrading, Twin Cities Campus

In addition, Regent Sahlstrom reported that the committee received a presentation on UMW Physical Plant Operations; reviewed information on a possible purchase of the Koch Farm at Lambertson; and discussed the Administration's plans for utilizing the University's Repair and Replacement budget for fiscal year 1989-90.

REPORT OF THE FINANCE AND LEGISLATIVE COMMITTEE

Regent Schertler, 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 Senior Vice President for Finance, which included Investments, Accounts Receivable, Central Reserves, Debt Management, and Miscellaneous - Finance and Legislative. Documentation is filed supplement to the minutes, No. 22,171.

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

Chair Schertler reported that the committee also received a presentation on UMW Management Systems; reviewed information on financial issues of the University Grove and information pertaining to the tax status and dividends pertaining to RUMINCO, Ltd. In addition, she reported that the committee reviewed the unaudited results of current fund operations for the year ended June 30, 1989.

REPORT OF THE AUDIT COMMITTEE

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

- a) Approval of resolution re Revision of Audit Committee Charter, as follows:

RESOLVED, that the Board of Regents Audit Committee Charter be revised under the section entitled "Organization" to read as follows:

The Audit Committee of the Board of Regents shall be a permanent committee consisting of three to five members of the Board of Regents. The members of the Audit Committee shall be appointed by the Chair of the Board of Regents recognizing the need for continuity of membership from year to year.

The committee engaged in an extended discussion regarding the number of members to serve on the committee. Regent Schertler stated that she would vote against the resolution as she feels the membership of the Audit Committee should be uniform with other standing committees that have six members. In addition, she stated that she would also like meetings of the the Audit Committee to be held during the same time period that the regular monthly meetings are held.

Regent Keffeler stated that scheduling the Audit Committee to correspond with the regular monthly meetings is an objective that all Regents share, however, given the occasional time demands of each committee, having the flexibility for scheduling the Audit Committee meeting to accommodate the members is helpful. In addition, she stated that it is not uncommon for Audit Committees to have a smaller membership than other working committees of boards.

Regent Kuderer, as past chair of the Audit Committee, reported that by custom, the quarterly meetings of the Audit Committee were set for the Wednesday afternoon preceding the regular monthly meetings to accommodate as many members as possible.

After further discussion, Regent Roe moved that the resolution be amended to state that the committee shall consist of three to six members instead of three to five members. The amendment was seconded and the Board of Regents voted unanimously to approve the proposed amendment.

The Board of Regents then voted by a majority of 11 to 1 to approve the following revision to the Board of Regents Audit Committee Charter under the section entitled "Organization" as follows:

The Audit Committee of the Board of Regents shall be a permanent committee consisting of three to six members of the Board of Regents. The members of the Audit Committee shall be appointed by the Chair of the Board of Regents recognizing the need for continuity of membership from year to year.

Regent Schertler voted against the motion.

Chair Craig reported that the committee also reviewed the Compliance Officer Quarterly Report and the Director of Audits Quarterly Report. In addition, she reported that the committee reviewed the recommendation of the Administration for the selection of an independent auditor and noted that a meeting of the Audit Committee had been set for Friday, October 20, to interview the two top firms in the selection process.

Chair Craig further reported that the committee also briefly discussed results of the Legislative Audit as an item of new business.

Regent Schertler stated that she would hope the Legislative Audit might be an agenda item for the November meetings so that the University might respond publicly to the recommendations contained in the Audit.

President Hasselmo responded that he will take the request under advisement and discuss it with the Chair of the Board during the next month.

NEW BUSINESS

Chair Casey reported that the inauguration of President Hasselmo would be held on Friday, October 20, 1989, and he encouraged Regents to participate.

The meeting adjourned at 12:15 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary