

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

September 10, 2004

A meeting of the Board of Regents of the University of Minnesota was held on Friday, September 10, 2004, at 9:02 a.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: David Metzen, presiding; Clyde Allen, Anthony Baraga, Peter Bell, Frank Berman, Dallas Bohnsack, John Frobenius, William Hogan, Richard McNamara, Lakeesha Ransom, and Maureen Reed.

Staff present: President Robert Bruininks; Chancellor Samuel Schuman; Senior Vice President and Provost Thomas Sullivan; Senior Vice Presidents Frank Cerra and Robert Jones; Vice Presidents Kathryn Brown, Carol Carrier, Sandra Gardebring, Kathleen O'Brien, and Richard Pfutzenreuter; Interim Vice President David Hamilton; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; Provost David Carl; and Associate Vice President Gail Klatt.

**RECOGNITION: SANDRA GARDEBRING
VICE PRESIDENT FOR UNIVERSITY RELATIONS**

Recognition was given to Sandra Gardebring for her service as vice president for university relations. Gardebring is leaving the University to become vice president for institutional advancement at California Polytechnic State University.

APPROVAL OF MINUTES

A motion was made and seconded, and the Board of Regents voted unanimously to approve the minutes of the following meetings:

Litigation Review Committee - July 8, 2004
Audit Committee - July 8, 2004
Educational Planning & Policy Committee - July 8, 2004
Facilities Committee - July 8, 2004
Faculty, Staff & Student Affairs Committee - July 8, 2004
Finance & Operations Committee - July 8, 2004
Work Session - July 9, 2004
Board of Regents - July 9, 2004
Board of Regents - July 21, 2004

REPORT OF THE PRESIDENT

President Bruininks reported that he spoke to the Citizen's League in August emphasizing a long-term vision for higher education in the State.

In October the administration will bring the biennial budget request principles to the Board for review and Bruininks highlighted the key ideas that will be included in the request.

He noted that University classes resumed Tuesday, September 7 and enrollment is approximately 64,000 across all campuses. Fundraising for scholarships is one of his top priorities this year and he has designated October as Scholarship Month at the University. He urged Board members and the University community to support this endeavor and, in addition, to begin conveying to community leaders and policymakers the importance of the University of Minnesota to the entire state.

A copy of the Report of the President is on file in the Board Office.

REPORT OF THE CHAIR

Chair Metzen presented the President's contract for approval. The terms of the contract are:

- A 3-year extension of his contract (through June 2008) reflecting the Board's desire for stable, long-term leadership for the University.
- A salary increase of 2.5 percent to \$348,500 consistent with salary instructions across the University.
- Other provisions include changes relating to deferred compensation, the term life insurance policy, and other clarifications.

Metzen reported that the Board did a careful market review in determining the provisions of this contract and it is in line with Big Ten universities and other comparable public research universities in salary, deferred compensation and length of contract. He also praised President Bruininks for his strong leadership during the past 18 months.

A motion was made, seconded, and the Board of Regents voted unanimously to approve the President's contract. A copy of the President's contract is on file in the Board Office.

Metzen further reported that the Board will hold its October 7-8, 2004 meetings on the Duluth campus.

RECEIVE AND FILE REPORTS

Chair Metzen noted the receipt and filing of the Annual Report on legal Matters and the Quarterly Report of Grant & Contract Activity.

REPORT OF THE ALL-UNIVERSITY HONORS COMMITTEE

Regent Metzen stated that the Report of the All-University Honors Committee was forwarded to the Board in letters from President Bruininks on September 1, 2004.

A motion was made and seconded, and the Board of Regents voted unanimously to approve the Report of the All-University Honors Committee. A copy of the report is on file in the Board Office.

QUARTERLY SUMMARY OF EXPENDITURES

Regent Metzen presented the Quarterly Summary of Expenditures for the Office of the Board of Regents, the President's Office, and Eastcliff Operations, for twelve months ending June 30, 2004, as contained in the docket materials.

GIFTS

Assistant Vice President Judy Kirk presented the monthly list of gifts to the University of Minnesota, the University of Minnesota Foundation, the Arboretum Foundation, and the Minnesota Medical Foundation through July 31, 2004, as listed in the docket material and on file in the Board Office.

A motion was made, seconded, and the Board of Regents voted unanimously to approve the receipt of gifts as presented.

REPORT OF THE FACULTY CONSULTATIVE COMMITTEE

Professor Marvin Marshak reported on the activities of the committee since its last report to the Board of Regents, and briefly discussed the committee's priorities for the next academic year.

A copy of the report is included in the docket materials and is on file in the Board Office.

BOARD OF REGENTS POLICY REPORT

Regent Metzen presented a status report on the comprehensive review of all Board of Regents policies, as contained in the docket materials. A list of all policies and their anticipated review dates was also included in the materials.

BOARD OF REGENTS POLICY: BOARD POLICY DEVELOPMENT

Regent Metzen presented proposed amendments to Board of Regents Policy: *Board Policy Development*, as detailed in the docket materials. The policy defines the policies of the Board of Regents and guides the policy development and adoption processes. The proposed revisions to the policy included revisions to reflect consistency in language with other Board policies.

BOARD OF REGENTS POLICY: LEGAL REVIEW OF CONTRACTS AND AGREEMENTS

General Counsel Rotenberg presented proposed amendments to Board of Regents Policy: *Legal Review of Contracts and Agreements*, which establishes the General Counsel's role in protecting the University's interests in the execution of contracts. Rotenberg reviewed details of the proposed changes as contained in the docket materials. The proposed amendments clarify the General Counsel's responsibilities with respect to contracts and transactions requiring Board of Regents approval and identify classes of contracts that do not require individualized review by the Office of the General Counsel. A modification of the name of the policy was also proposed.

The Board engaged in a short discussion regarding the level of review required when significant or unique legal risks for the University have been determined. The policy will be on the agenda for action at the October 2004 Board meeting.

REPORT OF THE AUDIT COMMITTEE

Regent Frobenius, Chair of the committee, reported that the committee received a presentation on the results of a longitudinal analysis of internal audits; received an internal audit update; discussed the committee's workplan for fiscal year 2004-2005; and reviewed a number of information items as contained in the docket materials.

REPORT OF THE FACULTY, STAFF, & STUDENT AFFAIRS COMMITTEE

Regent Ransom, Vice Chair of the committee, reported that the committee voted unanimously to recommend:

- a) Approval of the Consent Report for the Faculty, Staff, & Student Affairs Committee as presented to the committee and described in the September 9, 2004 committee minutes.

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

Ransom reported that the committee also received a presentation on the characteristics of Twin Cities campus undergraduates; received an update relating to the Office of Service and Continuous Improvement; and reviewed a number of information items as described in the docket materials.

REPORT OF THE FINANCE & OPERATIONS COMMITTEE

Regent Hogan, Chair of the committee, reported that the committee voted unanimously to recommend:

- a) Approval of the Consent Report for the Finance & Operations Committee as presented to the committee and described in the September 9, 2004 committee minutes.
- b) Approval to rescind Board of Regents Policy: *Annual Operating Budget Adjustments*.

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

Hogan reported that the committee reviewed proposed amendments to Board of Regents Policy: *Business Enterprises at the University*; engaged in a discussion regarding issues related to the Annual Asset Management Report; discussed the committee's workplan for fiscal year 2004-2005; and reviewed a number of information items as described in the docket materials.

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

Regent Reed, Chair of the committee, reported that the committee voted unanimously to recommend:

- a) Approval of the Consent Report for the Educational Planning & Policy Committee as presented to the committee and described in the September 9, 2004 committee minutes.

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

Reed reported that the committee reviewed proposed amendments to Board of Regents Policy: *Research Involving Human Subjects*; received a presentation on the academic program approval and review process; and discussed the committee's workplan for fiscal year 2004-2005.

REPORT OF THE FACILITIES COMMITTEE

Regent Bohnsack, Chair of the committee, reported that the committee voted unanimously to recommend:

- a) Approval of the Consent Report for the Facilities Committee as presented to the committee and described in the September 9, 2004 committee minutes.
- b) Approval of an amendment to the fiscal year 2005 capital budget by \$918,000 to incorporate funding for the Smith Hall Fire Damage Repair project located on the Twin Cities, campus.

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

Bohnsack reported that the committee reviewed proposed amendments to the Board of Regents Policy: *Eminent Domain*; received a presentation on changes to the approval process for capital projects; reviewed the Capital Improvement Plan Semi-Annual Report; discussed the committee's workplan for fiscal year 2004-2005; and reviewed a number of information items as described in the docket materials.

REPORT OF THE LITIGATION REVIEW COMMITTEE

Regent Berman, Chair of the committee, reported that the committee did not meet this month.

The meeting adjourned at 10:25 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary