

**UNIVERSITY OF MINNESOTA**  
**BOARD OF REGENTS**  
**Educational Planning & Policy Committee**  
**October 12, 2006**

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, October 12, 2006 at 3:00 p.m. in Bede Hall A/B/C at the University of Minnesota Crookston.

Regents present: Peter Bell presiding; Dallas Bohnsack, David Larson, Lakeesha Ransom, and Patricia Simmons.

Staff present: Chancellor Jacqueline Johnson; Senior Vice President & Provost Thomas Sullivan; Vice Presidents R. Timothy Mulcahy and Linda Thrane; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; Provost David Carl; and Associate Vice President Donna Peterson.

Student Representatives present: Will Kellogg and Luke Neuville.

**BOARD OF REGENTS POLICY:**  
***ACQUIRING EQUITY INTERESTS IN TECHNOLOGY LICENSEES***

Senior Vice President & Provost Sullivan introduced Vice President Mulcahy and General Counsel Rotenberg, who led the discussion related to the new draft Board of Regents Policy: *Acquiring Equity Interests in Technology Licensees*, as provided in the docket materials. Rotenberg stated that the draft policy, if adopted, authorizes the University, under certain conditions and limitations, to acquire a controlling equity interest in start-up companies that desire to commercialize University inventions. The policy also allows for the placement of University representatives on the governing boards of these companies. It is a groundbreaking policy nationally and fills a gap in Board policy. He also noted that most technology transfer would continue to be in the licensing of inventions rather than through equity acquisition.

Rotenberg explained the major components of the policy and clarified that its purpose is to facilitate development of University-created technologies into useful products and services and to enhance the potential expected return to the University on these technologies.

A lengthy discussion ensued. Regarding the equity of inventors, Regent Simmons suggested the administration consider a provision in the policy that inventors be given equity in the company, but that it be held by the institution during the start-up phase. When the company goes public, inventors' equity would be cashed out. She also proposed that, in order to prevent conflicts of interest, inventors not hold a seat on the board of these start-up companies.

Regent Larson questioned the provision related to the University giving up ownership prior to the company becoming public and asked if it wouldn't be better to exercise judgment regarding each investment potential. Mulcahy observed that faculty

raised the issue that the University's withdrawal from a company at this point might undermine confidence in the company and adversely affect its value.

Regent Bell asked that the scope section of the draft be reviewed and suggested that other forms of stock and securities be mentioned. The committee also raised questions or concerns in the following areas:

- Management of conflicts of interest;
- University employment as a prerequisite for appointment to University-appointed seats on start-up company boards;
- Indemnification of University-appointed board members;
- Need for more explicit language relating to distribution of cash proceeds from equity holdings;
- Value of one Board policy to address all intellectual property issues, including the acquisition of equity interests;
- The management of failures of start-up companies, which should be expected; and
- Appropriate reservation and delegation of authority by the Board of Regents related to these issues.

Rotenberg and Mulcahy indicated that they would review these issues and consider additional changes to the policy, which will return to the committee at a future meeting.

#### **CLASS OF 2010 PROFILE & GRADUATION RATE GOALS**

Senior Vice President & Provost Sullivan introduced Craig Swan, Vice Provost and Dean for Undergraduate Education, who presented information on the Class of 2010 and the enrollment figures for Fall 2006, as detailed in materials distributed at the meeting and on file in the Board Office. He highlighted the following:

- Total fall enrollment: 65,750 (up slightly over 2005);
- Undergraduate enrollment up slightly on the Crookston (UMC), Duluth (UMD) and Morris (UMM) campuses;
- Twin Cities campus (UMTC) undergraduate enrollment: just under 29,000, which is stable for the past five years;
- International graduate enrollment: stabilized and most post 9/11 immigration issues have been resolved;
- The diversity of the Class of 2010 with 20.2% of the Twin Cities campus comprising people of color and rising high school rank and ACT scores.
- 22% of new enrollment is transfer students.

In response to questions from Regent Larson, Swan reported that transfer students admitted to the Twin Cities campus mirror the credentials of other admitted students. The University recognizes that there are issues to be worked on related to these students' acclimation to the University and the articulation of their previous course work with the University's educational programs. Swan explained that graduation rates are tracked for freshmen cohorts only, not for transfer students.

Swan reviewed the new graduation rate goals, noting that improving graduation rates is a key strategic planning issue. The new goals are:

|           | UMC | UMD | UMM | UMTC |
|-----------|-----|-----|-----|------|
| Four year | 40% | 40% | 60% | 60%  |
| Five year | 50% | 60% | 75% | 75%  |
| Six Year  | 55% | 65% | 80% | 80%  |

Swan announced a number of action strategies to achieve these goals including: initiatives related to the academic preparation of students, advising and mentoring improvements, ensuring that the path to graduation is transparent, reviewing degree requirements and assessing University policies for their relationship to supporting retention and timely graduation.

In response to a question from Regent Larson, Swan provided some reasons that may explain part of the University's lower graduation rates as compared to peer institutions, including lower financial support provided to students from their families, greater work hours of University students, and the population size of Minnesota, which means that some peer institutions admit a smaller and more selective number of students to their flagship institution.

### **CONSENT REPORT**

A motion was made and seconded, and the committee unanimously recommended approval of the following academic program changes, as described in the docket materials:

#### **Academic Program and Name Changes:**

- College of Liberal Arts (Twin Cities Campus): In the Bachelor of Arts (B.A.) degree in African American and African Studies, create concentrations in history; literature and the arts; social and behavioral sciences, public policy/development; Africa; and African Diaspora.
- College of Liberal Arts (Twin Cities Campus): In the psychology minor, discontinue tracks in general psychology, natural/biological science, and social science.

### **INFORMATION ITEMS**

There were no information items this month.

The meeting adjourned at 4:35 p.m.

**ANN D. CIESLAK**  
**Executive Director and**  
**Corporate Secretary**