

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

September 8, 2006

A meeting of the Board of Regents of the University of Minnesota was held on Friday, September 8, 2006, at 9:00 a.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Patricia Simmons, presiding; Clyde Allen, Peter Bell, Frank Berman, Dallas Bohnsack, John Frobenius, Steven Hunter, Cynthia Leshar, David Metzen, and Lakeesha Ransom.

Staff present: President Robert Bruininks; Chancellors Charles Casey and Jacqueline Johnson; Senior Vice President and Provost Thomas Sullivan; Senior Vice Presidents Frank Cerra and Robert Jones; Vice Presidents Kathryn Brown, Carol Carrier, Kathleen O'Brien, Richard Pfitzenreuter, and Linda Thrane; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; Provost David Carl; and Associate Vice Presidents Nancy Barceló, Donna Peterson, and Michael Volna.

RECOGNITIONS

Regents Professors

Newly-appointed Regents Professors Megan R. Gunnar, Institute of Child Development, and Donald G. Truhlar, Institute of Technology, were introduced to the Board. Regent Professorships are the highest honor that the University of Minnesota bestows on its faculty. The individual holds the title as long as the individual retains a full-time, tenured appointment as a faculty member of the University.

INTRODUCTIONS

University of Minnesota Morris Chancellor

President Bruininks introduced Dr. Jacqueline Johnson, the newly-appointed chancellor of the University of Minnesota Morris. Dr. Johnson began her service on August 1, 2006.

Vice President and Vice Provost for Equity and Diversity

President Bruininks introduced Dr. Nancy "Rusty" Barceló, newly-appointed Vice President and Vice Provost for Equity & Diversity. Dr. Barceló assumed her duties at the University of Minnesota on May 15, 2006.

Dean, Carlson School of Management

Senior Vice President & Provost Sullivan introduced Dr. Alison Davis-Blake, newly-appointed Dean of the Carlson School of Management. Dr. Davis-Blake assumed her duties on July 1, 2006.

APPROVAL OF MINUTES

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

Audit Committee - July 12, 2006
Litigation Review Committee - July 12, 2006
Educational Planning & Policy Committee – July 12, 2006
Finance & Operations Committee – July 12, 2006
Faculty Staff & Student Affairs Committee – July 12, 2006
Facilities Committee – July 12, 2006
Board of Regents – July 12, 2006

REPORT OF THE PRESIDENT

President Bruininks reported on the recent groundbreaking ceremony for a new facility at the University's Hormel Institute in Austin, Minnesota. He noted the significance of the expansion and stated that the new facility will further promote the Hormel Institute as a worldwide research center, specializing in the study of natural compounds for the prevention, treatment, and cure of cancer and other chronic diseases. The expansion is well aligned with the University of Minnesota's aspirations and land-grant mission and is a testament to the hard work and ingenuity of the institute's staff and supporters.

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

REPORT OF THE CHAIR

Vice Chair Simmons noted the start of the new academic year and welcomed all students, faculty, and staff to each of the University's campuses.

She announced that Board meetings are now being broadcast live through the internet and can be viewed by accessing the Board of Regents website.

She also noted that the October 12-13, 2006 meetings of the Board of Regents will be held on the University of Minnesota Crookston campus.

RECEIVE AND FILE REPORTS

Vice Chair Simmons noted the receipt and filing of the Annual Report on Legal Matters, the Quarterly Report on Grant & Contract Activity, and the Annual Asset Management Report.

BOARD OF REGENTS POLICY REPORT

Regent Simmons presented a status report on the comprehensive review of all Board of Regents policies, as contained in the docket materials. It was noted that as of July 2006, policy reviews have been completed on 79 percent of all Board of Regents policies. A list of all policies with their anticipated review dates was also included in the materials.

GIFTS

Assistant Vice President Judy Kirk presented the list of gifts to the University of Minnesota, the University of Minnesota Foundation, the Arboretum Foundation, and the Minnesota Medical Foundation through July 2006 as included in the docket materials.

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

QUARTERLY SUMMARY OF EXPENDITURES

Regent Simmons 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, 2006 as contained in the docket materials.

A motion was made and seconded and the Board of Regents voted unanimously to approve the Summary of Expenditures for the period ending June 30, 2006.

REPORT OF THE FACULTY CONSULTATIVE COMMITTEE

Professor Carol Chomsky, Chair of the Faculty Consultative Committee (FCC), reported on the activities of the committee since the last report to the Board of Regents and issues to be addressed in the 2006-07 academic year.

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

BOARD OF REGENTS POLICY: BOARD OPERATIONS & AGENDA GUIDELINES

Vice Chair Simmons presented an amended Board of Regents Policy: *Board Operation and Agenda Guidelines* for review, as provided in the docket materials. The proposed amendments include the following:

- Clarification of the components of the *University Plan, Performance, and Accountability Report*;
- Removal of redundant language listing responsibilities of the Litigation Review Committee;
- Change in the month of the Board's retreat to July; and
- Addition of a new section (V), describing the process for presidential performance review.

Simmons urged Board members to review the policy and provide additional suggestions to the Chair or Board Office before the policy comes to the Board for approval in October.

CONCEPTUAL FRAMEWORK: BIENNIAL BUDGET

President Bruininks presented the conceptual framework for the 2008-09 biennial budget as contained in the docket and presentation materials on file in the Board Office.

It was noted that the conceptual framework will establish a foundation for understanding the request for State funds and establish the key direction for financial parameters and investment priorities for the University of Minnesota.

He reported that the biennial request will be aligned with the goals of strategic positioning and will address several key questions that include: 1) what investments are needed to maintain excellence; 2) what are the types of resources needed to meet the goals of strategic positioning; 3) what level of resources will be needed; and 4) how should the state fulfill its critical role in supporting excellence at the University of Minnesota.

Bruininks reviewed the framework for the strategic positioning process and provided information on the University's revenue sources. He noted the revenue streams that were most flexible and some that were key to the success of strategic positioning, yet less flexible. He stressed that the only way strategic positioning will succeed will be with a strong financial partnership with the State of Minnesota.

Board members expressed support for the conceptual framework and indicated that it is a critical component of the biennial request process. It was suggested that with continued pressures on the State of Minnesota for its resources, the University should develop methods of long-range forecasting for its future needs. The Board discussed the importance of expanding existing revenue streams and identifying new revenue streams. With strategic positioning, the University is in a much stronger position to achieve its goals and obtain additional revenues. It was stressed that the University's partnership with the State plays a vital role to ensure excellence is achieved at the University of Minnesota.

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

Regent Bell, 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 7, 2006 committee minutes.

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

Bell reported that the committee also received the Academic Program Changes Annual Report and reviewed the committee's workplan for FY2006-07.

REPORT OF THE FACILITIES COMMITTEE

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

- a) Approval of an amendment to the FY07 Capital Budget by:
 1. \$2,131,000 to incorporate funding for the renovation of the Molecular Cellular Therapeutics building located on the Twin Cities Campus for the Bio-Therapeutic Protein Production Facility and the Active Protein Ingredient Project.

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

Metzen reported that the committee reviewed the Capital Planning & Project Management Semi-Annual Project Report & Project Delivery Model Overview; reviewed the Facilities Condition Assessment; received an update on the Facilities Management Transformation Project and reviewed the committee's workplan for FY2006-07. The committee also reviewed a number of information items as described in the docket materials.

REPORT OF THE AUDIT COMMITTEE

Regent Frobenius, Chair of the committee, reported that the committee received an external audit update; reviewed the Compliance Officer Report; reviewed the committee's workplan for FY2006-07; and received an internal audit update. The committee also reviewed a number of information items as described in the docket materials.

REPORT OF THE FACULTY, STAFF, & STUDENT AFFAIRS COMMITTEE

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

- a) Adoption of Board of Regents Policy: *Alcoholic Beverages on Campus*, as follows:

Alcoholic Beverages on Campus

SECTION I. SCOPE.

This policy governs the use, possession, distribution, consumption, promotion, marketing, and sale of alcoholic beverages at the University of Minnesota (University).

SECTION II. DEFINITIONS.

Subd. 1. Alcoholic Beverages. *Alcoholic beverages* shall have the meaning provided by state law.

Subd. 2. Employee. *Employee* shall mean an individual employed by the University, including a student employee, when acting within the course and scope of employment.

Subd. 3. Student. *Student* shall mean an individual taking at least one University course or class, credit or noncredit, or participating in any academic program administered by the University.

Subd. 4. University Housing. *University housing* shall mean all places of residence owned or leased by the University in which students reside.

Subd. 5. University Property. *University property* shall mean all real property, buildings, and facilities under the primary control of the University through ownership, lease, or other means.

Subd. 6. Visitor. *Visitor* shall mean any person who is on University property, except an employee or student.

SECTION III. GUIDING PRINCIPLES.

The following principles shall guide the application of standards and expectations for the use, possession, distribution, consumption, promotion, marketing, and sale of alcoholic beverages at the University.

Subd. 1. Compliance. The University shall comply with all applicable local, state, and federal laws related to the use, possession, distribution, consumption, and sale of alcoholic beverages on campus. The University expects compliance from employees, students, and campus visitors.

Subd. 2. Education and Counseling. The University is committed to offering and promoting counseling, education, and prevention programs and activities related to: (a) personal responsibility and moderation in alcohol consumption; (b) the association between excessive alcohol consumption and high risk behaviors; (c) the benefits of abstinence; and (d) the prevention, diagnosis, and treatment of alcohol misuse and abuse.

Subd. 3. Health and Safety. The University is committed to promoting a healthy and safe living and learning environment for its employees, students, and visitors.

SECTION IV. REGULATION OF ALCOHOLIC BEVERAGES ON CAMPUS.

Subd. 1. Unauthorized Use. The unlawful or unauthorized use, possession, distribution, consumption, promotion, marketing, or sale of alcoholic beverages is prohibited on University property or as part of any University activity.

Subd. 2. Authorized Use. The responsible and lawful use, possession, distribution, or consumption of alcoholic beverages for social and celebratory purposes on University property is permitted when authorized by the president or delegate in accordance with administrative policy and procedures.

Subd. 3. University Housing. Administrative policies approved by the president or delegate shall govern the use, possession, and consumption of alcoholic beverages in University housing. The policies shall clearly specify appropriate areas, times, and circumstances and fully recognize and protect the rights and needs of all residents.

Subd. 4. Sale. The sale of alcoholic beverages on University property is prohibited, except when authorized by license or state law and approved by the Board of Regents.

Subd. 5. Promotions and Marketing. The University shall not accept alcohol advertising and sponsorship at its venues and in its publications. University trademarks, trade names, service marks, logos, slogans, mascots, and other official identifiers or symbols shall

not be used in conjunction with alcohol advertising, promotion, marketing, distribution, or sale.

SECTION V. ENFORCEMENT.

Violation of this policy may result in the following University sanctions, in addition to any other sanctions imposed by law:

Subd. 1. Employees. Violation of this policy by an employee constitutes misconduct subject to University discipline that may include termination.

Subd. 2. Students. Violation of this policy by a student is a violation of, and shall be adjudicated in accordance with, Board of Regents Policy: *Student Conduct Code*.

Subd. 3. Visitors. Violation of this policy by a visitor shall result in a request to leave the University property, function, or event, and may result in a directive prohibiting access to University property.

SECTION VI. IMPLEMENTATION.

The president or delegate shall administer this policy and maintain the appropriate policies, procedures, and guidelines to implement this policy.

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

Bohnsack reported that the committee reviewed proposed amendments to Board of Regents Policy: *Professional Services Plan - University of Minnesota College of Pharmacy* and Board of Regents Policy: *Staff Appearances Before the Legislature*; reviewed a resolution related to Elimination of Waiting Period for Enrollment in the Faculty Retirement Program; received updates on the University Return to Work Program and the Parent Initiative; reviewed the committee's workplan for FY2006-07 and reviewed a number of information items as described in the docket materials.

REPORT OF THE FINANCE & OPERATIONS COMMITTEE

Regent Allen, 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 6, 2006 committee minutes.

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

Allen reported that the committee reviewed issues related to the Annual Asset Management Report; reviewed the committee's workplan for FY2006-07; 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 met on September 6, 2006 in open session to discuss the legal developments and trends affecting the University, and the Office of the General Counsel's performance in providing legal services to the University. The committee then went into closed session to discuss attorney-client privileged matters and no action was taken at the meeting.

The meeting adjourned at 11:20 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary