

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

February 9, 2007

A meeting of the Board of Regents of the University of Minnesota was held on Friday, February 9, 2007, at 9:00 a.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Anthony Baraga, presiding; Peter Bell, Dallas Bohnsack, John Frobenius, Steven Hunter, David Larson, Cynthia Leshar, David Metzen, Lakeesha Ransom, and Patricia Simmons.

Staff present: President Robert Bruininks; Chancellor Jacqueline Johnson; Senior Vice President and Provost E. Thomas Sullivan; Senior Vice Presidents Frank Cerra and Robert Jones; Vice Presidents Kathryn Brown, Steve Cawley, Karen Himle, Kathleen O'Brien, and Richard Pfitzenreuter; General Council Mark Rotenberg; Executive Director Ann Cieslak; Provost David Carl; and Associate Vice Presidents Gail Klatt, Laurie Scheich, and Michael Volna.

**INTRODUCTION OF VICE PRESIDENT FOR
UNIVERSITY RELATIONS**

President Bruininks introduced Karen Himle, newly appointed Vice President for University Relations. Ms. Himle assumed her duties on January 7, 2007. She briefly addressed the Board.

RECOGNITION OF RHODES SCHOLAR

Recognition was given to Katie Lee, a recipient of a 2007 Rhodes Scholarship. The Rhodes Scholarship will enable Ms. Lee to study at Oxford University, where she intends to pursue a doctorate in biochemistry.

APPROVAL OF MINUTES

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

Educational Planning & Policy Committee – December 7, 2006
Facilities Committee – December 7, 2006
Faculty, Staff & Student Affairs Committee – December 7, 2006
Finance & Operations Committee – December 7, 2006
Board of Regents – December 7, 2006
Facilities Committee – January 3, 2007
Board of Regents – January 3, 2007

REPORT OF THE PRESIDENT

President Bruininks reported that the legislature is in session and will consider the University's biennial budget request, which includes \$182.3 million in new state funding over two years. Bruininks reported that the governor's recommendations include a \$25 million incentive fund, provided the University meets certain accountability criteria.

The President announced the completion of the Neighborhood Impact Report, requested by the legislature as part of the stadium financing bill. The study was done in cooperation with the City of Minneapolis and neighborhood and business organizations from neighborhoods closest to campus and will be submitted to the Governor and legislature shortly. A University executive team will work in partnership with these various groups to address challenges in neighborhoods around campus and work to improve the quality of life and physical environments of the areas.

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

REPORT OF THE CHAIR

Chair Baraga announced that there would be no Board meetings in April 2007; the next Board meetings are scheduled for March 8-9, 2007.

Chair Baraga noted that a number of Regents and Board staff would be attending the Association of Governing Boards Conference on Trusteeship in Phoenix in early March 2007.

Chair Baraga also expressed gratitude to all four Regents whose terms are ending for their dedication to the University and the state.

RECEIVE AND FILE REPORTS

Regent Baraga noted the receipt and filing of the Annual Capital Financing and Debt Management Report.

REPORT OF THE ALL-UNIVERSITY HONORS COMMITTEE

Chair Baraga noted that the Report of the All-University Honors Committee was forwarded to the Board from President Bruininks on January 29, 2007.

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.

GIFTS

Foundation President Gerald Fischer presented the list of gifts to the University of Minnesota, the University of Minnesota Foundation, the Arboretum Foundation, and the Minnesota Medical Foundation through December 31, 2006, as included in the docket materials.

Fisher introduced Jodee Kozlak, Senior Vice President of Human Resources, Target Corporation, who spoke briefly on a major gift to the University by the Target Corporation for capital projects. President Bruininks expressed appreciation to Target

Corporation for its commitment to economic and community development, and advancing the University's academic priorities, the arts, and the field of design.

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

BOARD OF REGENTS POLICY REPORT

Chair Baraga 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 December 2006, policy reviews have been completed on 82 percent of all Board of Regents policies. A summary of policies and their anticipated review dates was included in the docket materials.

REPORT OF THE FACULTY CONSULTATIVE COMMITTEE

Professor Carol Chomsky, Chair of the Faculty Consultative Committee, reported on the activities of the FCC since its last report to the Board of Regents.

A copy of the report was included in the docket materials.

BOARD OF REGENTS POLICY: ASSOCIATED ORGANIZATIONS

General Counsel Rotenberg presented proposed Board of Regents Policy: *Associated Organizations*, as included in the docket materials. The objective of the policy is to maintain and enhance already existing relationships with associated organizations that have benefited the University of Minnesota. The policy establishes criteria for the University's recognition of an associated organization and delegates to the President the authority to grant, suspend, or revoke recognition.

Simmons recommended that the proposed policy include language that explicitly states when the Board reserves authority and responsibility to grant recognition and to suspend or revoke the status of an associated organization. Regent Frobenius suggested that the policy might need to address fundraising by non-foundation associated organizations or language to address how those funds are dispersed. Rotenberg agreed to draft language for the Board to consider when the policy returns for action at a future meeting.

FUTURE OF NORTHROP AUDITORIUM

President Bruininks reported that Northrop Auditorium, which opened in 1929, was designed to be the focal point of the Twin Cities campus, serving as the University's primary gathering place for celebrations, ceremony, education, entertainment, and performing arts. In response to significant structural challenges and life safety issues that have developed over time, studies have been completed to inform the repair, renovation, and repositioning of the structure.

Bruininks explained that in 2006 he appointed a committee comprised of University and community leaders to:

- Develop a vision for Northrop that supports the University's strategic goal;
- Consider various options for future use;
- Provide recommendations to the President; and
- Recommend a timetable for completing the work.

He introduced Vice President O'Brien and College of Liberal Arts Dean Steven Rosenstone, who served as chairs of the Future of Northrop Advisory Committee (Committee), to present the Committee's recommendations.

O'Brien summarized the work of the Committee, identifying the following principles that were developed to guide the Committee's work: advance the University's primary mission; advance academic programs and priorities; leverage the efficient use of space; and develop a sustainable financial plan. The Committee found that the current condition and configuration of Northrop Auditorium make only modest contributions to the academic priorities of the University. All agreed that the building must play a greater role in the academic life of the University.

Rosenstone summarized concepts for the proposed future vision of Northrop Auditorium. He explained that he would refer to the facility as Northrop in keeping with the Committee's belief that it serve multiple functions and be gainfully used every day in support of the University's mission. He noted that the reconfigured auditorium would maximize available academic space and provide superior acoustics and sightlines; provide welcoming public spaces; preserve historic design elements; modernize the building structure; and provide audience amenities. He added that the renovated building could house signature academic programs serving the entire University, such as the new Honor's Program, space for interdisciplinary centers, or flexible classroom/gathering space.

Rosenstone reported that the \$20 million exterior stabilization project currently underway is funded. The additional project cost of approximately \$70 million would require state and private support as well as University bonding funds. In response to a question from Frobenius, Rosenstone indicated that in studying similar projects at peer institutions, it would be unrealistic to imagine the entire project funded through private resources, but that private funds could help leverage state funds.

Simmons commented on the importance of pursuing ongoing partnerships with the arts community, public affairs community, and broadcast community to present University programs to the community and engage the public. President Bruininks commented that the Committee worked with partner organizations in the community to seek ideas on how the project could complement, not compete with, other venues. He added that existing endowments provide leveraging opportunities to build a programmatic endowment.

Specific plans and proposals for the renovation will be presented to the Board at a future meeting.

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 February 8, 2007 minutes, and
- b) Adoption of Board of Regents Policy: *Submitting and Accepting Sponsored Projects*, as follows:

Submitting and Accepting Sponsored Projects

SECTION I. SCOPE.

This policy identifies the circumstances under which University of Minnesota (University) faculty, staff, and students shall be eligible to submit proposals for sponsored projects and the conditions under which the University will accept such awards.

SECTION II. DEFINITIONS.

Subd. 1. Principal Investigator. Principal investigator shall mean the individual or individuals primarily responsible for and in charge of a sponsored project.

Subd. 2. Eligible Academic Professional and Administrative Employees. Eligible Academic Professional and Administrative Employees (P&A employees) shall mean employees whose primary position at the University is classified within the 93XX, 96XX, or 97XX series.

Subd. 3. Regular Faculty. Regular faculty shall mean a faculty member with a tenure or probationary appointment.

Subd. 4. Sponsored Project. Sponsored project shall mean a project funded with grants, contracts, and/or cooperative agreements, including, but not limited to, training, public service, research, and cooperative projects.

Subd. 5. Term Faculty. Term faculty shall mean a faculty member with an appointment for a specified length of time.

SECTION III. DELEGATION OF AUTHORITY.

Subd. 1. Sponsored Project Proposals. The president or delegate has the responsibility to approve sponsored project proposals, exercising appropriate judgment regarding the applicant's ability to provide the necessary scientific/technical leadership and administrative/financial management of the project. Only the president or delegate may exercise this authority; individuals eligible to serve as principal investigators may not directly submit proposals to prospective sponsors.

Subd. 2. Sponsored Project Acceptance. The president or delegate has the responsibility to accept sponsored projects on behalf of the Regents of the University of Minnesota.

SECTION IV. SPONSORED PROJECT PROPOSAL REQUIREMENTS.

Subd. 1. Approval Requirements. Proposals may be approved for submission only if:

- (a) the applicant is eligible to serve as a principal investigator as specified in subd. 2 below;
- (b) the president or delegate has approved the applicant as principal investigator on the proposal;
- (c) adequate space is available to house the project; and
- (d) resources judged to be sufficient to conduct and complete the project are available.

Subd. 2. Principal Investigator Eligibility Requirements. The following criteria specify the minimum standards for approval as a principal investigator. These minimum standards must be incorporated into department or collegiate policies and procedures, but units may develop additional or more restrictive standards regarding this matter.

- (a) Automatically Eligible Individuals – The following individuals shall be automatically eligible to serve as principal investigators:
 - (i) regular faculty; and
 - (ii) emeriti faculty.
- (b) Other Eligible Individuals – The following individuals may be eligible to serve as principal investigators if they adhere to policies established by the unit in which they are an employee or student and if they meet funding source criteria, which must be compatible with the University's standards:
 - (i) term and non-regular faculty and other academic employees, such as P&A employees;
 - (ii) individuals with graduate student/professional training status; and
 - (iii) employees with non-academic titles, in unusual circumstances.
- (c) Training Requirements – Principal investigators must complete all training required by the sponsor and the University.

SECTION V. PRINCIPAL INVESTIGATOR STATUS.

Subd. 1. Relationship to the University. An individual's University appointment document shall govern the relationship of a principal investigator to the University. Principal investigator status does not imply a University commitment to any subsequent appointment beyond the term of appointment then in effect, nor does it alter the standing of individuals with graduate student/professional training status or commit the University to their future employment.

Subd. 2. Voluntary Termination of Principal Investigator Relationship with University. Should the principal investigator, of whatever title, leave the University prior to completion of the project, the future of that project shall be governed by the terms of that grant/contract agreement, the wishes of the sponsor, or negotiations among the sponsor, the University, and the principal investigator, as appropriate to specific circumstances.

Subd. 3. Rescission. An individual's status as a principal investigator may be rescinded for just cause during the term of the grant/contract agreement, but the individual may appeal the decision in accordance with applicable University policies and procedures.

SECTION VI. SPONSORED PROJECT ACCEPTANCE.

Subd. 1. Acceptance. To be accepted, sponsored projects must adhere to applicable Board of Regents (Board) policies and administrative policies and procedures.

Subd. 2. Ownership. Grants and contracts for sponsored research and training projects are awarded to the University rather than to individual investigators.

SECTION VII. REPORTING.

The following information shall be reported to the Board:

- (a) Quarterly – Report on grants and contracts received during the quarter.
- (b) Annually – Report on the status of the University's research, including sponsored project activity.
- (c) Ad hoc – Report on significant individual grants and contracts on an ad hoc, but timely basis. Significant grants are those that represent more than 2 percent of the prior year's externally funded research expenditures or that would have a substantial impact on the academic plan or budget of the University.

SUPERSEDES: PRINCIPAL INVESTIGATOR ELIGIBILITY ON SPONSORED PROJECTS DATED NOVEMBER 12, 1999 AND SPONSORED GRANTS AND CONTRACTS DATED DECEMBER 11, 1992.

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

Bell reported that the committee received a report on the research agenda and investment priorities, received a report on research and its importance to the academic mission, received a report on University of Minnesota Extension: Taking Research to the People; received a report on research and the undergraduate experience. The committee also reviewed a number of information items contained in the docket materials.

REPORT OF THE FACILITIES COMMITTEE

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

- a) Approval of amendments to the FY07 Capital Budget by:
 1. \$1,420,000 to incorporate funding for the Johnston Hall Renovation project, Twin Cities campus;
 2. \$760,00 to incorporate funding for the 90 Church Street Data Center HVAC Upgrade project, Twin Cities Campus;
 3. \$726,000 to incorporate funding for the West Bank Office Building Data Center HVAC Upgrade project located on the Twin Cities campus.

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

Metzen reported that the committee reviewed a capital budget amendment for the East Gateway District, Twin Cities campus; reviewed two real estate transactions: 1) five-year lease at University Enterprise Laboratory, 1000 Westgate Drive, St. Paul for Academic Health Center's Lion's Eye Bank, Twin Cities campus; and 2) seven-year lease at University Park Plaza, 2829 University Avenue SE, Minneapolis for Academic Health Center, Twin Cities campus; received a report on Energy and Utilities: Principles and Progress Update; and 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 reviewed the external auditor's management letter, received a report on longitudinal analysis of research infrastructure audit results and their strategic implications, received an internal audit update, and 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) Approval of the Consent Report for the Faculty, Staff & Student Affairs Committee as presented to the committee and described in the February 8, 2007 minutes; and
- b) Adoption of Board of Regents Policy: *Employee Work-Life and Personal Leaves*, as follows:

Employee Work-Life and Personal Leaves

SECTION I. SCOPE.

This policy governs the work-life and personal leave opportunities of faculty, academic professional and administrative, civil service, union-represented staff, and graduate assistant employee groups of the University of Minnesota (University).

SECTION II. DEFINITIONS.

Subd. 1. Flexible Work Arrangements. *Flexible work arrangements* shall mean alternatives to the standard schedule for individual positions, including time-flexible scheduling, compressed work weeks, telecommuting, voluntary reduction in percent time, and job sharing.

Subd. 2. Well-Being. *Well-being* shall mean the physical, mental, psychological, and emotional health of the employee.

SECTION III. GUIDING PRINCIPLES.

The following principles shall guide the University's workplace:

- (a) The University fosters a productive, healthy, and safe workplace that helps employees effectively integrate and manage their work and personal life responsibilities.
- (b) The University provides leave opportunities that contribute to employee well-being, support family care concerns, align with legal requirements, and are appropriately benchmarked and consistent with peer institutions.
- (c) The University strives to provide for a responsibly managed workplace through careful selection, preparation, and accountability of supervisors, managers, and leaders.

- (d) The University seeks to effectively address the personal needs of employees and the needs of their respective units when considering discretionary leave requests.

SECTION IV. WORKPLACE PROVISIONS.

Subd. 1. Policies and Programs. The University shall have policies and programs that engender employee well-being, permit flexibility, provide employees options to help in managing work and personal life responsibilities, and are appropriate to the work to be done.

Subd. 2. Flexible Work Arrangements. If appropriate, the University shall support flexible work arrangements as an effective management tool in building job satisfaction, improving productivity, and retaining employees.

Subd. 3. Healthy Behaviors. The University recognizes the importance of supporting employee well-being through University-sponsored wellness programs and initiatives that encourage healthy behaviors in employees.

SECTION V. LEAVE OPPORTUNITIES.

The University makes available several types of paid and unpaid leaves. To the extent provided for by administrative policies, rules, and collective bargaining agreements, the following leaves may be offered and granted:

- (a) bereavement;
- (b) civic duty;
- (c) disability;
- (d) family medical;
- (e) medical;
- (f) military;
- (g) parental;
- (h) personal; and
- (i) vacation.

SECTION VI. EMPLOYER RESPONSIBILITY.

Subd. 1. Leadership Accountability. University leaders, managers, and supervisors shall be held accountable and recognized for excellence in efforts that foster workplace cultures that address the business needs of the University and unit and that promote employee well-being.

Subd. 2. Administration. Leaves of absence, flexible work arrangements, and programs that promote healthy behaviors shall be administered consistent with applicable administrative policies, rules, and collective bargaining agreements.

SECTION VII. EMPLOYEE RESPONSIBILITY.

The University expects employees to exercise responsibility for contributing to a welcoming, inclusive, and positive workplace by respecting students and other employees; valuing multiple perspectives; and supporting each other in effectively managing work and life responsibilities. Employees shall be held accountable for workplace behaviors consistent with all applicable Board and administrative policies, rules, and collective bargaining agreements.

SUPERSEDES: FAMILY AND PERSONAL LEAVES WITHOUT PAY DATED JUNE 10, 1983; MILITARY LEAVE DATED FEBRUARY 14, 1969; PARENTAL LEAVE FOR ACADEMIC EMPLOYEES DATED JUNE 10, 1983; SICK AND DISABILITY LEAVES DATED JUNE 10, 1983; SICK LEAVES DATE MAY 1, 1929; AND VACATIONS DATED MAY 14, 1954.

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

Bohnsack reported that the committee also reviewed proposed Board of Regents Policy: *Employee Compensation and Recognition*, reviewed proposed Board of Regents Policy: *Employee Performance Evaluation and Development*, received a report on supporting new faculty at the University of Minnesota, and reviewed a number of information items as described in the docket materials.

REPORT OF THE FINANCE & OPERATIONS COMMITTEE

Regent Hunter, Vice chair of the committee, reported that the committee voted unanimously to recommend:

- a) Approval of the amended Consent Report for the Finance & Operations Committee as presented to the committee and described in the February 8, 2007 minutes.

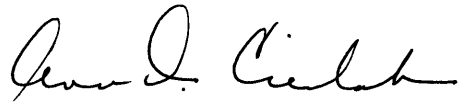
The Board of Regents voted unanimously to approve the recommendation of the Finance & Operations Committee.

Hunter reported that the committee also discussed issues related to certain investment classes, discussed the Six-Year Capital Plan and debt capacity, and reviewed a number of information items as described in the docket materials.

REPORT OF THE LITIGATION REVIEW COMMITTEE

Chair Baraga reported that the committee met on February 8, 2007 to discuss attorney-client privileged matters and no action was taken at the meeting.

The meeting adjourned at 10:56 a.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary