

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

February 13, 2004

A meeting of the Board of Regents of the University of Minnesota was held on Friday, February 13, 2004, at 9:00 a.m. in the Boardroom, 600 McNamara Alumni Center.

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

Staff present: President Robert Bruininks; Chancellors Velmer Burton and Samuel Schuman; Executive Vice President and Provost Christine Maziar; Senior Vice President Frank Cerra; Vice Presidents Kathryn Brown, Carol Carrier, Sandra Gardebring, Robert Jones, and Kathleen O'Brien; Interim Vice President David Hamilton; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; Provost David Carl; and Associate Vice Presidents Gerald Fischer, Richard Pfitzenreuter, and Michael Volna.

RECOGNITION OF GEORGE MITCHELL SCHOLAR

Recognition was given to Zachery Coelius as the recipient of the George J. Mitchell Scholarship. The George J. Mitchell Scholarship honors America's top students who exhibit the highest standards of academic excellence, leadership, and community service. The scholarship, administered by the US-Ireland Alliance, a non-profit organization in Washington DC, is named in honor of the pivotal leadership role by the former U.S. senator in the Northern Ireland peace process. The scholarship supports one year of study in Ireland or Northern Ireland for ten Americans.

APPROVAL OF MINUTES

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

Facilities Committee - December 11, 2003

Educational Planning & Policy Committee - December 11, 2003

Faculty, Staff & Student Affairs Committee - December 11, 2003

Finance & Operations Committee - December 11, 2003

Board of Regents Work Session - December 11, 2003

Board of Regents - December 12, 2003

REPORT OF THE PRESIDENT

President Bruininks addressed the challenge of communicating the University's message during the legislative session. He reported he would be repeating three messages about the University to legislators and citizens of the state: 1) the University is one of Minnesota's greatest assets and is among the best investments for state dollars; 2) as Minnesota's research university, the University is advancing knowledge through key academic initiatives, aligning and linking research with Minnesota's communities, serving as a partner for the public good; and 3) the University is striving to be a place where students receive a world-class education and a great student experience.

He stated he believes that the University cannot be complacent in the wake of massive cuts in state appropriations and continued rising costs. It will hurt the University's long-term aspirations as well as the state's long-term prospects.

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

REPORT OF THE CHAIR

Chair Metzen noted that the 2004 Minnesota Legislature is now in session. He expressed appreciation to the President, students, staff, and the many constituents of the University who are sending a strong message of support for the University's needs.

He introduced Jon Steadland, a new Assistant to the Executive Director in the Board of Regents Office.

He also reported that a number of Board members would be attending the Association of Governing Boards Annual Conference in late March. It is the one conference each year that is devoted to governing boards in higher education.

RECEIVE AND FILE REPORTS

Chair Metzen noted that there were no receive and file reports this month.

GIFTS

Associate Vice President Fischer 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 December 31, 2003, 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 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 January 27, 2004 and February 10, 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.

BOARD OF REGENTS POLICY: *HEALTH SYSTEM BOARD OF GOVERNORS*

A motion was made and seconded to approve the President's recommendation to rescind Board of Regents Policy: *Health System Board of Governors*.

Senior Vice President Cerra reported that the policy comes before the Board as part of the policy review process. The policy was established to define the authority, selection, and responsibilities of the University of Minnesota Hospital and Clinic (UMHC) Board of Governors. In 1997, the UMHC was sold to Fairview Hospital and Healthcare Services and the Board of Governors was replaced by a new governing structure. Therefore, the need for this policy has become obsolete.

The Board of Regents voted unanimously to rescind the Board of Regents Policy: *Health System Board of Governors*.

BOARD OF REGENTS POLICY: *STUDENT REPRESENTATIVES TO THE BOARD*

Regent Metzen presented revisions to Board of Regents Policy: *Student Representatives to the Board*. He reported that the policy is before the Board as part of the policy review process and the changes proposed reflect current practices for the election of Student Representatives. The changes are intended to provide language and formatting consistent with other Board policies. The policy will be on the agenda for action at the March 2003 Board meeting.

Regent Bohnsack stressed the importance of having student representation from the St. Paul campus and asked that the staff consider a number of concerns he had heard from St. Paul campus students.

REORGANIZATION OF CENTRAL ADMINISTRATION: RESOLUTION

President Bruininks presented the following resolution relating to the reorganization of Central Administration as described in the docket materials. A motion was made and seconded to approve the resolution.

WHEREAS, the Regents of the University of Minnesota recognize and reaffirm the President's responsibilities and accountability for developing, recommending, and administering the policies of the Board of Regents; and

WHEREAS, the Regents recognize and reaffirm the importance of providing the President with flexibility in the organization, reporting lines, and position descriptions of central administration; and

WHEREAS, the University of Minnesota must continue to pursue a comprehensive agenda of assessing the improving administrative structures, processes, and procedures in order to improve quality, efficiency, effectiveness, and public accountability; and

WHEREAS, the University of Minnesota's strategic planning and decision making processes are best served by designing and implementing administrative structures that ensure clear responsibility, authority, and accountability at the college and campus levels; and

WHEREAS, the process for reorganizing central administration and appointing executive officers at the University shall be consistent with University and Board policies and procedures.

THEREFORE, BE IT RESOLVED, that the organization of the University's central administration shall consist of the following executive officers reporting to the President:

Senior Vice President for Academic Affairs and Provost

Vice President for Agricultural Policy

Senior Vice President for Health Sciences

Vice President for Human Resources

Senior Vice President for System Administration

Vice President for Research

Vice President and Chief Financial Officer

Vice President for University Relations

Crookston, Duluth and Morris Chancellors

Vice President for University Services

Vice President and Chief of Staff

Athletics Director, Twin Cities Campus

General Counsel (also reports to the Board of Regents)

(also includes the Associate Vice President for Internal Audits who reports to the Board)

The reorganization of titles and responsibilities in central administration includes the following, as detailed in the docket materials:

1. The Senior Vice President for Academic Affairs and Provost is a reorganization of the title and responsibilities of the

Executive Vice President and Provost. The Senior Vice President for Academic Affairs and Provost shall be the chief academic officer of the University of Minnesota Twin Cities campus, and shall have primary responsibility for non-Academic Health Center colleges and units and central student and academic support units on the Twin Cities campus .

This position shall also retain system-wide responsibilities for academic policy, faculty promotion-tenure (except the Duluth campus), recognition, and development, and graduate and professional education.

2. The Senior Vice President for Health Sciences shall continue to report directly to the President. The only change in current decision making responsibility, authority, and accountability is to assume shared oversight of the day-to-day operational responsibilities of the Vice President for Research with the Senior Vice President for Academic Affairs and Provost.

3. The Senior Vice President for System Administration is a reorganization of the title and responsibilities of the Vice President and Executive Vice Provost for Faculty and Academic Programs, currently within the Office of the Executive Vice President and Provost. The Senior Vice President for System Administration shall provide leadership for institutional strategic planning, including legislative requests, and accountability for the University of Minnesota system.

This position will provide administrative oversight of the coordinate campuses and other system-wide administrative and academic issues, such as direction and coordination of system planning and analysis, budget process, and institutional research and accountability reporting, including the University Plan, Performance, and Accountability Report.

4. The Vice President and Chief Financial Officer is an upgrade and expansion of the title and responsibilities of the Associate Vice President for Budget and Finance. The Vice President and Chief Financial Officer shall provide a high level of leadership for short- and long-term financial planning, management, analysis, and oversight of the University of Minnesota system. The Vice President and Chief Financial Officer shall retain the responsibilities and functions of associate vice president, chief financial officer, and treasurer, and provide additional oversight to an upgraded and expanded budget and financial analysis function, which will engage in financial modeling studies, evaluations, analyses and reports to support the University's current and long-term financial planning and management function.

5. The Chancellors of the University of Minnesota Crookston, Duluth and Morris campuses shall continue to report to the President on work plan development, performance, and campus issues, but through the Senior Vice President for System Administration on day-to-day operational responsibilities.

6. The Vice President and Chief of Staff shall continue to report directly to the President with no changes in current decision making responsibility, authority, and accountability.

7. The Vice President for Agricultural Policy shall continue to report to the President on state-wide work plan, performance, and budget development issues, but through the Senior Vice President for System Administration on day-to-day operational responsibilities.

8. The Vice President for Human Resources shall continue to report to the President on work plan, performance, and strategic planning and budget development issues, but through the Senior Vice President for System Administration on day-to-day operational responsibilities.

9. The Vice President for Research shall continue to report to the President on work plan, performance, and strategic planning and budget development issues, but through the Senior Vice President for Academic Affairs and Provost and Senior Vice President for Health Sciences on day-to-day operational responsibilities.

10. The Vice President for University Relations shall continue to report directly to the President, with no changes in current decision making responsibility, authority, and accountability.

11. The Vice President for University Services shall continue to report directly to the President, with no changes in current decision making responsibility, authority, and accountability.

12. The Athletics Director, Twin Cities Campus shall continue to report directly to the President, with no changes in current decision making responsibility, authority, and accountability.

13. The General Counsel shall continue to report jointly and directly to the President and Board of Regents, with no changes in current decision making responsibility, authority, and accountability.

14. The Associate Vice President for Internal Audits shall continue to report directly to the Board of Regents, with no changes in current decision making responsibility, authority, and accountability.

BE IT FURTHER RESOLVED, that the Board of Regents accepts the reorganization of central administration as described in this resolution, which shall become effective on March 1, 2004.

Bruininks described the proposed changes, which included the modification of existing titles and responsibilities of three executive officers. He stated he believes the changes will significantly improve the effectiveness of the University in three areas: 1) academic programs on the Twin Cities campus; 2) system-wide strategic planning, budgeting, and institutional research and accountability; and 3) long-term financial analysis, planning, and management.

Regent Berman expressed support for the new senior vice president for system administration position. He stated that he believes this structure will provide for greater visibility of the University's outreach efforts and mission.

The Board of Regents voted unanimously to approve the resolution relating to the reorganization of central administration.

UNIVERSITY PLAN, PERFORMANCE & ACCOUNTABILITY REPORT

President Bruininks presented the following resolution relating to the 2003-2004 University Plan, Performance, and Accountability Report (Report) that will be submitted to the Minnesota Legislature in February 2004.

WHEREAS, the president and the Board of Regents are entrusted with the responsibility to be good stewards of the public interest, resources, and facilities; and

WHEREAS, it is the responsibility of the Board of Regents in cooperation with the president, to articulate the directions and priorities of the institution; identify and analyze the critical issues and challenges confronting the University; assess its operations; and evaluate the performance and success of its colleges and campuses; and

WHEREAS, it was resolved that the University Plan, Performance, and Accountability Report (Report) shall include the priorities of the institution; statistical profiles of the University as the campus level; selected statistics related to system trends; University-wide strategies to achieve goals; summaries of accomplishments and investments; progress in the Institutional Measures; and summaries of special institutional studies and reports; and

WHEREAS, in December 2003 the Educational Planning and Policy Committee reviewed the 2003-04 Report;

NOW, THEREFORE BE IT RESOLVED that the Board of Regents accepts the 2003-04 Report as submitted by the administration.

A motion was made and seconded to approve the resolution.

Executive Vice President & Provost Maziar reviewed details of the report. She reported that the Report provides an overview of the University of Minnesota and its academic priorities, accountability measures for each campus, as well as University-wide measures related to public engagement, efficiency and effectiveness, and finances. The Report serves as a concise self-assessment of University performance. Maziar also noted changes to the report since it was reviewed in draft form by the Board at its December 2003 meeting. A copy of the full report and presentation are on file in the Board office.

Board members indicated they were pleased with the Report and that it will serve as a valuable document to communicate the value of the University to the legislature and the citizens of the State.

Regent Reed indicated that she hoped the Report would be incorporated into the work plans of the Board's committees.

In answer to a question from Regent Simmons, Maziar commented on the value of an external assessment, as the Report only pertains to an internal assessment. Maziar indicated that in areas of academic quality, external assessments are good, i.e. accreditation process. However, in other areas there are no external entities that are as well positioned to make comparative judgments.

The Board of Regents voted unanimously to approve the resolution relating to the 2003-04 University Plan, Performance and Accountability Report.

REPORT OF THE FACULTY CONSULTATIVE COMMITTEE

Professor Judith Martin reported on the activities of the committee since its last report to the Board of Regents, and briefly discussed ongoing and emerging initiatives.

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

REPORT OF THE AUDIT COMMITTEE

Regent Frobenius, Chair of the committee, reported that the committee reviewed information relating to: the annual compliance audit of federal award programs; the external auditor's management letter; issues related to institutional conflict of interest; an internal audit update; and a number of information items as described in the docket materials.

REPORT OF THE FACULTY, STAFF, & STUDENT AFFAIRS COMMITTEE

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

- Approval of the Consent Report for the Faculty, Staff, & Student Affairs Committee as presented to the committee and described in the February 12, 2004 committee minutes.
- Adoption of amendments to Board of Regents Policy: *Awards, Honors, and Recognition* , as follows:

AWARDS, HONORS, AND RECOGNITION

Recognition plays an important role in every culture. The University of Minnesota (University) confers a number of awards and honors on prominent local, state, national, and international persons who have achieved distinction and recognition in public service, enterprise, education, science, literature, and the arts. The bestowing of awards and honors compliments the recipients and adds vitality to the institution.

The honors described in this policy recognize excellence. The common denominator of each award is the achievement of quality. Implied is the philosophy that meaningful recognition must be selective, fair, and determined with careful thought. Although only a few individuals receive these awards annually, each member of the University community shares in celebrating their achievements and thus in the benefit of a well-executed program of awards.

ARTICLE 1

CONSISTENCY WITH BOARD OF REGENTS POLICY

Subd. 1. Equal Opportunity. The honors, awards, and recognitions described in this policy shall be bestowed in accordance with the provisions of Board of Regents Policy: Equal Opportunity.

Subd. 2. Reservation and Delegation of Authority. This policy is consistent with the reservation provisions of Board of Regents Policy: Reservation and Delegation of Authority.

ARTICLE 2

ALL-UNIVERSITY HONORS AND AWARDS

Section I. Definition.

The University Senate All-University Honors Committee (Honors Committee) is the University Senate committee that establishes procedures for nominations and solicits, reviews, and recommends nominations for All-University honors and awards for the University of Minnesota System. Recommendations of the Honors Committee shall be based on the provisions of this policy and on procedures established by the Honors Committee.

Upon recommendation by the Honors Committee, nominations shall be submitted to the president and to the Board of Regents (Board) for approval. No disclosure is to be made to nominees during the nominating process.

Section II. Honors and Awards.

The Honors Committee considers nominations for honorary degrees, outstanding achievement awards, awards of distinction, alumni service awards, and the naming of buildings and grounds.

Subd. 1. Honorary Degrees. The award of honorary degrees by a university is an extension of its role as the unique institution in our society devoted to the discovery, transmission, and preservation of knowledge. The award of an honorary degree constitutes recognition of distinctive achievement that has added materially to knowledge and to the betterment of society. The honorary degree is the highest award conferred by the University.

(a) Selection Criteria and Degree Titles. An honorary degree may be awarded to an individual who has achieved acknowledged eminence in cultural affairs (Doctor of Humane Letters), public service (Doctor of Laws), or a field of knowledge and scholarship (Doctor of Science). The University honors qualified persons within the academic community, as well as those in other arenas, such as public service or enterprise. Persons receiving honorary degrees need not have received their education at, or have been otherwise associated with, the University. Honorary degrees shall not be awarded solely to encourage or reward contributions to the University.

(b) Annual Public Recognition. The awarding of honorary degrees is an event at which achievement is celebrated and given public recognition. It is customary to award several honorary degrees each year.

Subd. 2. Outstanding Achievement Awards. Outstanding Achievement Awards may be conferred upon former students of the University who have attained unusual distinction in their chosen fields, professions, or public service, and who have demonstrated outstanding achievement and leadership on a community, state, national, or international level. Education at the University should represent a significant portion of a candidate's total education.

Subd. 3. Awards of Distinction. The Award of Distinction may be conferred upon individuals who are not or have not been a student or employee of the University in recognition for achieving distinction in their field, profession, and/or public or volunteer service.

Subd. 4. Alumni Service Awards. The Alumni Service Award may be conferred upon former students in recognition of volunteer service to the University, its schools, colleges, departments, or faculty, or to the University of Minnesota Twin Cities Alumni Association (Alumni Association) or any of its constituent groups. Nominations are submitted initially to the executive director of the Alumni Association. After review by the Alumni Association's Alumni Honors Committee, recommendations are forwarded to the Honors Committee.

Subd. 5. Naming of Buildings and Grounds. University buildings and grounds may be named to honor an individual or individuals.

(a) Naming Criteria. The naming of buildings as hall or library is limited to the names of persons who have had an association with the University and who have achieved prominence in a field of endeavor. A building may be named for a person still living who has left the service of the University.

(b) Naming for Past Presidents. The University traditionally names buildings for past presidents. When a president's association with the University ends, a committee composed of representatives of the Board and the Faculty Consultative Committee shall consider naming a building in honor of that individual. Recommendations of this committee shall be forwarded to the Honors Committee for endorsement prior to submission to the Board for final approval and implementation.

(c) Naming for Significant Financial Contribution. A building, separate parts of a building, or grounds also may be named for a donor whose gift has significantly financed the construction of that structure or area. In order to ensure consistency in the size of gifts relative to the size of the structure or area to be named, the University of Minnesota Foundation (Foundation) shall maintain guidelines to implement this policy.

ARTICLE 3

OTHER UNIVERSITY AWARDS

Subd. 1. Approval. The awards described in Article 3, subds. 2-10 do not require action by the Honors Committee or approval by the Board.

Subd. 2. Certificate of Appreciation. This award may be made to any person for contributions or services at the collegiate or all-University level. Nominations shall be forwarded to the relevant unit for approval.

Subd. 3. Naming of Separate Building Parts. With the approval of an independent committee, separate names may be given to separate parts of a building already named for another individual.

Subd. 4. Horace T. Morse University of Minnesota Alumni Association Award. On the recommendation of the University Senate Committee on Educational Policy, this award is given to faculty members in recognition of outstanding contributions to undergraduate education.

Subd. 5. Josie R. Johnson Human Rights and Social Justice Award. This award recognizes individuals who, through their principles and practices, exemplify a high standard of excellence in creating respectful and inclusive learning and working environments. Recipients must have made outstanding contributions to the promotion of human rights and social justice within the University community. At least one faculty or staff member and one student shall receive this award each year. Nominations must be submitted according to guidelines established by the Josie R. Johnson Human Rights and Social Justice Award Selection Committee.

Subd. 6. Naming of Chairs. Departmental chairs may be named to honor an individual. This is an administrative decision to be made with the concurrence of the faculty.

Subd. 7. Outstanding Community Service Award. This award recognizes the outstanding contributions and accomplishments of faculty, staff, or community members who have made substantial, enduring contributions to the community and improved public life and the well-being of society. Such contributions and accomplishments must result in long-term and lasting changes for the public good and demonstrate an unusual commitment to the University and the larger Minnesota community. Nominations must be submitted according to the guidelines established by the University Outstanding Community Service Award Selection Committee through the Office of the Executive Vice President and Provost.

Subd. 8. Outstanding Contributions to Graduate and Professional Education Award. On the recommendation of the University Senate Committee on Educational Policy, this award is given to faculty members in recognition of their outstanding contributions to post-baccalaureate graduate and professional education.

Subd. 9. President's Award for Outstanding Service. This award recognizes exceptional service to the University and its schools, colleges, departments, and service units by any active or retired member of the faculty or staff. Such service must go well beyond the regular duties of a faculty or staff member and must demonstrate unusual commitment to the University community. Nominations must be submitted according to the guidelines established by the President's Award Committee.

Subd. 10. Teaching Awards. Some individual collegiate units recognize teaching excellence. Nominating procedures are governed by the rules of each collegiate unit.

ARTICLE 4

REGENTS AWARDS

Subd. 1. Definition. The Board recognizes excellence and achievement through the Certificate of Outstanding Merit, the Certificate of Recognition, the Distinguished International Service Award, the Regents Award, and emeritus titles, as described in Article 4, subds. 2-7. These awards are under the purview of the Board and their presentation is scheduled through the Board's executive director.

Subd. 2. Certificate of Outstanding Merit. This award is given to an individual or group of individuals in the University in recognition of outstanding community service. Recipients are determined by the chair and vice chair of the Board and the president.

Subd. 3. Certificate of Recognition. This award recognizes significant achievement by members of the University community who have attained unusual distinction in a field of knowledge and scholarship. Recipients are determined by the chair and vice chair of the Board and the president.

Subd. 4. Distinguished International Service Award. This award recognizes distinguished foreign dignitaries visiting the University. Recipients are determined by the chair and vice chair of the Board and the president.

Subd. 5. Regents Award. The Regents Award may be conferred upon individuals who have performed exceptionally valuable and meritorious service to the University or contributed to the building and development of the University through significant benefactions. Candidacy is not limited to graduates or former students of the University.

The Regents Award nominating committee shall include the president, the executive vice president and provost, the chairperson of the Senate Consultative Committee, and three members of the Board who are appointed by the Board chair. The president of the Foundation serves as an ex officio member. Recipients are determined by this committee.

Subd. 6. Regent Emeritus Title. Regents are awarded the title of Regent Emeritus upon their retirement from the Board.

Subd. 7. President Emeritus Title. The title President Emeritus may be bestowed upon a president who has completed service as president of the University.

ARTICLE 5

REGENTS PROFESSOR

SECTION I. DEFINITION.

The special title of Regents Professor is the highest recognition the University gives to a member of its faculty. This title is granted to a limited number of faculty members who shall be selected according to the provisions of Section II, below.

SECTION II. PROCESS.

Subd. 1. Nomination. Any person or group may nominate a faculty member to receive the title Regents Professor. Nominations are made to the president.

Subd. 2. Selection Criteria. Nominees shall be judged according to:

- the criteria used by the University to evaluate eligibility for the rank of full professor;
- the scope and quality of scholarly and/or artistic contributions;
- the quality of teaching; and
- contributions to the public good.

Only nominees whose academic distinction is clearly outstanding and whose distinction is clearly recognized by the academic community locally, nationally, and perhaps internationally should be recommended for the award.

Subd. 3. Selection Advisory Committee. After consultation with the University community, the president shall appoint a Selection Advisory Committee to review nominees. This committee serves at the president's pleasure. It is assumed that provision shall be made for some continuity of membership and that the committee shall consult with persons from other universities as appropriate. Recommendations of the Selection Advisory Committee shall be made to the president who shall take them to the Board.

Subd. 4. Board Approval. The Board shall designate persons to receive the title Regents Professor.

Subd. 5. Restriction on Number of Recipients. The best guarantee of the significance of this award is careful restriction of the total number of recipients. As a general procedure, not more than one or two persons shall be designated as Regents Professor in any given year.

SECTION III. MISCELLANEOUS PROVISIONS.

Subd. 1. Title of Regents Professor. The title Regents Professor, once awarded, shall be held as long as the recipient retains a full-time, tenured appointment as a faculty member of the University. To be considered "full-time," the recipient must hold at least a 66 percent time appointment or be on a sabbatical or other approved leave, including phased retirement. Upon retirement or reduction of the appointment to less than 66 percent time, the faculty member becomes Regents Professor Emeritus. The academic field of accomplishment shall continue to be a part of the title, as, for example, "Regents Professor of _____ (academic department or field)."

Subd. 2. Duties and Responsibilities. Designation as a Regents professor does not necessarily imply any changes in duties and responsibilities.

Subd. 3. Recognition. A person named as a Regents professor shall be suitably recognized in a public ceremony and shall receive from the University a medallion suitable for desk use and for use with academic costume.

Subd. 4. Annual Stipend. A Regents professor shall receive an annual stipend from the Foundation during their tenure as a faculty member. The stipend shall cease upon retirement or a reduction of appointment to less than 66 percent time, excluding phased retirement.

Subd. 5. Private Financial Support. The University welcomes private donor support for Regents' professor stipends. However, no endowment shall be accepted to underwrite creation of a Regents professorship in a given department or college.

Subd. 6. Salary. Appointment as a Regents professor shall not imply any particular salary level for the faculty member receiving such an honor. The salaries of Regents professors shall be determined independently and without reference to their receipt of an annual stipend from the Foundation.

Subd. 7. Budget Items. The budget item for a person named as a Regents professor shall be transferred to the college in which the recipient holds appointment. The president maintains oversight of budget items for Regents professors.

ARTICLE 6

LECTURESHIPS, FELLOWSHIPS, PROFESSORSHIPS, AND CHAIRS

SECTION I. GENERAL PROVISIONS.

Subd. 1. Private Financial Support and Naming of Lectureships, Fellowships, Professorships, and Chairs. The University seeks and welcomes private financial support for lectureships, fellowships, professorships, and chairs. Such awards contribute to the quality of the University in extremely significant ways, enabling the University to attract and retain the very best scholars in particular fields and to carry out research in important areas. By providing a continuing and reliable source of support, these awards free scholars to pursue their research and teaching without the need to pursue funding.

Funds may be used for salary or salary augmentation, graduate student stipends, secretarial support, supplies, travel to scholarly conferences, publishing expenses, and other items necessary to support the work and increase the effectiveness of an outstanding scholar.

Awards established under this policy typically shall carry the name of the donor, of a person or institution designated by the donor, or of a person in whose name the University seeks funds to endow the award.

Subd. 2. Restriction on Use of Title. Lectureships, professorships, and chairs shall not include such terms as University, distinguished, or the title Regents Professor. These titles are conferred only by the Regents of the University. Additional guidelines for use of the title Regents Professor are specified in Article 5.

Subd. 3. Recommendations and Approvals. Proposals to establish a lectureship, fellowship, professorship, or chair require approval of the executive vice president and provost after consultation with the department and college concerned and approval from the appropriate dean and the senior vice president for health sciences in the case of units reporting to that office. Normally, such proposals shall specify the conditions of the award, the activities to be supported by the award, and the amount of the endowment or the annual level of funding. As with other gifts to the University, the award and its terms and conditions must be acceptable to the Board and consistent with Board policies.

SECTION II. LEVEL OF ENDOWMENT.

Subd. 1. Approval. The executive vice president and provost must approve the level of the endowment. The minimums required are defined in subds. 2, 4, 5, and 6.

Subd. 2. Endowment for Chairs. A permanent chair may be established when \$2,000,000 or more has been placed in an endowment that provides in perpetuity the annual funds needed for support. Alternatively, a chair also may be established if a minimum of \$200,000 per year of expendable funds is made available for at least ten years. In this latter case, the chair designation shall continue during the term of the support. The combination of salary and chair endowment shall be sufficient to provide salary and fringe benefits for the recipient, staff support, travel, and other expenses. Board of Regents Policy: Faculty Tenure shall govern the appointment of the faculty member holding the chair beyond that period.

In the case of chairs established on a term basis, the number in a particular unit shall be limited in accordance with other applicable University policies to avoid excessive dependence on nonrecurring sources of support. In situations where sufficient funding is available, more than one chair may be supported with the income stream, assuming the original intent of the gift is maintained.

Subd. 3. Appointment Process. The process of appointing faculty members to a named chair must conform to the search and selection procedures generally followed in the unit in which the named chair is to be placed, except as noted in Article 6, Section III, subd. 1.

Subd. 4. Endowment for Professorships. The combination of salary and professor endowment shall be sufficient to provide salary and fringe benefits for the recipient, staff support, travel, and other expenses. Professorships require a minimum of \$1,000,000 in permanent endowment or a minimum of \$100,000 per year of expendable funds for ten years. In the former case, the professorship shall continue in perpetuity; in the latter case, it shall continue during the period for which support is provided. Generally, these funds supplement other support available for faculty salaries in the designated area and may be used for any purpose that enhances the quality of teaching, scholarship, or service in that field.

In situations where sufficient funding is available, more than one professorship may be supported with the income stream, assuming the original intent of the gift is maintained. In accepting the gift, the department or other unit must accept responsibility for providing such additional funds as may be necessary for the faculty member(s) holding the professorship to carry out the intent of the gift.

Subd. 5. Endowment for Faculty Fellows. Faculty fellows require a minimum of \$500,000 in permanent endowment or a minimum of \$50,000 per year of expendable funds for a period of years. Generally, these funds are used as a

supplement to a professor's salary, to provide stipends and support for fellowships, or to cover expenses incurred in a lecture series. In situations where sufficient funding is available, more than one faculty fellow may be supported with the income stream, assuming the original intent of the gift is maintained.

Subd. 6. Other Named Endowments and Awards. Lectureships, fellowships, scholarships, or other named awards title may be used for gifts of less than \$500,000 in permanent endowment or \$50,000 a year for a period of years. A minimum award in this category would provide at least \$1,000 per year for ten years.

SECTION III. DONOR SUPPORT.

Subd. 1. Accepting Donor Support. The University shall be the sole judge of the qualifications of candidates for the awards in Article 6, Section I, subd. 1. However, this does not preclude accepting support for a named chair or professorship for a particular University professor when this appointment has been approved by the department, the college, and the executive vice president and provost.

Subd. 2. Coordination With Foundation Office. All contracts, proposals, and negotiations shall be coordinated with the Foundation's Office of Development to ensure that there is no conflict with other donor/proposal contracts and that the proposal is in compliance with all applicable policies.

Subd. 3. Coordination Between Fund-Raising and Academic Units. It is important that all fund-raising units and academic units involved in preparing proposals and in cultivating prospective donors work closely together to ensure that all parties agree as to how the donation shall be applied. Insofar as possible, non-salary supplement awards recognizing a particular merit or achievement shall be established as tax-exempt prizes. The minimum levels specified in this policy should be reviewed at least every five years to determine whether these levels can sustain salary support and the costs associated with professorships or chairs.

ARTICLE 7

CONFLICT OF INTEREST RELATING TO A REGENT

When a Regent or former Regent is under consideration for an award (other than Regent Emeritus), a special committee, chaired and appointed by the chair of the Honors Committee, shall be convened to review and approve the award. The special committee shall have final approval and shall include the chair of the Board (or the vice chair if the recommended award recipient is the chair); the vice president for University Relations; the executive vice president and provost; and the president of the Foundation.

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

Simmons reported that the committee engaged in discussions relating to new models for compensation in health professions and financial challenges and policies regarding the student experience. The committee also reviewed a number of information items as described in the docket materials.

REPORT OF THE FINANCE & OPERATIONS COMMITTEE

Regent Baraga reported that the committee voted unanimously to recommend:

- Approval of the Consent Report for the Finance & Operations Committee as presented to the committee and described in the February 12, 2004 committee minutes.

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

Baraga reported that the committee received a presentation on financial reporting. The committee also reviewed amendments to Board of Regents Policy: *Investment Transactions*; Board of Regents Policy: *Endowment Fund*; and Board of Regents Policy: *Investment of Reserves* as part of the policy review process. The committee engaged in a discussion relating to the Annual Insurance and Risk Management Report 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:

- Approval of the revised Consent Report for the Educational Planning & Policy Committee as presented to the committee and described in the February 12, 2004 committee minutes.
- Approval of a resolution relating to the Northeast Regional Minnesota Area Health Education Center, as follows:

WHEREAS, the Academic Health Center of the University of Minnesota is in receipt of an Area Health Education Center (AHEC) grant from the Federal Department of Health and Human Services for the purposes of supporting and promoting rural health professions education; and

WHEREAS, consistent with the directions of the Department of Health and Human Services, it is understood that the best method to implement this grant and accomplish its purpose is the formation of a nonprofit corporation in Northeastern Minnesota, through which the activities supported by the grant may be implemented; and

WHEREAS, on the recommendation of the senior vice president for health sciences, the president of the University requests the approval of the Board of Regents (Board) for the formation of such a corporation;

NOW, THEREFORE, BE IT RESOLVED that the Board approves the formation of a nonprofit corporation to carry out the purposes of the Minnesota AHEC grant, subject to the representations and conditions contained in related docket materials presented to the Board.

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

Reed reported that the committee also received a presentation on changing instructional models of health care education; reviewed a proposed policy entitled Board of Regents Policy: *Use of Royalty Income to Support Technology Commercialization* ; engaged in a discussion relating to the University of Minnesota federal agenda for 2004; and reviewed a number of information items as described in the docket materials.

REPORT OF THE FACILITIES COMMITTEE

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

- Approval of a Capital Budget amendment of \$185,000 to incorporate funding for the Science Classroom Air conditioning project located on the Twin Cities campus as contained in the Consent Report.
- Approval of amendments to the FY04 Capital Budget by:
 1. \$1,025,000 to incorporate additional funding for the Veterinary Diagnostic Laboratory Tissue Digester Addition project located on the Twin Cities campus; and
 2. \$1,600,000 to incorporate funding for the Willey Hall Minnesota Population Center Remodeling project located on the Twin Cities campus.
- Approval to rescind the following Board of Regents policies:
 1. Board of Regents Policy: *Real Estate Transactions*
 2. Board of Regents Policy: *Oil and Gas Leases*

- Approval of schematic plans for the Nicholson Hall Rehabilitation project and of the appropriate administrative officers proceeding with the award of contracts, the development of construction documents and construction.
- Approval of schematic plans for the Veterinary Diagnostic Laboratory Tissue Digester Addition project and of the appropriate administrative officers proceeding with the award of contracts, the development of construction documents and construction.
- Approval of schematic plans for the Willey Hall Minnesota Population Center Remodeling project and of the appropriate administrative officers proceeding with the award of contracts, the development of construction documents and construction.

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

Bohnsack reported that the committee voted by a majority of three to two to recommend:

- Approval of the a Capital Budget amendment of \$500,000 to incorporate funding for the planning and design of the Bio Mass District Heating/Cooling project located on the Morris Campus as contained in the Consent Report.

Regent Berman expressed concern about approving planning money for a project that that the governor has not included in his budget plan. Vice President O'Brien explained that funding was earmarked during the 2003 legislative session for planning and design of this project and that the monies designated can only be spent on this project. It was further reported that is not unusual for planning monies to be expended before a project is included in the capital budget.

After a short discussion, the Board of Regents voted by a majority of nine to one to approve the motion with Regent Berman voting against the motion.

Bohnsack reported that the committee also reviewed a number of items: proposed capital budget amendments relating to the Mondale Hall Classroom Electrical Upgrades project and the Housing Fire Protection project on the Morris campus; a real estate transaction relating to the purchase of 2221 University Avenue S.E.; the Sports Fields & Facilities District Plan as it pertains to the Cooke Hall, Field House Renovation and Recreational Sports addition; and design guidelines for the Bio-Mass District Health/Cooling project on the Morris campus. The committee also 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 February 12, 2004 to discuss attorney-client privileged matters and no actions were taken at the meeting.

He reported that during the public portion of the meeting, the committee briefly discussed the audit on external legal services, the appointment of an acting General Counsel during Mr. Rotenberg's professional development leave, and the hearing held before the Supreme Court relating to the open meeting law and the presidential search.

The meeting adjourned at 11:30 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary