

Year 2003-04

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

December 12, 2003

A meeting of the Board of Regents of the University of Minnesota was held on Friday, December 12, 2003, at 9:00 a.m. in the Boardroom, 600 McNamara Alumni Center.

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

Staff present: President Robert Bruininks; Chancellor Samuel Schuman; Executive Vice President and Provost Christine Maziar; Senior Vice President Frank Cerra; Vice Presidents Kathryn Brown, Carol Carrier, and Kathleen O'Brien; Interim Vice President David Hamilton; Executive Director Ann Cieslak; and Associate Vice Presidents Steve Cawley, Gerald Fischer, Donna Peterson, Richard Pfitzenreuter, and Michael Volna.

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 - November 13, 2003

Board of Regents Work Session - November 13, 2003

Educational Planning & Policy Committee - November 13, 2003

Facilities Committee - November 13, 2003

Board of Regents - November 14, 2003

REPORT OF THE PRESIDENT

President Bruininks' report focused on the contributions that the University of Minnesota makes to the State of Minnesota. He noted the important role that the University plays in the state relating to agriculture, through its extension services; regional economic development; and the development of programs to assist the state's youth to become productive and successful individuals.

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

REPORT OF THE CHAIR

Chair Metzen reported that a number of Board members will be traveling to El Paso, Texas to watch the Gopher football team play in the Sun Bowl on December 31, 2003.

He reported briefly on the participation of various Board members in recent activities and called upon Regent Frobenius to give a brief update of the work of three Regents to explore continuing education for Board members.

He expressed congratulations to graduates who recently completed their degrees and wished everyone a happy holiday, noting that the next meeting of the Board is scheduled for February 12-13, 2004 on the Twin Cities campus.

RECEIVE AND FILE REPORTS

Chair Metzen noted the receipt and filing of the Quarterly Report of Grant & Contract Activity, the Annual Capital Financing & Debt Management Report, and the Annual Eastcliff Report.

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 October 31, 2003. The list is 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 from President Bruininks on December 5, 2003.

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

QUARTERLY SUMMARY OF EXPENDITURES

Regent Metzen presented the Quarterly Summary of Expenditures for the Office of the Board of Regents, the President's Office, and Eastcliff Operations,

for three months ending September 30, 2003 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 September 30, 2003.

SEMI-ANNUAL STUDENT REPRESENTATIVES REPORT

Jacob Elo, Chair of the Student Representatives, presented the Semi-annual Report of the Student Representatives as presented in the docket material.

Highlights of the report included recommendations on the following issues:

- Student Survey Information on Instructor Performance,
- Student Costs - The Big Picture,
- Aligning University Strategy and Operations,
- Student Retention, and
- Academic Advising

The complete report was included in the docket materials.

President Bruininks indicated that he will provide a summary of how the recommendations contained in the report are being addressed.

ANNUAL REPORT ON THE STATUS OF UNIVERSITY RESEARCH

Interim Vice President Hamilton presented the annual report on the status of the University's research programs as provided in the docket materials. The emphasis of the report was on the sponsored program portion of the University's research enterprise with additional information provided on the commercialization of intellectual property.

Key highlights of the report indicated that University-sponsored research activity continues to be strong. Sponsored program expenditures increased 5 percent, sponsored awards declined by 2.6 percent, and research proposals increased by 23 percent. Facilities and administrative cost reimbursements have grown and are 7 percent higher than the previous year. The University continues to experience growth in activities surrounding technology commercialization.

Results from the Office of Patents and Technology Marketing (PTM) are positive regarding some aspects, but in others are cause for concern. Intellectual property disclosures decreased by 8 percent over FY02. Patents applied for also decreased, but the number of patents issued increased by 23 percent. Likewise, licensing activity and start-ups have decreased; however, the total number of license agreements has grown. While there are concerns, the administration is encouraged by the University's commercialization activities and intends to continue to focus on technology transfer and business development efforts.

It was noted that approximately 100 to 150 faculty positions were not filled due to the University's recent budgetary constraints. President Bruininks indicated that these budgetary reductions have had a major impact on the University's research activity.

In response to a question, it was noted that while the University does not have a formalized strategic plan for research activity, the University, through its regular planning process is constantly scanning future academic issues and trends.

Regent Frobenious asked if administrative costs are fully covered. Hamilton responded that administrative costs of awards average 32 percent. The federal government pays for 26 percent and the University has to provide the additional funding.

ANNUAL FINANCIAL REPORT

Associate Vice President Pfutzenreuter introduced University Controller Michael Volna to present the Annual Financial Report for fiscal year 2003.

Volna reported that the University's total assets of \$3.4 billion increased by \$81.5 million, or 2.4 percent over the prior year. Total liabilities of \$1.3 billion increased by \$89.4 million or 7.5 percent. Total revenues and other additions totaled \$2.1 billion, an increase of \$108 million or 5.4 percent, due to tuition and fee increases. Expenditures and other deductions totaled \$2.1 billion, an increase of \$118 million or 5.9 percent, due to increased expenses in most functional areas. He also provided information on key ratios relating to contribution rates; expendable fund balance to total expenditures, expendable fund balance to long-term debt, and annual debt service to total expenditures.

A copy of the 2003 University of Minnesota Annual Report is on file in the Board office.

UNIVERSITY PLAN, PERFORMANCE & ACCOUNTABILITY REPORT

President Bruininks introduced Executive Vice President & Provost Maziar who presented the draft 2003-2004 University Plan, Performance, and Accountability Report for review. The report was developed and approved by the Board of Regents in February 2002 to serve as the accountability report illustrating the University's performance and progress toward its institutional goals. It serves as the University's principal annual report to the State, as mandated by the 2003 Legislature.

Maziar provided historical background on the development of the report and described changes made to the report after consultation with the Educational Planning and Policy Committee. The report will be on the February 2004 Board agenda for approval with subsequent submission to the 2004 Minnesota Legislature.

Board members expressed support of the report with the following suggestions:

- the report should include an executive summary;
- the report should be integrated in the workplans of the Board committees;
- there might be an advantage to having a communication plan for the report;
- a clearer understanding of the University's past and future priorities would be helpful;
- the report might indicate the relationship between a measurement and an institutional goal; and
- the report should not only indicate where the University is showing progress but also where it needs improvement.

REPORT OF THE AUDIT COMMITTEE

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

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 revised Consent Report for the Faculty, Staff, & Student Affairs Committee as presented to the committee and described in the December 11, 2003 committee minutes.
- Approval of a resolution relating to the collective bargaining agreement with AFSCME Locals 3800 & 3801, as follows:

WHEREAS, the parties have met and negotiated over the course of the past several months and have reached agreement regarding terms and conditions of employment regarding the employees of this bargaining unit (a complete copy of which is available in the Board of Regents Office); and

WHEREAS, the AFSCME Local Unions 3800 and 3801 have ratified acceptance of this agreement; and

WHEREAS, according to the Board of Regents Policy: *Board Operation and Agenda Guidelines*, approval of labor agreements by the Board of Regents is required;

NOW, THEREFORE, BE IT RESOLVED, that on the recommendation of the President, the Executive Vice President and Provost, and the Associate Vice President for Budget and Finance, the Board of Regents approves this labor agreement as outlined in the docket for December 11, 2003.

- Approval of a resolution relating to the collective bargaining agreement with AFSCME Local 3260, as follows:

WHEREAS, the parties have met and negotiated over the course of the past several months and have reached agreement regarding terms and conditions of employment regarding the employees of this bargaining unit (a complete copy of which is available in the Board of Regents Office); and

WHEREAS, the AFSCME Local Union 3260 have ratified acceptance of this agreement; and

WHEREAS, according to the Board of Regents Policy: *Board Operation and Agenda Guidelines*, approval of labor agreements by the Board of Regents is required;

NOW, THEREFORE, BE IT RESOLVED, that on the recommendation of the President, the Executive Vice President and Provost, and the Associate Vice President for Budget and Finance, the Board of Regents approves this labor agreement as outlined in the docket for December 11, 2003.

- Approval of a resolution relating to the collective bargaining agreement with IBEW Local 292, as follows:

WHEREAS, the parties have met and negotiated over the course of the past several months and have reached agreement regarding terms and conditions of employment regarding the employees of this bargaining unit (a complete copy of which is available in the Board of Regents Office); and

WHEREAS, the employees represented by IBEW Local 292 have ratified acceptance of this agreement; and

WHEREAS, according to the Board of Regents Policy: *Board Operation and Agenda Guidelines*, approval of labor agreements by the Board of Regents is required;

NOW, THEREFORE, BE IT RESOLVED, that on the recommendation of the President, the Executive Vice President and Provost, and the Associate Vice President for Budget and Finance, the Board of Regents approves this labor agreement as outlined in the docket for December 11, 2003.

- Approval of a resolution relating to the collective bargaining agreement with the University Education Association (UEA), as follows:

WHEREAS, the parties have met and negotiated over the course of the past several months and have reached agreement regarding terms and conditions of employment regarding the employees of this bargaining unit (a complete copy of which is available in the Board of Regents Office); and

WHEREAS, UEA has ratified acceptance of this agreement; and

WHEREAS, according to the Board of Regents Policy: *Board Operation and Agenda Guidelines*, approval of labor agreements by the Board of Regents is required;

NOW, THEREFORE, BE IT RESOLVED, that on the recommendation of the President, the Executive Vice President and Provost, and the Associate Vice President for Budget and Finance, the Board of Regents approves this labor agreement as outlined in the docket for December 11, 2003.

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

Simmons reported that the committee reviewed amendments to Board of Regents Policy: *Awards, Honors, and Recognition*; engaged in discussions relating to establishing a culture of service and productivity and the results of the Student Experience Survey; and reviewed a number of information items as described in the docket materials.

REPORT OF THE FINANCE & OPERATIONS COMMITTEE

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

- Approval of the Consent Report for the Finance & Operations Committee as presented to the committee and described in the December 11, 2003 committee minutes.

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

Hogan reported that the committee received an update on the economic forecast for the State of Minnesota; received a presentation on managing the Consolidated Endowment Fund; engaged in a discussion on issues related to the Annual Financial Report; and reviewed the committee's workplan. The committee also engaged in a conversation regarding future financing for the University of Minnesota and reviewed a number of information items as described in the docket materials.

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

Regent Bell, Vice Chair of the committee, reported that the committee engaged in extended discussions relating to tuition policy and issues related to the University Plan, Performance & Accountability Report.

REPORT OF THE FACILITIES COMMITTEE

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

- Approval of the Consent Report for the Facilities Committee as presented to the committee and described in the December 11, 2003 committee minutes.
- Approval of schematic plans for the St. Paul Chilled Water Facility, Phase I, Part B (Chiller Plant) 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 Jones Hall Rehabilitation project and of the appropriate administrative officers proceeding with the award of contracts, the development of construction documents and construction.
- Approval of a resolution relating to the design for the Gateway Plaza Landmark, as follows:

WHEREAS, the Board of Regents approved at its March 9, 2001 meeting schematic plans for the Gateway Plaza (the Plaza) and a resolution related to a maintenance agreement between the University and the University Gateway Corporation; and

WHEREAS, in furtherance of the resolution the University and University Gateway Corporation subsequently entered into a Memorandum of Understanding dated as of June 22, 2001 and a Maintenance Agreement dated as of June 1, 2002; and

WHEREAS, the Memorandum of Understanding contemplated that University Gateway Corporation might one day propose placement of an entrance monument (Landmark) on the southeast corner of the Plaza and provided that any such Landmark would be constructed in accordance with the University's design and construction standards and that the Landmark's design was subject to approval by the Board of Regents; and

WHEREAS, the University Gateway Corporation has changed the design for the Landmark, which was approved by the Board of Regents on June 8, 2001, and now requests approval of the changed design for the Landmark and approval to construct the Landmark,

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents approves the change to the design for the Gateway Plaza Landmark as described in the December 2003 docket materials and the University Gateway Corporation, upon University approval of the final plans and specifications for the Landmark, University Gateway Corporation's execution and delivery of an easement agreement in form and substance acceptable to the University, and University's issuance of a permit, is authorized to construct the Landmark at its sole expense; and

BE IT FURTHER RESOLVED, that upon final completion of the Landmark in accordance with the approved design and related agreements, the University agrees to accept from the University Gateway Corporation the donation of the Landmark; and

BE IT FINALLY RESOLVED, that following acceptance of the donation the Landmark be operated and maintained by University Gateway Corporation in accordance with the Maintenance Agreement.

- Approval of schematic plans for the Sports and Health Center Expansion project located on the Duluth campus 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 Social Science Building Rehabilitation project located on the Morris campus 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 Administration Building Addition project located at the Southern Research and Outreach Center, Waseca, Minnesota and of the appropriate administrative officers proceeding with the award of contracts, the development of construction documents and construction.
- Approval that the appropriate administrative officers receive authorization to execute a five-year lease with the Fairview Health Services for its use of 20,828 square feet in various Academic Health Center Buildings on the Twin Cities campus.
- Approval that the appropriate administrative officers receive authorization to execute a five-year lease with Fairview Health Services for its use of 3,499 square feet on the lower level in the Minnesota Molecular and Cellular Therapeutic Facility on the Twin Cities campus.

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

Bohnsack reported that the committee also reviewed amendments to the FY04 Capital Budget for the Veterinary Diagnostic Laboratory Tissue Digester Addition project and the Willey Hall Minnesota Population Center Remodeling project; and reviewed design guidelines for the Veterinary Diagnostic Laboratory Tissue Digester Addition and the Willey Hall Minnesota Population Center, both on the Twin Cities campus. The committee also reviewed a number of information items as described in the docket materials.

REPORT OF THE LITIGATION REVIEW COMMITTEE

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

The meeting adjourned at 11:30 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary

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Last modified on September 7, 2005