

**UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION  
NATIONAL BOARD OF DIRECTORS MINUTES  
Saturday, January 12, 2013, 8:30 – 11:00 a.m.  
Johnson Great Room, McNamara Alumni Center**

Board Members Attending

Adams Loyd, Susan

Blissenbach, Henry - phone

Campe, John - phone

du Bois, Jim

Finsness, Elizabeth

Gates, Leah - phone

Freimark, Natasha

Hallin, Gayle

Horsager, Kent

Joselyn, Bernadine – phone

Lanphere, Jane

La Valleur, June

Lichty, Marshall

Linster, Janice

McDonald, Dan

Martin, Roy

Meyer, Scott

Oftelie, Alexander

Omlie, Joey - phone

Page, Alison

Phenix, Amy

Pichler, Jim

Pinkney, Beth

Reed, Maureen

Schaff, Clinton - phone

Schott, Patrick - phone

Schultz, Martin

Spence, Pat - phone

Trecker, Andrew

Walstad, Dave

Wiese, Sandra

Welshons, Bonnie

Wilson, Grant

Board Members Unable to Attend

Abbruzzese, Dave

Beniak, Judy

Bond, Walter

Edwards, Brittany

Hancher, Michael

Hofflander, Linda

McDonald, Tom

Williams, Taylor

Williams, Todd

UMAA Staff Attending

Coffer, Curtis

Isaak, Ruth

Korman, Caryn Schultz

Radar, Bruce

Vicich, Lori Ann

Guests:

Bob Burgett, Vice President of Development, University of Minnesota Foundation and Carolyn Buzza, Associate Vice President of Marketing and Communications, Minnesota Medical Foundation

**Chair's Report**

Chair Kent Horsager shared some photos from the University's bowl game in Houston. He said that the Alumni Association events had been a success and a great alumni experience. He noted the upcoming Minne-College in Naples, Florida on January 19, the Legislative Briefing on January 23<sup>rd</sup> and the February 16 University Day in Phoenix. Staff is working on all of these events.

He welcomed President Kaler to the podium.

**University Report**

*Recent Press on Administrative Costs*

President Kaler thanked board members for giving their time, talent and treasure to the University of Minnesota, commending them for their additional service as board members.

He addressed the recent article in the Wall Street Journal and subsequent press that featured the University of Minnesota as administratively heavy. It said the consequent discussion has allowed him the opportunity to tell the University's story to the public and legislators. The University has grown in the last ten years, now serving 16% more students and increasing research grants and contracts by 40% while total employees have increased only 3%.

Kaler has worked relentlessly to reduce administrative costs and increase operational excellence and will continue to do so. The university did not have an accurate tracking system regarding how many people report to each manager but it is developing a system to provide that data and streamline administrative processes. This is a common problem among institutions and may make the data used by the Wall Street Journal inconsistent.

*Legislative Request*

President Kaler reviewed the university's 2014-15 biennial budget requests. The University is requesting \$14.2 million incremental state appropriation for each year of the biennium to freeze tuition for resident undergraduate students for a biennial total of \$42.6 million.

Also proposed is \$18 million in recurring state appropriation for a total of \$36 million to focus on four strategic research areas in food and food safety, robotics and advanced manufacturing, studying how water used for industrial purposes can be re-used, and advancing the treatment of brain conditions. This would represent an investment in research to support Minnesota's promising industries.

A third element of the package is a request for \$1.5 million in recurring state appropriation for a loan forgiveness program for students in health careers if they agree to serve in underserved areas of the state.

The total request is an 8.4% increase over what the University currently receives when adjusted for inflation. The total request would bring state funding to the University back to 2001 levels.

Kaler also explained that the University has committed to the legislature to reduce \$28 million of overhead costs including administrative costs to provide more funding for high priority activities.

The University also has a capital budget prepared if there is a capital bonding bill. The request is for HEAPR funds to maintain buildings, renovate Eddy Hall and other projects.

Kaler said he is part of Generation Next, an effort to organize 500 individual programs to close the gap for disadvantaged students, a critical issue for the state.

Kaler introduced Jason Rohloff, Special Assistant to the President for Government Relations. Rohloff explained how Government Relations made a concerted effort to meet legislators and get their feedback before the university's request was created. The November elections brought sixty new members to the legislature but Rohloff and his team has been working to meet them with emphasis on those in leadership positions.

The Government Relations team is also preparing for hearings as they are requested by the House and Senate, providing all necessary information. He noted that Governor Dayton will release his budget on January 22. He encouraged board members to attend the Legislative Briefing where they will have an opportunity to create a video message to their legislators. The Legislative Briefing is a joint effort between the alumni association and government relations.

He also noted that the survey of legislators conducted by the Alumni Association produced great results. The survey is an example of something that the alumni association could do and government relations could not. He commended the association for a great working relationship with Government Relations.

### **Consent Agenda**

Horsager directed board members' attention to the October 12, 2012 National Board minutes and asked for a motion to approve.

MOTION:        Approve October 12, 2012 National Board Minutes  
                           *APPROVED UNANIMOUSLY*

The November 30 Internal Financial Statements, September 30, 2012 Investment Report, December Membership Report, December Alumni Survey and January Outreach Calendar were provided for board information.

### **August Wilson Scholarship Proposal**

Patrick Schott, Secretary/Treasurer, and Curtis Coffey, Vice President of Operations and CFO, briefed the board on the background of the August Wilson Scholarship Fund. It was originally established to recognize August Wilson following his keynote presentation at the 1991 Annual Celebration.

It is recommended that ownership of the scholarship and the supporting fund be transferred to the Department of Theatre Arts and Dance to be part of a larger endowment that will fund the August Wilson Fellowship with proper recognition of the Alumni Association's role.

MOTION:        Approves the transfer of ownership of the August Wilson Scholarship Fund to the University of Minnesota Foundation, the transfer of administration of the fund to the University of Minnesota-Twin Cities Department of Theatre Arts and Dance, and the deletion of the fund from the UMAA Policy on Use of Invested Funds. UMAA staff will work with the Foundation and the Department to ensure appropriate recognition of the Association's role.  
                           *APPROVED UNANIMOUSLY*

### **Bylaws Revision Committee Report**

Marshall Lichty, Chair of the Bylaws Revision Committee, reported that the committee has met several times to revise the current Alumni Association bylaws to reflect both the new board structure and the creation of councils. Board members received a summary sheet of changes made to date but will also review the bylaws with changes noted and then have two weeks to respond with comments and suggestions. The committee will then meet, review changes and submit a final version for approval to the March 21 Executive Committee and finally to the board at the April 6 board meeting.

Board members had questions regarding the council representatives on the national board. Maureen Reed, Past Chair and Chair of the Nominating Board Development Committee, said that for the first year it will be necessary for the Nominating Board Development Committee to recommend the council board representatives without recommendations from the councils. The affinity and the geographic councils are in very early stages and the student and young alumni councils have not been initiated yet.

She clarified that the board will need to cultivate the councils as they form, reaching out to alumni that might want to participate in the various councils. Board member Hallin stressed that the FY14 budget will need to include resources to support the councils.

### **President and CEO Search Update**

CEO Search Committee Chair, Susan Adams Loyd, updated board members on the progress of the CEO search. The board was in Executive Session for this portion of the meeting.

### **Retreat Outcomes and Next Steps**

Interim CEO Scott Meyer told board members that his focus during his time as interim CEO has been to move ahead with implementation of the strategic plan. Emphasis has been put on partnering with administration, University Relations, the Twin Cities deans, department heads, Athletics, and the foundations.

UMAA stands at the intersection of a yin-yang relationship between (1) what the University wants from alumni and (2) what alumni want from the University. He suggests the following:

- (1) What does the University want from its alumni? The University wants student engagement (connecting students and alumni), issues advocacy (to help advance the agenda of the University), and donor development (to increase the base of financial support.)
- (2) What do alumni want from the University? Alumni want to have pride in their University and engage with University resources, people and opportunities.

He shared three observations for UMAA to consider as we move forward:

1. Think beyond the membership model to increase engagement
2. Increase collaboration with the colleges and foundations
3. Identify opportunities to support increased success of Annual Fund efforts

Meyer introduced Curtis Coffey to explain the activity audit of all UMAA current activities being conducted by the leadership team. The objective is to identify UMAA activities that are high-impact/mission return on investment (ROI) activities, expand activities in these areas and reduce activities that are identified as low-impact, low-ROI areas. Each activity will be identified, evaluated against metrics, categorized and prioritized. The results will drive the FY14 budget process.

The alumni association will focus on activities that it is uniquely qualified to do. It was acknowledged that not all low ROI activities can be eliminated because their value may be something other than monetary.

**Announcements**

Chair Horsager thanked staff for continuing to move association objectives ahead. He announced the formation of two board task forces. They are the Financial Investment Evaluation Task Force chaired by Secretary/Treasurer Patrick Schott and the Business Model Analysis Task Force chaired by Jim du Bois. More details will be provided at the next board meeting.

The meeting adjourned at 11:00 a.m.

Submitted by Ruth Isaak  
For Patrick Schott, Secretary-Treasurer