

**UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS**

**MINUTES**

**BOARD OF REGENTS' MEETING**

**AND**

**REGENTS' COMMITTEE MEETINGS**

**April 11-12, 1991**

**Office of the Board of Regents**

**220 Morrill Hall**



UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Minutes of the Board of Regents' Meeting  
and Regents' Committee Meetings

April 11-12, 1991

**CONTENTS**

	<b><u>PAGE</u></b>
<b>I. Committee Meetings</b>	
A. Audit Committee - April 11, 1991-----	373
B. Physical Planning & Operations Committee - April 11, 1991-----	377
C. Finance & Legislative Committee - April 11, 1991-----	383
D. Faculty, Staff & Student Affairs Committee - April 11, 1991-----	388
E. Educational Planning & Policy Committee - April 11, 1991-----	396
F. Committee of the Whole - April 11, 1991-----	400
G. Committee of the Whole - April 12, 1991-----	407
<b>II. Board of Regents' Meeting - April 12, 1991</b>	
<b>A. Approval of Minutes-----</b>	<b>415</b>
<b>B. Report of the President-----</b>	<b>415</b>
1) Restructuring & Reallocation Implementation Plans	
2) Legislative Developments	
3) Supplemental Budget Recommendations	
4) Governor's Capital Facilities Recommendations	
5) "Pipeline Project"	
6) ORTTA Report	
7) ROTC Issue	
8) Recognition of Regents Casey and Schertler	
<b>C. Report of the Chair-----</b>	<b>416</b>
1) Parting remarks from Regents Casey and Schertler	
<b>D. Gifts-----</b>	<b>416</b>
<b>E. Contracts and Grants/Applications and Awards-----</b>	<b>416</b>
<b>F. Report of the Committee of the Whole - April 11, 1991</b>	
1) Report from Minnesota Alumni Association-----	416
2) ROTC Discussion-----	416
3) Steam Service Alternatives Discussion-----	416
4) Report on Rural Health Care-----	416

<b>G.</b>	<b>Report of the Committee of the Whole - April 12, 1991</b>	
	1) Research and Technology Transfer Initiative Discussion-----	416
	2) Undergraduate Initiative Discussion-----	416
	3) Budget Principles-----	416
	4) Report from Faculty Consultative Committee-----	416
<b>H.</b>	<b>Report of the Faculty, Staff &amp; Student Affairs Committee</b>	
	1) Approval - Senior Vice President's Monthly Report--	417
	a) Action postponed on tenure for Waseca faculty---	417
	2) Student Fees Resolutions-----	417
	3) Report on IAFHE Minority Recruitment-----	417
	4) Faculty Recruitment and Retention Strategies for Women and Minorities-----	417
	5) Summary of Academic Personnel Actions/1989-90--	417
<b>I.</b>	<b>Report of the Physical Planning &amp; Operations Committee</b>	
	1) Approval - Senior Vice President's Monthly Report--	417
	2) Approval - Purchase of Goods/Services over \$250,000-----	417
	3) Approval - Projects Already Submitted for Information-----	418
	a) Shevlin Hall, New Laboratories and Offices for Department of Communication Disorders, Twin Cities Campus	
	b) Pattee Hall, Remodel Rooms 214 and 215, Twin Cities Campus	
	c) Kirby Student Center - Ballroom Upgrading, Duluth Campus	
	d) Oakland Avenue and Tennis Court Rehabilitation, Duluth Campus	
	4) Approval - Projects Approved in Capital Request-----	419
	a) Upgrade General Purpose Classrooms - Phase III	
	b) Integrated Waste management Facility, Twin Cities Campus	
	5) Projects Reviewed for Information-----	419
	a) Eddy and Peik Halls - Improved Access, Twin Cities Campus	
	b) Parking Structures Annual Restorations, Twin Cities Campus	
	c) University Press - Second Floor Remodeling, Twin Cities Campus	
	d) Research Laboratory Project Update, Twin Cities Campus	
	e) Student Health and Counseling Center Expansion, Duluth Campus	
	f) Chemistry Building Remodel Room 150, Duluth Campus	
	g) Village Service Center - Replace Roof and Windows, Duluth Campus	
	h) Oakland Avenue Pedestrian Walk Improvements, Duluth Campus	

<b>J)</b>	<b>Report of the Finance &amp; Legislative Committee</b>	
	1) Approval - Senior Vice President's Monthly Report--	420
	2) Approval - Modification of Reserve Spending Plan---	420
	3) Approval - Delegation of Authority re Asset and Debt Management-----	420
	4) Proposed Modification of Reserve Spending Plan----	421
	5) Legislative Update-----	421
<b>K.</b>	<b>Report of the Educational Planning &amp; Policy Committee</b>	
	1) Approval - Senior Vice President's Monthly Report--	421
	2) Proposal for Free-Standing Minor (Ph.D Level) in Psychoneuroimmunology-----	421
	3) M SPAN II/M SPAN 2000 Discussion-----	421
	4) Report on UMD International Programs-----	421
<b>L</b>	<b>Report of the Audit Committee</b>	
	1) Approval - Compliance Officer's Quarterly Report----	421
	2) Approval - Director of Audits' Quarterly Report-----	421
	3) External Auditor's Report-----	422
	4) Quarterly Report on Financial Management Systems (CUFS)-----	422

Year 1990-91

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Audit Committee**

**April 11, 1991**

A meeting of the Audit Committee of the Board of Regents was held on Thursday, April 11, 1991 at 8:30 a.m. in Room 300 Morrill Hall.

Regents present: Regent Craig, presiding; Regents Keffeler, Kuderer and Sahlstrom.

Staff present: Senior Vice President Erickson; Associate Executive Director Janzen; Controller LaFontaine; Director of Audits Patrick Spellacy; and Compliance Officer Gráinne Medearis.

Student Representative present: Gary Getchman.

Others present: Mark Chronister, Mary Jefferson and Jon Killmer from the firm of Coopers and Lybrand.

**COMPLIANCE OFFICER'S QUARTERLY REPORT**

The committee reviewed a summary of the University's departmental compliance with all audit recommendations issued between July 1, 1988 and September 30, 1990.

Gráinne Medearis, Policy and Compliance Officer, reviewed a summary of the report noting that overall compliance for the reporting period was 89 percent. She reported that 16 essential recommendations had been issued. Eleven were completely implemented and four will be implemented when the financial management system is installed. Significant recommendations issued totaled 177 with 122 being implemented, seven withdrawn and 19 not implemented. It was reported that 12 significant recommendations had not been completed after six months beyond the original expected implementation date. Eight of those are partially implemented and two are under

consideration for withdrawal. Details of recommendations not implemented were included in the materials for the committee's review.

Regent Kuderer expressed concern about those recommendations that had 50 percent or less compliance and requested a follow-up report on those recommendations be provided at the next meeting.

Ms. Medearis responded that in many cases there are legitimate reasons that the recommendations have not been implemented and she would provide detailed information for the next meeting.

The committee voted unanimously to recommend approval of the Compliance Officer's Quarterly Report.

### **DIRECTOR OF AUDITS' QUARTERLY REPORT**

Patrick Spellacy, Director of Audits, presented the Quarterly Report which included information pertaining to audits issued since the January 10, 1991 report, audits in process, and audits scheduled. He reviewed changes in the Audit Schedule which eliminates nine scheduled audits, indicating that the Audit Department would then focus on the development of a new self-assessment approach for auditing, the addition of an audit of Telecommunications, more involvement with the Financial Management System project and the development of expanded centralized testing.

Mr. Spellacy also indicated that the University will be audited by the Internal Revenue Service. He stated that a preliminary meeting has been held and the IRS will provide the University with a letter defining the scope of the work.

In addition, the 1991-92 fiscal year audit plan and audit objectives were reviewed with a request that the Audit Department's ten percent budget reduction be taken as follows: five percent on July 1, 1993 and five percent on July 1, 1994. Mr. Spellacy stated that delaying the reductions until that time will enable the Audit Department to more effectively measure the results of the major financial system changes that the University will undergo in the next few years.

The committee voted unanimously to recommend approval of the Director of Audits' Quarterly Report.

## **EXTERNAL AUDITOR'S REPORT**

Messrs. Mark Chronister and Jon Killmer and Ms. Mary Jefferson, from Coopers & Lybrand, presented an update on the status of external audit activities.

Mr. Chronister reviewed the services that Coopers & Lybrand provide for the University which include the opinion on the financial statements of the University of Minnesota, the University of Minnesota Hospitals and Clinic and RUMINCO; issuance of management letters for the University and the University Hospital; and reports on Federal Program Reports and NCAA reports.

Regent Keffeler asked about Indirect Cost Recovery as other universities have been in the media recently regarding improper use of Indirect Cost Recovery funds. Senior Vice President Erickson reported that the University is in compliance with statutory provisions and that a process is in place to review the use of Indirect Cost Recovery funds on an annual basis.

Mr. Spellacy reported that the government did an audit approximately one and a half years ago and at that time the University's indirect cost rate was judged to be low and very few recommendations for change were made.

Ms. Jefferson reported on the items that Coopers & Lybrand focus on during their audits which include business conditions and risk factors, control conditions and risk factors, unusual transactions, management estimates, external influences, and new developments. In addition, the audit timeline for 1991 was reviewed.

### **QUARTERLY REPORT ON FINANCIAL MANAGEMENT SYSTEMS (CUFS)**

The committee received a quarterly update on the progress of the Financial Management System presented by Mr. Nick LaFontaine, Office of Finance & Operations, and Ms. Diane Collins, CUFS Project Manager.

Ms. Collins reviewed progress since January 1991 noting items that have been completed, timelines, and budget variations. She reported that implementation is still scheduled for November and corrective action is being taken in those areas where there are concerns.

Regent Keffeler asked that the committee receive a preview of the format and data items of the reports that will be provided to the Board of Regents including budget rollups.

Ms. Collins responded that she will provide that information to the Audit Committee before it goes to the Finance and Legislative Committee for review.

The meeting adjourned at 9:50 a.m.

  
**BARBARA MUESING**  
**Executive Director and**  
**Corporate Secretary**

Year 1990-91

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Physical Planning and Operations Committee**

**April 11, 1991**

A meeting of the Physical Planning and Operations Committee of the Board of Regents was held on Thursday, April 11, 1991 at 1:45 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Sahlstrom, presiding; Regents Casey, Kuderer, M. Page, Roe and Schertler.

Staff present: Senior Vice President Erickson; Vice President Heydinger; Associate Executive Director Janzen; Associate Vice Presidents Fischer and Hewitt.

Student Representatives present: Gary Getchman and Woody Skjerven.

Chair Sahlstrom introduced Woody Skjerven, alternate student representative from Crookston.

**SENIOR VICE PRESIDENT'S MONTHLY REPORT**

The committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report for April, 1991.

**PURCHASE OF GOODS AND SERVICES OVER \$250,000**

The committee voted unanimously to recommend approval of a resolution authorizing the appropriate staff to award pending purchases/contracts over \$250,000 to the following:

- American Spirit Graphics for Printing of Extension Classes Bulletin and Postcard - for Printing Department at an estimated cost of \$300,000
- Arthur Anderson & Company for facilities management of Donor/Demographic Management System for the University Foundation from May 1, 1991 through April 1, 1994 at \$3,528,000

## **PROJECTS PREVIOUSLY SUBMITTED FOR INFORMATION**

The committee voted unanimously to recommend that the appropriate administrative officers are authorized to proceed with the design and construction of the following projects:

- a. Shevlin Hall, New Laboratories and Offices for Department of Communication Disorders, Twin Cities Campus  
Estimated cost of the project: \$292,600  
Funding: College of Liberal Arts, Maintenance and Operations Appropriation; Department of Communications Disorders, Maintenance and Operations Appropriation; and Office of the Vice Provost for Arts, Sciences and Engineering Maintenance and Operations Appropriation  
Estimated completion date: September 1991
- b. Pattee Hall, Remodel Rooms 214 and 215, Twin Cities Campus  
Estimated cost of the project: \$438,870  
Funding: Indirect Cost Recoveries  
Estimated completion date: September 1991  
(It was noted that the estimated cost of this project was reduced as the cost for asbestos abatement was lower than anticipated.)
- c. Kirby Student Center - Ballroom Upgrading, Duluth Campus  
Estimated cost of the project: \$259,465  
Funding: UMD Academic Support and Student Life Services  
Estimated completion date: August 1991
- d. Oakland Avenue and Tennis Court Rehabilitation, Duluth Campus  
Estimated cost of the project: \$270,000  
Funding: UMD Repair and Replacement  
Estimated completion date: August 1991

## **PROJECTS FUNDED BY LEGISLATIVE APPROPRIATION**

The committee voted unanimously to recommend that the appropriate administrative officers are authorized to proceed with the design and construction of the following projects:

- a. Upgrade General Purpose Classrooms - Phase III  
Estimated cost of the project: \$220,000  
Funding: 1987 Legislative Appropriation Balance and Academic Affairs Reallocation  
Estimated completion: September 1991
  
- b. Integrated Waste Management Facility, Twin Cities Campus  
Estimated cost of the project: \$8,000,000  
Funding: Capital Funding: University Centrally Allocated Funds; 1989 and 1990 Legislative Appropriations  
Debt Financing Source: General Operating and Maintenance Appropriation, Indirect Cost Recovery Funds, and User Fees  
Estimated completion: June 1993

### **PROJECTS PRESENTED FOR INFORMATION**

The committee reviewed for information the following projects:

#### **Eddy and Peik Halls - Improved Access Twin Cities Campus**

The scope of this project for Eddy Hall includes a new hydraulic elevator, an exterior ramp into the south entrance, an accessible telephone, and a drinking fountain. For Peik Hall, construction will include a ramp into the main entrance, an accessible telephone, and a drinking fountain. Estimated cost of the project was reported to be \$701,000, with funding provided from 1988-89 Central Reserves Spending Plan; 1989-90 Spending Plan; and a 1990 Legislative appropriation. Estimated completion is expected in July 1992.

#### **Parking Structures Annual Restorations Twin Cities Campus**

This project includes structural repairs of the Mayo and Church Street Garages and the Washington Avenue, East River Road and Oak Street Parking Ramps.

Estimated cost of the project was reported to be \$193,700 with funding provided from Parking Services Deferred Maintenance Funds. The estimated completion date is September 1991.

## **University Press - Second Floor Remodeling Twin Cities Campus**

The scope of this project consists of general, mechanical and electrical construction required to create new private offices, reduce the size of the conference room, and provide new office modules. The project includes new carpet, doors and frames, mechanical roof top chillers, switches and receptacles.

Estimated cost of the project was reported to be \$161,369 with funding provided from a variable rate bond internal loan to be repaid by the University Press. The estimated completion date is September 1991.

## **Research Laboratory Project Update Twin Cities Campus**

Associate Vice President Hewitt presented an update on the Research Laboratory Project which is designed to provide space needed by sponsored research grants and contracts.

Mr. Hewitt reported that the laboratory building will be constructed on University land north of 5th Street and east of Oak Street SE and then leased to the University for 20 years. It was noted that the funding for the development may come from the Variable Rate Bond fund and that lease costs for the laboratory building would be funded from Indirect Cost Recovery funds.

Mr. Hewitt stated that a request for proposal was issued and proposals were due back on March 29. He indicated that nine proposals were received and presently a team has been reviewing them. A recommendation will be brought to Senior Vice President Erickson. Mr. Hewitt stated he hoped a recommendation can be brought to the committee in May to enter into an agreement with a specific developer.

During the discussion pertaining to the site for the building, Regent Sahlstrom requested that Mr. Hewitt provide the committee with an update on future route changes for public transportation at the University.

Mr. Hewitt stated that he would schedule an update for a future meeting.

**Student Health and Counseling Center Expansion  
Duluth Campus**

It was reported that due to the increased student population at UMD, the Student Health and Counseling Center facility is inadequate. This expansion will occur east of the existing facility and will provide additional offices, exam rooms, therapy rooms, waiting and reception areas. It will also provide access to a proposed future concourse connection to the existing campus concourse system. The completed facility will provide a total of 7,100 assignable square feet and 12,300 gross square feet. Estimated cost of the project was reported to be \$890,000 with funding provided from the Student Health and Counseling Center Building Fund. Estimated completion was reported to be January 1992.

**Chemistry Building Remodel Room 150  
Duluth Campus**

This project consists of mechanical, electrical and general construction required to install new seating, wall covering, suspended ceiling, lighting, audio-visual capabilities and heating and ventilation systems to Room 150 of the Chemistry Building at UMD. Estimated cost of the project was reported to be \$168,865 with funding provided from UMD Plant Services. The estimated completion date is August 1991.

**Village Service Center - Replace Roof and Windows  
Duluth Campus**

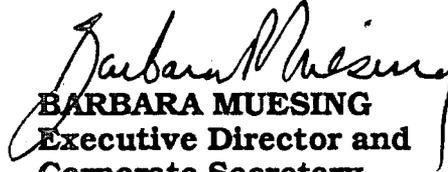
This project consists of removing and replacing the existing roof, windows and trim and that portion of siding that has rotted on the Village Service Center at UMD. Estimated cost of the project was reported to be \$161,369 with funding provided from UMD Housing Services. The estimated completion date is August 1991.

**Oakland Avenue Pedestrian Walk Improvements  
Duluth Campus**

This project includes the resurfacing of the pedestrian walkways on Oakland Avenue at UMD and will include replacing curbs and gutters (as required), adding shrubs, trees, sod, handicapped curb cuts, and benches. Estimated cost of the project was reported to be \$160,000 with funding provided

from a General Maintenance and Operations Appropriation - UMD Repairs and Replacement. The estimated completion date is August 1991.

The meeting adjourned at 3:40 p.m.

  
**BARBARA MUESING**  
**Executive Director and**  
**Corporate Secretary**

Year 1990-91

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Finance and Legislative Committee**

**April 11, 1991**

A meeting of the Finance and Legislative Committee of the Board of Regents was held on Thursday, April 11, 1991 at 3:50 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Schertler, presiding; Regents Keffeler, M. Page and Reagan.

Staff present: Senior Vice President Erickson; and Associate Executive Director Janzen.

Student Representative present: Tim Wolf

**SENIOR VICE PRESIDENT'S MONTHLY REPORT**

The committee voted unanimously to recommend approval of the Senior Vice President for Finance Monthly Report for April, 1991.

Regent Keffeler asked how the effect of the \$8 million recision will be reflected in reports. Senior Vice President Erickson reported that it will be deducted straight from Central Reserves and reflected in the Senior Vice President's Monthly Report.

**MODIFICATION OF RESERVE SPENDING PLAN**

The committee voted unanimously to recommend approval to expend central reserve funds for the following:

\$ 464,000	Art Museum Bridge
\$ 110,000	Continuation of Underground Storage Tank Management Program
\$8,800,000	FY91 Appropriation Reduction

## **MODIFICATION OF RESERVE SPENDING PLAN**

The committee reviewed for information a proposed resolution that would authorize the expenditure of central reserve funds for the following:

\$999,350            Renovation of Variety Club Heart  
Research Center - 4th and 5th Floor

Regent Keffeler stated that the docket material did not reflect the reasons for the renovation of the Research Center and requested that, in the future, information on programmatic justification and project history be provided in the docket materials. In addition, acronyms were used in describing the project and several committee members asked that acronyms not be used in the materials presented for review.

The committee also engaged in a discussion on the Central Reserve Funds. Regent Mary Page expressed concern about the amount of money expended from Central Reserves and asked how low the Central Reserves will be allowed to drop and how long it will take to build the fund back up again.

Mr. LaFontaine responded that the information in the Vice President's Monthly Report was somewhat misleading in that it contained all of the expenditure obligations for Central Reserves but not all of the income. Income is reported as it is received. He stated that a substantial part of the income for the Central Reserve Fund is yet to be reported. He also stated that the Administration has targeted the Central Reserves to be between \$40-50 million at the end of the next budget period and that strategies for replenishing the fund would be discussed during the agenda item pertaining to Budget Principles at the Committee of the Whole meeting on Friday.

## **DEBT MANAGEMENT ISSUES APPROVAL FOR USE OF INTEREST RATE SWAPS**

Roger Paschke, reviewed a proposed resolution that would authorize the appropriate administrative officers to enter into interest rate swaps relating to University of Minnesota bonds under certain terms and conditions as an additional means for managing the University's debt.

Mr. Paschke described details of the mechanism indicating that advantages of interest rate swaps are that they can be performed immediately under a standard contract without preparation of expensive bond documentation. In addition, the cost of a swap is substantially less than the costs of refinancing

old debt or issuing new debt. He further reported that swaps have been used for many years in the taxable market and are becoming an increasingly common means for managing tax-exempt debt. It was noted that since interest rates are near levels attractive for swaps and because rates are often very volatile, the Administration is requesting action on the resolution at this time.

Regent Keffeler indicated that she would abstain from voting on this item. She stated that these types of complicated and unique transactions require additional background information and time for discussion. She further indicated that she realizes that the Administration consults with outside advisers on these types of transactions and feels that committee members can exercise their fiduciary responsibilities in a more meaningful way if these types of transactions were delegated to the Administration.

Several other committee members expressed concerns about voting on the issue at this time and after further discussion, Regent Keffeler moved a resolution to delegate the decision to utilize interest rate swaps to the Senior Vice President for Finance and Operations. In addition, the resolution would include a request that within six months, the Senior Vice President for Finance and Operations would recommend a specific policy mechanism for assisting the Board of Regents in assessing and acting on complex issues regarding the management of the University's invested assets and outstanding debt.

The committee voted unanimously to recommend approval of the proposed resolution.

#### **LEGISLATIVE UPDATE**

The committee received a legislative update on the status of the University's Biennial Request and recent developments in the state's financial condition.

Donna Peterson, Director of State Relations, informed the committee that the closing of Waseca has been a key issue. She stated that she is now talking to legislators about the University's commitment to work with University employees and the Waseca community during the transition. She stated that several bills have been introduced regarding the use of the Waseca campus property.

Ms. Peterson reported on several bills that propose merging the other higher education systems in the state. She mentioned other items that have been discussed recently including policies for students with disabilities, child care, transfer of credits, the Permanent University Fund, bonding issues and tuition.

Pertaining to tuition, Ms. Peterson reported that a bill has been introduced that would reverse the current policy of the student paying one-third of tuition costs and the state paying two-thirds of tuition costs to the state paying only one-third. She stated that it appears the intent of the bill is to shift more money into financial aid for assistance to students from the middle to lower income families rather than using all state dollars for direct payment to institutions. Students from higher income families would then pay a larger portion of educational costs.

Student Representative Tim Wolf expressed concern regarding a possible change in tuition policy, indicating that there are no real "numbers" established with the formula and nothing definitive to present to students. He stated that he questions whether the money that would be made available would actually go directly to students.

Committee members also expressed concerns. Regent Schertler indicated that she hoped the Administration would express its opposition to legislators regarding a change in the tuition policy.

Regent Keffeler stated that she is disturbed that the Board has no way of describing the University's position on tuition. She stated there may be other avenues to explore regarding the issue, however, at this time, there is no definitive position taken by the University. She would urge Board members, with the administration's help, to come to a consensus and develop some tuition principles.

Vice President Heydinger responded that the Budget Principles, being presented at the Committee of the Whole meeting on Friday, may provide some guidance for administrators and Regents to begin to develop a strategy for a tuition position.

Vice President Heydinger introduced Ms. Jennifer Alstad, the student lobbyist for the University. Ms. Alstad spoke briefly about her recent discussions with legislators.

The meeting adjourned at 5:40 p.m.

  
**BARBARA MUESING**  
**Executive Director &**  
**Corporate Secretary**

Year 1990-91

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Faculty, Staff and Student Affairs Committee**

**April 11, 1991**

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, April 11, 1991, at 1:40 p.m. in Room 300, Morrill Hall.

Regents present: Regent A. Page, presiding; Regents Casey, Craig, Keffeler, Reagan and Rosha.

Staff present: Chancellors Johnson, Lindahl and Sargeant; Senior Vice President Kuhi; Vice President Allen; General Counsel Brady; Executive Director Muesing; Associate Vice Presidents Barbatsis, Carrier and Hayes.

Student Representatives present: Rick Hoffman and Kristina Peterson.

**SENIOR VICE PRESIDENT'S MONTHLY REPORT**

Senior Vice President Kuhi presented the Senior Vice President's Monthly Report, which was included in the docket materials, to the committee for approval. In addition, he distributed a supplement recommending the conferral of faculty rank with indefinite tenure to David Johnson, Chancellor of the University of Minnesota, Morris, effective April 16, 1991.

The committee voted unanimously to recommend approval of the Senior Vice President's Report, including the supplementary item.

Regent Craig asked that in the future the Administration provide the Regents with all necessary information regarding agenda items in advance of meetings to allow sufficient time for review.

Dr. Kuhi stated that four faculty members from the University of Minnesota, Waseca have successfully completed the tenure review process and have been recommended for promotion and tenure by Acting Chancellor Lindahl. He noted that two of the faculty members

are in their sixth year, one is in his fifth year and one is in his fourth year. Because of the Regents' recent decision to close UMW and based on the provision in The Regulations Concerning Faculty Tenure which allows the University to deny the awarding of tenure to a probationary (tenure track) faculty member when his or her unit is to be closed, Dr. Kuhi said he regretfully recommended that tenure not be granted in these cases. He stated that the Administration takes no position regarding the merits of the recommendation of tenure for the four individuals.

If the two sixth-year faculty members are hired into a tenure track position at another University of Minnesota campus, Dr. Kuhi recommended that they be allowed a three-year period of probationary service in addition to the terminal year to which they are entitled.

Dr. Kuhi discussed the future financial implications which could result if the four UMW faculty members are granted tenure. He noted a similar situation in the early 1980s when two probationary faculty members were denied tenure when the Library School was closed.

General Counsel Brady stated that the administrative recommendation to deny tenure to the four UMW faculty members is appropriate based on an interpretation of Section 7.11 of the Tenure Code, which allows tenure decisions to be based on factors other than performance in teaching, research and service, such as programmatic change. She noted that the denial of tenure is the result of programmatic change at UMW and is not based on the merits of the individuals. Ms. Brady stated that the current situation complies with the procedural requirement that the factors which resulted in denial of tenure must have gone through the normal approval and consultative process within the University and reasons for denial must be stated explicitly.

General Counsel Brady commented on the possibility of legal challenges which may result if distinctions are made among faculty members or employees who are being affected by reallocation. She stated that the cost of defending such challenges would have to be factored in to the success of the University's reallocation program.

Regent Keffeler stated that Section 7.11 of the Tenure Code provides the Administration with flexibility to address personnel management issues that result from the state's financial situation. In general, she agreed with the administrative recommendation to deny tenure to the four UMW faculty members, however, she suggested that the decision on this issue should be delayed until the May meeting to provide an opportunity for the committee to discuss the consequences of the proposed action. Other committee members also expressed a desire for additional discussion regarding this issue.

Regent Casey expressed concerns regarding the administrative recommendation to deny tenure to the four faculty members from Waseca. He noted that these individuals were hired into tenure track positions, they have fulfilled the requirements necessary to achieve tenure and have been recommended for tenure by their departments and by the Waseca Administration. He stated that the faculty are the heart and soul of the institution, and he feels that honoring the University's commitment to these individuals is the only fair thing to do. Dr. Casey stated that he would prefer it if the committee would vote on the recommendation this month, however, he indicated that he understood the desire for additional information.

Following the discussion, the committee voted by a majority, with Regent Rosha voting against the motion, to postpone action on the administrative recommendation to deny tenure to the four Waseca faculty members until the May meeting.

### **STUDENT FEES RESOLUTIONS**

Vice President Hughes reported that the Twin Cities Student Services Fees Committee recently completed its work. She stated that she has received budget information regarding student services fees from all of the campuses and the proposed fees will be presented as part of the University's budget.

Dr. Hughes stated for the record that the following resolution was approved by the Twin Cities Student Services Fees Committee to recognize the efforts of the officers of the Committee:

WHEREAS, the committee chair and sub-committee chairs' positions require an extreme effort and were handled in an admirable fashion,

THEREFORE, BE IT RESOLVED, that Mike Andrus, Brian Tupper, Jerry Steffel, Kim Mack and Harold Birts receive a round of appreciation from the whole committee for a job well done and their dedication and effort be noted for the record.

The Regents acknowledged the work of the Committee members.

Dr. Hughes introduced Mike Andrus, Chair of the Twin Cities Student Services Fees Committee. Mr. Andrus reviewed the following resolutions which were adopted by the Committee to address difficulties which were encountered during the fee-setting process:

**Resolution 1**

WHEREAS, Academic Affairs provides monetary support for salaries and supplies for the four student cultural centers, and

WHEREAS, Academic Affairs had provided University space for each of the four cultural centers, and

WHEREAS, some expenses relating to rent and salary are being provided by student service fees,

THEREFORE, BE IT RESOLVED, that Academic Affairs define the limits of their monetary and resource support to the four student cultural centers, and

BE IT FURTHER RESOLVED, that Academic Affairs send a report on this matter to the Student Services Fees Committee by December 31, 1991.

**Resolution 2**

WHEREAS, the Board of Student Publications did not give detailed information regarding their Small Grants Program, and

WHEREAS, the information was not reported in a timely fashion,

THEREFORE, BE IT RESOLVED, that the Board of Student Publications be required to give detailed information for the past two years for the Small Grants Program,

BE IT FURTHER RESOLVED, that all information be reported to the Student Services Fees Committee by October 31, 1991, or expect to receive funding cuts.

**Resolution 3**

WHEREAS, GAPSA is recognized by the Board of Regents as the governance representative of the Graduate and Professional Schools that have officially affiliated with GAPSA, and

WHEREAS, MSA is recognized by the Board of Regents as the governance representative of the remaining students on the Twin Cities Campus,

THEREFORE, BE IT RESOLVED, that the relationship to governance and purpose of other organizations such as St. Paul Board of Colleges and the College Boards be reviewed by a task force under the direction of the Office of Vice President for Student Affairs,

BE IT FURTHER RESOLVED, that a progress report be submitted to the Fees Committee by October 31, 1991.

In response to a question by Regent Craig, June Nobbe, from the Student Organization Development Center, described the process for determining the distribution of student fees, which includes consideration of the following portion of the Student Services Fees Definition which was approved by the Board in 1987:

Student Services Fees are mandatory assessments on each campus and provide non-instruction activities and services that make significant contributions to student development. These non-instructional programs and activities supplement the academic curriculum, and are an integral part of the University educational experience.

In response to a concern raised by Regent Rosha regarding the purpose of the third resolution, Vice President Hughes stated that the following resolution will result in a clarification of the student services fees process on the Twin Cities Campus:

WHEREAS, several concerns on the Twin Cities Campus were raised about the fees process during the 1990-91 academic year, and

WHEREAS, the process was hindered due to lack of clarity of procedures,

THEREFORE, BE IT RESOLVED, that a review be conducted of the student services fees process on the Twin Cities Campus,

BE IT FURTHER RESOLVED, that the composition of the review team consist of five members of the 1990-91 Student Services Fees Committee (three students, one faculty and the representative for the Vice President for Student Affairs), one student selected by MSA to represent students at-large, and one student selected by GAPSA to represent students at-large,

BE IT FURTHER RESOLVED, that the Committee shall develop the specifics of the review process and report to the Student Services Fees Committee by the first meeting of Fall Quarter, 1991.

Following the presentation, it was noted that the student services fees resolutions will be presented for approval at the May meeting.

### **REPORT ON INSTITUTE OF AGRICULTURE, FORESTRY AND HOME ECONOMICS MINORITY RECRUITMENT**

Vice President Allen led a discussion regarding the Institute of Agriculture, Forestry and Home Economics' Minority Recruiting Program. He stated that there has been significant progress since this program began four years ago, and he indicated that Associate Professor Charles Williams is responsible for the success to date.

Dr. Williams stated that the program was started to create a viable pool of agribusiness professionals who are minorities. In addition to the College of Agriculture, he indicated that six agribusiness corporations provide support for this effort, including Cargill, Dow, Du Pont, Kraft, Eli Lilly and Dow-Elanco.

Dr. Williams noted that 19 undergraduate students are currently participating in the program. He stated that once the students are recruited, the key to their successful retention and graduation is the personal support that they receive.

Melvin Brown, a freshman majoring in Agricultural Engineering, and Donna McKinney, a freshman majoring in Food Science and Nutrition, discussed their experiences as participants in the program. Both commented on the extensive support system, and particularly the personal support Dr. Williams provides to the students.

In response to Regent Reagan, Dr. Williams stated that recruiting for this program is done on a national level. Regent Craig congratulated Mr. Brown and Ms. McKinney for their participation in the program.

Student Representative Hoffman commended Dr. Williams for the time and effort he devotes to his students. Student Representative Peterson asked about the potential capacity of the program, and Dr. Williams stated that the first vision for the program has been fulfilled. He indicated that they are trying to capitalize on the program, stating that the potential is great for working with other land-grant institutions to provide this program on a national level.

Following the discussion, Regent Page and Vice President Allen expressed appreciation to Dr. Williams, Mr. Brown and Ms. McKinney for participating in the presentation.

**FACULTY RECRUITMENT AND RETENTION STRATEGIES FOR  
WOMEN AND MINORITIES/  
SUMMARY OF ACADEMIC PERSONNEL ACTIONS - 1989-90**

Senior Vice President Kuhi discussed current and future strategies for achieving the University's goal to recruit and maintain women and minority faculty. He stated that central to this effort was the establishment in Fall, 1988 of the Commission on Women and the Office of the Associate Vice President and Associate Provost for Academic Affairs, with responsibility for minority affairs.

Dr. Kuhi stated that the University's goal is to double the current number of minority faculty by 1994 and to increase significantly the number of female faculty within a reasonable time period. Current efforts to meet those goals include implementation of the "Blueprint for Action" plans, which are specific plans developed by each unit for meeting the University's diversity goals, and the appointment of the President's Task Force on Strengthening Excellence through Diversity, chaired by Dean Richard Skok. Dr. Kuhi noted that the formal administrative response to the Task Force report will be presented to the committee at a future meeting.

Dr. Kuhi reported on other activities aimed at meeting the diversity goals, including encouraging students to pursue careers in academia and faculty mentoring programs. Additional efforts include changing the University's culture and enhancement of the environment, the revision of search procedures, and cluster hiring. "Bridge" funding provided by Academic Affairs allows units to hire minority faculty in advance of positions being available and to phase into full funding of those positions.

Dr. Kuhi discussed future plans for meeting the President's diversity goals, including establishment of a post-doctoral fellows program and a plan to include progress toward diversity goals as part of the official evaluation of unit administrators. He noted that the required reallocations will not have an impact on progress toward the University's affirmative action plans.

Dr. Kuhi reviewed a summary of all 1989-90 academic personnel actions related to faculty and academic professional and administrative (P&A) composition, hiring, attrition, leaves and consulting requests.

Dr. Kuhi stated that he and President Hasselmo continually stress the University's affirmative action goals and indicated that he is

very encouraged by progress to date. He noted that the data indicate that in terms of attrition, the University has been losing more of its male faculty than female faculty and that more female faculty have been promoted than male faculty. He also indicated that in 1989-90, 100 percent of minority faculty who were recommended for tenure received tenure.

In response to a suggestion by Regent Keffeler, Dr. Kuhi stated that this item will be presented for further discussion at the May meeting and the information will be provided in summary form prior to the meeting.

The meeting adjourned at 3:35 p.m.

  
**BARBARA MUESING**  
**Executive Director and**  
**Corporate Secretary**

Year 1990-91

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Educational Planning and Policy Committee**

**April 11, 1991**

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, April 11, 1991, at 3:45 p.m. in Room 300, Morrill Hall.

Regents Present: Regent Roe, presiding; Regents Casey, Craig, Kuderer, A. Page and Rosha.

Staff present: Chancellors Ianni, Johnson, Lindahl, and Sargeant; Senior Vice President Kuhi; Vice Presidents Allen, Hughes and Perlmutter; Executive Director Muesing.

Student Representatives present: Robin Mickelson and Rick Revoir.

**REPORT ON UMD INTERNATIONAL PROGRAMS**

Chancellor Ianni introduced the international programs at UMD, which are focused on the Northern Circle. He then introduced Robert Evans, Acting Vice Chancellor for Academic Administration, who noted the strength of the program has been enhanced by the establishment of the Royal D. Alworth Institute for International Relations.

Dr. Gordon Levine, Director of the Royal D. Alworth, Jr. Institute for International Study, noted that currently 147 students, representing 34 countries, are involved in UMD's programs. Faculty are participating in programs in countries such as Russia, England, Scandinavia, Germany, the Middle East and India. UMD has also hosted foreign faculty members. The study abroad program started in 1980 with collaboration between the University of Birmingham (England) and UMD, involving seven faculty per year and over 70 during the past 11 years.

Dr. Levine introduced Ms. Mary Jo Seipo, a UMD senior in Communications, who participated in the Birmingham program last

year. Ms. Seipo conveyed her enthusiastic support of the program and its life-long benefits by broadening her perspective of the world, encouraging risk-taking, and travel.

Dr. Levine showed a brief slide presentation on the University of Birmingham program. He stated that 50 students per year participate in the program in England, and noted that UMD has had success in interesting minority students in this program. He indicated that UMD students also participate in overseas study programs at the University of Paul in France and Vaxjo University in Sweden. In return, six students from Joensuu University in Finland and 15 students from Vasjo University are at UMD Spring Quarter.

Dr. Levine reported that the cost of the program in England is approximately \$1,000 more than if the student had stayed at UMD, while the additional cost of the quarter programs at other institutions is approximately \$300 to \$400.

Regent Roe expressed appreciation to everyone who participated in the presentation.

#### **SENIOR VICE PRESIDENT'S MONTHLY REPORT**

Senior Vice President Kuhi presented for the committee's approval the Senior Vice President's Monthly Report. The report was included in the docket materials. The following were noted:

- Elimination of nine Graduate School degree programs in the clinical medical areas: Dermatology, Neurology, Ophthalmology, Orthopedic Surgery, Pediatrics, Psychiatry, Radiology, Therapeutic Radiology, and Urology.
- Name change of the Master of Science degree program in Astronomy to Astrophysics.
- Name change of the Department of Veterinary Diagnostic Investigation (VDI) to Veterinary Diagnostic Medicine (DVM).
- Change in reporting relationship for the branch agricultural experiment stations. The stations at Crookston, Grand Rapids, Lamberton, Rosemount and Waseca are now reporting to the Dean of the College of Agriculture, which will result in a better coordination of programs.

Dr. Kuhi noted that he would comment in more detail on the HECB items when the M SPAN item was discussed.

Following the report, the committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report.

**PROPOSAL FOR A FREE-STANDING MINOR (Ph.D. LEVEL)  
IN PSYCHONEUROIMMUNOLOGY (PNI)**

Dean Robert Holt of the Graduate School presented the proposal for a free-standing minor (Ph.D. level) in Psychoneuroimmunology. This deals with the relationship between the central nervous system and the immune system. This minor was developed through a training grant from the federal government and a favorable site review was held before the moratorium on new programs.

Regent Craig expressed concern, because it is a new concept, whether the departments involved in offering the minor had reviewed it thoroughly. In response to that question and that of Regent Kuderer relative to cost of the program, Dean Holt reviewed the proposal's history. He also noted the training grant supporting the program is funded for five years, and at the end of that time it will be evaluated. Minimal support is needed from the University since the students are majors in other areas, all courses except one and a new colloquium are now available and limited costs for advising students will be incurred. He stated that because the program is not tied to faculty, it would be easy to abolish if that decision is made when it is evaluated after five years.

**DISCUSSION ON M SPAN II/M SPAN 2000 REPORTS**

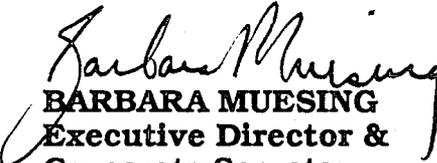
Vice President Kuhl noted the "Enrollment Management and the Quality of Education" Report which was included in the docket materials and submitted to the Minnesota Higher Education Coordinating Board (MHECB) in February 1991. MHECB strongly recommends the four systems achieve greater efficiencies through reductions in duplicated programs and continuation of technical programs that do not lead to the first two years of a baccalaureate degree.

Vice President Kuhl briefly noted and emphasized a number of the conclusions and recommendations from the M SPAN 2000 report. Dr. David Powers, Executive Director of MHECB, will discuss this at the May 1991 Committee of the Whole meeting. M SPAN I addressed the post-secondary education needs of the metropolitan corridor extending from St. Cloud through the Twin Cities to Rochester/Winona. The M SPAN 2000 report focused on greater Minnesota. More attention is given to what the systems of education have done with the investment and resources the State of Minnesota has provided for education. Important MHECB recommendations to address the themes of these reports were noted in the docket

materials. In addition, Dr. Kuhi noted an MHECB shift from the issue of access to issues of balance between access and quality, increased efficiency of resources, and the geographical location of campuses.

Dr. Kuhi noted the issue of transfer was discussed at the legislative hearings, especially from two-year institutions to four-year institutions. Areas targeted are courses taught at technical colleges and transfer of courses among colleges within the University. The goal is a common core of programs that transfer regardless of the goal. Regent Kuderer questioned whether there is a solution in the near future. In response, Dr. Kuhi noted that groups are working on the problem and resolution must be at the faculty level. At the University, this is being addressed by the Council of Undergraduate Deans.

The meeting adjourned at 4:45 p.m.

  
**BARBARA MUESING**  
**Executive Director &**  
**Corporate Secretary**

Year 1990-91

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Committee of the Whole**

**April 11, 1991**

A meeting of the Committee of the Whole of the Board of Regents was held on Thursday, April 11, 1991, at 10:00 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Casey, presiding; Regents Craig, Keffeler, Kuderer, M. Page, Reagan, Roe, Rosha, Sahlstrom and Schertler.

Staff present: President Hasselmo; Chancellors Ianni, Johnson, Lindahl and Sargeant; Senior Vice Presidents Erickson and Kuhi; Vice Presidents Allen, Heydinger, Hughes and Perlmutter; General Counsel Brady; Vice Provost Hopkins; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice Presidents Barbatsis, Hayes and Robb; Assistant Vice President Markham.

Student Representative present: Tim Wolf.

**REPORT FROM THE MINNESOTA ALUMNI ASSOCIATION (MAA)**

Sue Bennett, President of the Minnesota Alumni Association (MAA), reported on the activities of the Association during the past year. She stated that in 1990-91, the MAA Board and staff undertook a significant reorganization to improve the structure and effectiveness of the organization. In the process, the Association's dual mission of service to the University and its members was reaffirmed. The reorganization resulted in a reduction in the number of Board members from 77 to 38. Ms. Bennett commended Executive Director Margaret Carlson and her staff for their work on this project.

Ms. Bennett stated that the MAA Board unanimously endorsed the University's plan for restructuring and reallocation and thanked the Board of Regents for supporting the President's proposal to improve the University. She also reported on the Association's more aggressive approach to outreach and the work of the University Issues

Committee to develop recommendations on promoting diversity and pluralism at the University.

Ms. Bennett invited the Regents to attend the Minnesota Alumni Association Annual Meeting on Tuesday, May 7, noting that the keynote speaker will be Pulitzer Prize-winning playwright August Wilson. She stated that the Association will sponsor a new student scholarship in Mr. Wilson's name, which will be presented at the Annual Meeting.

In conclusion, Ms. Bennett thanked the Board for the opportunity to provide an overview of the Association's activities. She stated that the success of the MAA as an organization and the University of Minnesota as an educational institution is dependent on fostering a sense of community at the University and improving the educational experience for students.

Following the presentation, committee members commended Ms. Bennett for her report and for her service as President of the Association. President Hasselmo expressed appreciation to Ms. Bennett for her leadership and he noted that there are a number of informal international alumni chapters.

#### **RESERVE OFFICER TRAINING CORPS (ROTC)**

President Hasselmo provided a status report on the University's efforts to seek a change in the federal military regulations that are in conflict with the University's equal opportunity and affirmative action policy. He stated that the basis for the discussion is the Board of Regents' May 11, 1990 resolution and the University Senate's February 1991 resolution. He announced that the Board of Regents will hold an Open Forum regarding ROTC on Thursday, May 9, on the St. Paul campus to provide an opportunity for the Board to hear from speakers representing different perspectives on this issue.

President Hasselmo noted that the Senate resolution recommends that by June 30, 1992 the University begin renegotiation of the ROTC contract if no policy change has been accomplished at the national level, and that an Overview Committee be appointed at that time to oversee such negotiations. Further, it recommends that by June 30, 1993, the process of severing relations with ROTC be started if further improvements have not been achieved at the national level. He stated that the resolution asks the Administration to notify the ROTC of this action by June 30, 1991, pending approval by the Board of Regents of any action.

President Hasselmo stated that it is clear that the ROTC policy is in direct conflict with the University's equal opportunity and

affirmative action policy. He led a discussion regarding strategies to change the Department of Defense policy that prohibits the commissioning and serving in the Armed Forces of gays and lesbians.

General Counsel Brady provided an overview of the legal issues associated with the University's relationship with ROTC and whether there is a basis for challenging the military's policy. She noted that past challenges have not been successful because the courts have historically paid deference to the military.

In terms of the national efforts to change this policy, Ms. Brady reviewed the activities of President Hasselmo and the leaders of other major universities. She noted that in a June 1990 letter, the Department of Defense indicated that there was no intent to reassess the Department's policy on homosexuality and denied an earlier request to meet with Defense Secretary Cheney regarding this issue.

Since that time, Ms. Brady stated that she has been involved in on-going discussions with representatives from approximately 24 educational institutions regarding the feasibility of a legal challenge to the current policy. She indicated that no decision has been made as to whether a lawsuit will be brought, how successful it would be, or which institutions would be the forerunners of the litigation.

Ms. Brady noted that the President of the University of Wisconsin recently reported to the Wisconsin Board of Regents that efforts to change the federal policy were at a standstill. He recommended that the Board not change its policy with regard to ROTC, but that efforts to change the national policy be continued.

Regent Sahlstrom asked if efforts have been made to urge President Bush to issue an executive order regarding this issue. President Hasselmo stated that there has been no response to lobbying efforts which have been made.

Regent Keffeler endorsed with the plan to hold an Open Forum so the Board can be as informed as possible regarding this issue. She stated that from her perspective, there can be no question about the University's resolve to practice its equal opportunity and affirmative action policy and she urged speakers at the Open Forum to focus their comments on the question of strategy.

Regent Roe expressed concern at the attention focused on ROTC and not on other parts of the military, such as the National Guard. He suggested that educational institutions should work with the states in an effort to resolve this issue.

Regent Rosha stated that because of the conflict between the military policy and the University's equal opportunity and affirmative

action policy, the Board must either make a decision or note in the University's policy that ROTC may remain on campus even though its policy is discriminatory.

Student Representative Wolf stated that he is disheartened by the action of the University of Wisconsin and he hopes the University of Minnesota will not emulate that action, especially in light of the University Senate resolution. He stated that the Department of Defense clearly has no intention of changing this policy and he urged the Board to make the University of Minnesota a leader on this important issue.

Regent Schertler expressed support for the Senate resolution and indicated that the University of Minnesota should be a leader on matters of equity. If this issue had been presented for action, she stated that she would have voted for an ultimatum resolution.

Regent Craig spoke in support of working with other educational institutions to put pressure on the military to change this policy.

### **STEAM SERVICE ALTERNATIVES**

Assistant Vice President Markham led a discussion regarding the proposed process for negotiation of steam service agreements with Diversified Energies, Inc./Arkla, Inc., Northern States Power Company and Foster Wheeler Corporation. She noted the establishment of a Negotiating Committee, which she chairs, and consisting of Senior Vice President Erickson, General Counsel Brady and Treasurer Paschke.

Ms. Markham indicated that the project team includes Peter Grills of O'Neill, Burke, O'Neill, Leonard and O'Brien, outside counsel and chief negotiator; Orr, Schelen, Mayeron & Associates, Inc., engineering and technical advisor; and Saffer, Vumbaco, Brown & Kersten, financial and economic consultant. A separate Labor Relations Committee, chaired by Assistant Personnel Director John Erickson, has been established to work with Teamster representatives. She stated that a faculty committee has also been formed for the purpose of communicating progress on the negotiations.

In terms of process, Ms. Markham stated that a number of pre-negotiation agreements are being executed by the proponents, including a Confidentiality Agreement to maintain the integrity of the negotiations.

Ms. Markham noted that preliminary meetings have been held with all of the parties and evaluation criteria are currently being developed. She indicated that the Board officers and any other interested Regents will have an opportunity to review the evaluation criteria before submission to the proponents.

Ms. Markham stated that regular status reports will be presented to the Board officers and urged other Regents who are interested in receiving additional information to contact any of the members of the Negotiating Committee. She indicated that the intent is to present three fully-executed contracts to the Board at the September meeting.

In response to a question raised by Regent Schertler, Ms. Markham stated that the internal option remains a viable alternative in the event the University cannot reach agreement with one of the three proponents consistent with direction by the Board.

In response to an issue raised by Regent Kuderer regarding expert assistance with quantifying the environmental issues, Ms. Markham stated that the committee is in the process of interviewing four experts in this area. Regent Kuderer asked if a process document has been developed and Senior Vice President Erickson stated that the evaluation criteria, an outline of the process and a proposed timetable will be provided to the Board as soon as it is available.

Regent Casey stated that he is pleased with the direction of this project. With respect to the confidentiality issue, he asked that it be made clear to all proponents that their contact is to be with the Negotiating Committee. He noted the Chair of the Senate Finance Committee was correct in refusing to discuss this matter when approached by a representative of one of the vendors. Regent Reagan noted that he spoke with one of the proponents the previous week regarding clean coal technology, stating that the meeting was arranged prior to the decision not to meet with the proponents.

Mr. Erickson and Ms. Markham discussed the fuel flexibility issue in response to questions raised by Regents Keffeler and M. Page, noting that a definition of fuel flexibility will be included in the evaluation criteria.

Regent Casey stated that this will be a continuing item for discussion. He urged the Regents to contact the Negotiating Committee if they have any questions. He thanked Mr. Erickson and Ms. Markham for their presentation.

## **REPORT ON RURAL HEALTH CARE**

Vice President Perlmutter led the discussion regarding the current status of efforts of various Health Sciences programs to rural health care. She introduced Dr. Ronald Franks, Dean of the School of Medicine at the University of Minnesota, Duluth, noting that the School has been recognized nationally for its efforts in rural health care.

Dr. Franks used slides to present an overview of the Health Sciences' mission to serve the health care needs of the state through education, research and service. He discussed the population distribution throughout the state, the status of rural hospitals' efforts to improve rural health care, noting that these efforts have resulted in an improvement in rural economy.

Dr. Franks reviewed the number and distribution of health care professionals in the state, noting that a recent Minnesota Department of Health study concluded that outside the metropolitan area there is a shortage of physicians, nurses, pharmacists and veterinarians and an adequate supply of dentists. He also noted the percentage of Health Sciences students who participate in the University's rural health education, research and service programs.

Dr. Franks discussed future rural health care initiatives, including the Interdisciplinary Rural Health Education Program, the Minnesota Center for Rural Health and enhanced rural student recruitment programs.

In summary, Dr. Franks stated that the Board should take pride in the efforts of the Health Sciences to provide health care to rural communities.

An extensive discussion followed Dr. Franks' presentation, and committee members commended him for his excellent work at UMD.

In response to Regent M. Page, Vice President Perlmutter stated that an educational initiative is being developed whereby Health Sciences representatives would work with communities to assess their health care needs and the method of delivery that best suits those needs.

In summary, Vice President Perlmutter stated that the Legislature has provided adequate funding for the University's Family Practice Program and the Rural Physicians Program. She noted that as a result of that funding, the University is producing primary care practitioners at a rate two and one-half times greater than the national average. She also indicated that this information has been provided to reassure legislators that the Health Sciences programs have not

deviated from their commitment to meet the rural health care needs and expectations.

Regent Casey thanked Vice President Perlmutter and Dr. Franks for their presentation on how the University is responding to rural health care needs.

The meeting adjourned at 12:15 p.m.

  
**BARBARA MUESING**  
**Executive Director &**  
**Corporate Secretary**

Year 1990-91

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Committee of the Whole**

**April 12, 1991**

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, April 12, 1991, at 8:40 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Casey, presiding; Regents Anderson, Craig, Keffeler, Kuderer, M. Page, A. Page, Reagan, Roe, Rosha, Sahlstrom and Schertler.

Staff present: President Hasselmo; Chancellors Johnson, Lindahl and Sargeant; Senior Vice Presidents Erickson and Kuhi; Vice Presidents Allen, Hughes and Perlmutter; General Counsel Brady; Vice Provost Hopkins; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice President Potami; Assistant Vice President Berg.

Student Representative present: Tim Wolf.

Regent Casey recognized Student Representative Tim Wolf as a recipient of the prestigious Truman Scholarship, which has a total value of \$30,000. He congratulated Mr. Wolf and wished him well in his future endeavors.

**PERSONNEL**

Vice President Perlmutter introduced Dr. Stephen Joseph, the new Dean of the School of Public Health, whose appointment was approved by the Board of Regents at the March meeting. Dr. Joseph briefly addressed the committee.

Regent Casey welcomed Dr. Joseph to the University of Minnesota and stated that the Board is looking forward to his leadership of the School of Public Health.

## **RESEARCH AND TECHNOLOGY TRANSFER INITIATIVE**

Vice President Kuhi led a discussion regarding past accomplishments and the present and future plans of the Office of Research and Technology Transfer Administration (ORTTA).

Associate Vice President Potami stated that 1990 was a year of growth for ORTTA, noting that the research base increased by \$20 million. He indicated that the faculty continue to attract considerable research funds, noting the immense impact on the state's economy and the business community.

Mr. Potami stated that 41 patents were awarded in 1990, noting that the University ranks fourth nationally in the number of patents received. He indicated that the Office of Patents and Licensing reached licensing agreements with 106 companies for rights to 160 products. Mr. Potami discussed recent efforts to expose the University's research and technology transfer activities to companies and the general public, stating that the efforts have been very well received.

John Thuente, Director of Patents and Licensing, presented a video which showed a number of University research activities and some products which have resulted from that research, including an interactive computer system designed for classroom settings, a ThAIRapy vest for cystic fibrosis patients, oil absorption crumb rubber and a personal rapid transit system.

Mr. Thuente introduced Vern Heath, CEO and co-founder of Rosemount Engineering, which started in 1956 as a result of University of Minnesota technology. Mr. Heath discussed his long relationship with the University and the impact the University has had on Rosemount Engineering. He noted that his company began by developing new technology at the beginning of the United States space program, and the company is now the leader in manufacturing industrial instruments and instruments for commercial airlines.

In conclusion, Mr. Heath stated he is grateful to the University of Minnesota and he expressed appreciation for the opportunity to share his story with the Board of Regents.

In response to a question raised by Regent Anderson, Mr. Heath stressed the importance of good communication regarding changing needs between those responsible for establishing the curriculum at the University and the business community.

In light of the reallocation challenges facing the University, Regent Keffeler raised a concern about how we ensure that the University's research activities complement its academic priorities.

President Hasselmo stressed the need to maintain flexible funding for strategic investment in research and technology transfer, stating that clear objectives for research and development are included in the reallocation plan and are integrated with plans that strengthen the teaching and public service functions. He noted the impact of the lack of adequate facilities and equipment on research and development, and stated that the Administration will review the University's physical facilities priorities at a future meeting.

Regent Schertler concurred with Regent Keffeler's comments, stating that it is important to seek research funds which are consistent with the University's priorities.

Regent Mary Page raised a concern regarding the reduction in the cumulative amount of research proposals and funding for the current year. Mr. Potami indicated that he does not believe there is any cause for concern, stating that they have not been able to correlate those figures and contract awards. He noted that approximately 40 percent of the University's grant proposals are funded.

President Hasselmo commented on the extensive efforts of faculty in writing grant proposals and attracting research funds.

Regent Casey thanked Mr. Potami and Mr. Thuente for their presentation. He also expressed appreciation to Mr. Heath for taking the time to give the Board his perspective. Mr. Heath stated that the University of Minnesota is very important to Rosemount Engineering and the entire State of Minnesota, and he thanked the Board for giving him the opportunity to speak.

### **UNDERGRADUATE INITIATIVE**

Senior Vice President Kuhi led a discussion regarding progress during the 1990-91 academic year on implementation of the Initiative for Excellence in Undergraduate Education which was approved by the Board of Regents in June 1990. He noted that Vice Provost Anne Hopkins is serving as Chair of the Undergraduate Initiative Steering Committee, which has responsibility for implementation of the recommendations contained in the Initiative.

Vice Provost Hopkins stated that the goals of the Initiative are to change the institutional climate and to reinvigorate the University's commitment to undergraduate students. She noted that the following questions provide the basis for the Initiative:

- Who should our students be -- and why? How do we attract students and make it possible for them to attend and graduate?

- What should the undergraduate curriculum be like?
- How do we provide advising and counseling?
- How do we assure quality teaching?
- How do we provide a good learning environment?
- How do we create a sense of community?
- How do we know that we are improving undergraduate education at the University of Minnesota?

Dr. Hopkins stated that in order to achieve the goals of the Initiative, the implementation process has to include everyone who interacts with students.

Dr. Hopkins stated that future focus areas include the central admissions office and collegiate admissions offices, development of a plan to enhance the quality of advising and implementation of recommendations contained in the report of the Task Force on Liberal Education after it is approved.

In response to questions raised by Regents, President Hasselmo, Senior Vice President Kuhl and Dr. Hopkins discussed plans for student opinion surveys, pre-admission counseling and providing adequate information regarding the University to high school counselors so potential students can make informed decisions about attending the University.

In response to an issue raised by Regent Schertler, Dr. Kuhl and Dr. Hopkins discussed the recognition of quality teaching through the University's salary system. Dr. Kuhl noted that a Task Force was appointed earlier this year to review the salary structure and reward system, which may result in a new salary structure and a more balanced approach to the evaluation of faculty.

Regent Roshka commended the Administration for the progress that has been made in implementing the Initiative and for trying to increase the sense of community on campus.

Regents Anderson, Kuderer and Roe raised issues regarding the University's international education program, including the disparity between the number of foreign students who attend the University and the number of University students who study abroad and the financial aspects associated with international study. President Hasselmo responded to the issues and concurred with the suggestion that this

would be an appropriate item for further discussion at a future meeting.

In response to Regent M. Page, Chancellor David Johnson discussed the University of Minnesota, Morris's PROSPER program. Regent Casey noted that PROSPER and Project Sunrise will be presented for discussion at a future meeting.

Following the discussion, Regent Casey stated that the lengthy discussion shows the interest of the Board of Regents in this item and thanked Dr. Hopkins for her report.

### **BUDGET PRINCIPLES**

Senior Vice President Erickson discussed the 1991-92 Budget Principles and the financial considerations that will have an impact on the development of the University's budget. He reviewed the projected 1991-92 budget summary, which is based on current projections, including the Governor's current budget recommendation.

With regard to tuition, Mr. Erickson discussed the Administration's intent to continue the single undergraduate rate strategy. He commented on the potential impact of the Governor's tuition recommendations, including a proposal regarding non-resident and non-reciprocity tuition rates.

Mr. Erickson presented the following administrative recommendations:

#### Balances

- The Central Reserve balance at 6/30/92 should be targeted to be no less than \$37.5 million
- There should be no change to the practice of allowing dedicated unit balances to carry forward
- The incentives imbedded in our current rate of interest paid and charged be modified

#### Tuition Revenue

- Maintain current enrollment management targets
- Pursue development of single undergraduate rate
- Observe third place rule

- The general tuition rate increase should not exceed the rates of 7.7 percent in the first year and 3.3 percent in the second year of the biennium which are imbedded in the appropriation
- Individual tuition rate increases should be limited to one and one-half times the general rate increase
- Any tuition in excess of the general rate increase be in the form of annual surcharges

#### Investment Earnings

- Increase the amount of Central Reserve earnings available for Board allocation

#### Expenditures

- Explore non-program actions that would generate non-recurring, immediate savings to maximize flexibility
- No inflationary salary adjustments if state does not provide inflationary increases
- Meet any state funding reductions with further program reductions
- Avoid measures that would further erode our non-personnel expenditure base
- Increase financial aid budget in recognition of cost of attendance increase

Regent Schertler expressed concern regarding the proposed tuition increases implicit in the Budget Principles. She stated that the Budget Principles are not consistent with the University's mission statement and are a disservice to the University's students.

Regent Keffeler suggested that the criteria which formed the basis of the reallocation plan be incorporated in the Budget Principles. She also urged the Administration to make the presentation regarding Budget Principles to the Legislature because it would help legislators understand the consequences of allocation decisions on the University's ability to do its business. In response, President Hasselmo stated that Mr. Erickson has discussed the implications of the budget recommendations with the Legislature. He also discussed increased financial aid, noting that the Administration is developing various tuition scenarios to minimize the impact of the budget recommendations on tuition.

Student Representative Wolf stated that it is unfair to continue raising tuition year after year and he urged the Administration to decide on a tuition level and then place a moratorium on increases. President Hasselmo stated that there is a need for resources in order to provide quality education, which ultimately puts pressure on tuition. He noted that the state is currently exploring the possibility of large tuition increases coupled with increases in financial aid.

Regent Rosha concurred with Student Representative Wolf's comments and expressed frustration regarding the lack of an institutional policy regarding tuition rates. President Hasselmo stated that the University has policies which guide University tuition rates and noted that the University also operates under a state-imposed formula that guides tuition. Regents Keffeler and Kuderer concurred with the President's contention that the University's tuition rates are developed in accordance with established policies and guidelines.

In summary, President Hasselmo discussed the severity of the salary situation for University faculty and staff. He stated that the University's number one priority is salary increases.

Following the discussion, Regent Casey stated that this item will be presented for approval at the May meeting.

#### **REPORT FROM THE FACULTY CONSULTATIVE COMMITTEE**

Professor Warren Ibele, Chair of the Faculty Consultative Committee (FCC), presented a report from the FCC. He highlighted the following items:

Recommendations of the Health Care Task Force - Professor Ibele stated that the Task Force has been working on developing a health care program for faculty and staff and noted that the group has been very responsive to suggestions from various Senate committees and individual faculty members. He indicated that the Senate committees are in accord with the recent decision to delay implementation until January 1, 1993. He also stated that the Senate Committee on Faculty Affairs is currently reviewing the issue of extending full health care coverage into the retirement years.

1991-92 Budget Principles - Professor Ibele stated that the Senate Finance and Planning Committees have discussed the proposed 1991-92 Budget Principles and their sobering implications. He indicated that if there are no salary increases for faculty and staff, they will be subsidizing the University's on-going programs of instruction, research and service and he stressed the importance of making the public and the Legislature aware of that fact.

Undergraduate Retention and Graduation Rates - Professor Ibele noted that there is a great deal of faculty interest in undergraduate retention and graduation rates. He stated that there is genuine concern about the low percentages for the Twin Cities Campus and a desire to understand the causes and to institute changes which will result in improvements.

Recommendations of the Task Force on Liberal Education - Professor Ibele stated that the Senate Committee on Educational Policy has been discussing the draft report of the Task Force. He noted that it is concerned regarding the financial implications of the draft recommendations because it is unlikely that there will be sufficient resources available to accomplish the recommendations by appointing new faculty in the number required. He noted the responsibility of departments and faculty for successful implementation of those recommendations.

On behalf of the Board, Regent Casey expressed appreciation to Professor Ibele for the reports he has presented to the Board. He expressed his personal respect for him and stated that he is an excellent example of a good faculty member. Professor Ibele noted that this would be his last report as Chair of the FCC and stated that he has appreciated the opportunity to report to the Regents. He stated that the spirit of the Board exhibits a sense of community and common dedication to the University that is not lost on him or the faculty.

The meeting adjourned at 11:30 a.m.

  
**BARBARA MUESING**  
**Executive Director &**  
**Corporate Secretary**

Year 1990-91

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**April 12, 1991**

A meeting of the Board of Regents of the University of Minnesota was held on Friday, April 12, 1991, at 11:30 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Anderson, Casey, Craig, Keffeler, Kuderer, A. Page, M. Page, Reagan, Roe, Rosha, Sahlstrom and Schertler. President Hasselmo presided.

Staff present: Chancellors Johnson, Lindahl and Sargeant; Senior Vice Presidents Erickson and Kuhi; Vice Presidents Allen, Heydinger, Hughes and Perlmutter; Vice Provost Hopkins; General Counsel Brady; Executive Director Muesing; and Associate Executive Director Janzen.

**APPROVAL OF MINUTES**

The Board of Regents voted unanimously to approve the minutes of the following meetings:

Committee of the Whole - March 7, 1991  
Committee of the Whole - March 8, 1991  
Board of Regents - March 8, 1991

**REPORT OF THE PRESIDENT**

President Hasselmo then presented his regular monthly report which contained items pertaining to restructuring and reallocation implementation plans; legislative developments; supplemental budget recommendations; the governor's capital facilities recommendations; a "Pipeline Project" between the University of Minnesota and Chicago State University; Office of Research and Technology Transfer Annual Report; ROTC issue and recognition of Regents Schertler and Casey.

A copy of the President's Report is on file in the Regents' Office

Margaret Carlson, Executive Director of Alumni Relations, and Tim Wolf, Chair of the Student Representatives presented gifts to outgoing Regents Casey and Schertler.

#### **REPORT OF THE CHAIR**

Regents Casey and Schertler presented parting remarks as members of the Board of Regents. Each extended gratitude to other members of the Board, the Administration and the University faculty, staff and students.

#### **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 as listed in the docket material and on file in the Regents' Office. The Board of Regents voted unanimously to approve the gifts.

#### **CONTRACTS AND GRANTS/APPLICATIONS AND AWARDS**

Senior Vice President Kuhl submitted for approval the contracts and grants/applications and awards as presented in the docket material and on file in the Regents' Office.

The Board of Regents voted unanimously to approve the contracts and grants/applications and awards.

#### **REPORT OF THE COMMITTEE OF THE WHOLE April 11, 1991**

Regent Casey, Chair of the committee, reported that the committee reviewed two reports, one from the Minnesota Alumni Association and one on Rural Health Care. In addition, he stated that the committee engaged in discussion regarding steam service alternatives and the ROTC.

#### **REPORT OF THE COMMITTEE OF THE WHOLE April 12, 1990**

Regent Casey, Chair of the committee, reported that the committee received presentations on the Research and Technology Transfer Initiative and the Undergraduate Initiative. In addition, the committee reviewed proposed Budget Principles that will be presented for action in May and received a report from the Faculty Consultative Committee.

## **REPORT OF THE FACULTY, STAFF & STUDENT AFFAIRS COMMITTEE**

Regent Alan Page, Acting Chair of the committee, reported that the committee voted unanimously to recommend approval of the following action:

- a) Approval of the Senior Vice President's Monthly Faculty, Staff and Student Affairs Report for April 1991 as listed in the docket material and on file in the Regents' Office.

Action on tenure for Waseca faculty members was postponed until the May meeting.

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

Chair Page reported that the committee also reviewed proposed student fees resolutions; received a report on Institute of Agriculture, Forestry & Home Economics minority recruitment; discussed faculty recruitment and retention strategies for women and minorities; and reviewed a summary of academic personnel actions for 1989-90.

## **REPORT OF THE PHYSICAL PLANNING & OPERATIONS COMMITTEE**

Regent Sahlstrom, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of the Senior Vice President's Monthly Physical Planning and Operations Report which included Reports pertaining to Purchasing, Project Status, Property Accounting and Miscellaneous Items as presented in the docket material and filed in the Regents' Office.
- b) Approval of resolution re Purchase of Goods/Services over \$250,000 as follows:

**RESOLVED**, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate staff are authorized to award pending purchases/contracts over \$250,000 to:

◦ American Spirit Graphics for Printing of Extension Classes Bulletin and Postcard - for Printing Department at an estimated cost of \$300,000;

◦ Arthur Anderson & Company for facilities management of Donor/Demographic Management System for the University Foundation from May 1, 1991 through April 1, 1994 at \$3,528,000.

c) Approval of resolution regarding projects already submitted for information, as follows:

**RESOLVED**, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to proceed with the design and construction of the following projects:

- 1) Shevlin Hall, New Laboratories and Offices for Department of Communication Disorders, Twin Cities Campus  
Estimated cost of the project: \$292,600  
Funding: College of Liberal Arts, Maintenance & Operations Appropriation; Department of Communications Disorders, Maintenance & Operations Appropriation; and Office of the Vice Provost for Arts, Sciences & Engineering Maintenance & Operations Appropriation  
Estimated completion date: September 1991
- 2) Pattee Hall, Remodel Rooms 214 and 215, Twin Cities Campus  
Estimated cost of the project: \$438,870  
Funding: Indirect Cost Recoveries  
Estimated completion date: September 1991
- 3) Kirby Student Center - Ballroom Upgrading, Duluth Campus  
Estimated cost of the project: \$259,465  
Funding: UMD Academic Support and Student Life Services  
Estimated completion date: August 1991
- 4) Oakland Avenue and Tennis Court Rehabilitation, Duluth Campus  
Estimated cost of the project: \$270,000  
Funding: UMD Repair and Replacement  
Estimated completion date: August 1991

- d) Approval of the following projects approved in the Capital Request and funded by Legislative Appropriation as follows:
- 1) Upgrade General Purpose Classrooms - Phase III  
Estimated cost of the project: \$220,000  
Funding: 1987 Legislative Appropriation Balance and Academic Affairs Reallocation  
Estimated completion: September 1991
  - 2) Integrated Waste Management Facility, Twin Cities Campus  
Estimated cost of the project: \$8,000,000  
Funding: Capital Funding: University Centrally Allocated Funds; 1989 and 1990 Legislative Appropriations  
Debt Financing Source: General Operating and Maintenance Appropriation, Indirect Cost Recovery Funds, and User Fees  
Estimated completion: June 1993

The Board of Regents voted unanimously to approve the recommendations of the Physical Planning & Operations Committee.

Chair Sahlstrom further reported that the committee reviewed the following projects for information:

- a. Eddy and Peik Halls - Improved Access, Twin Cities Campus
- b. Parking Structures Annual Restorations, Twin Cities Campus
- c. University Press - Second Floor Remodeling, Twin Cities Campus
- d. Research Laboratory Project Update, Twin Cities Campus
- e. Student Health and Counseling Center Expansion, Duluth Campus
- f. Chemistry Building Remodel Room 150, Duluth Campus

- g. Village Service Center - Replace Roof and Windows, Duluth Campus
- h. Oakland Avenue Pedestrian Walk Improvements, Duluth Campus

**REPORT OF THE FINANCE & LEGISLATIVE COMMITTEE**

Regent Schertler, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of the Senior Vice President's Monthly Finance and Legislative Report including Accounts Receivable, Central Reserves, Debt Management and Miscellaneous Items as presented in the docket material and filed in the Regents' Office.
- b) Approval of resolution re Modification of Reserve Spending Plan, as follows:

**RESOLVED**, that on the recommendation of the President and Senior Vice President for Finance and Operations, the appropriate staff are authorized to expend central reserve funds for:

\$ 464,000	Art Museum Bridge
\$ 110,000	Continuation of Underground Storage Tank Management Program
\$8,800,000	FY91 Appropriation Reduction

- c) Approval of resolution re Delegation of Authority regarding Asset and Debt Management, as follows:

**RESOLVED**, that the decision to utilize interest rate swaps as an additional vehicle for the management of the University's outstanding debt is hereby delegated to the Senior Vice President for Finance and Operations.

**RESOLVED FURTHER**, that within six months, the Senior Vice President for Finance and Operations will recommend a specific policy mechanism for assisting the Board of Regents in assessing and acting on complex issues regarding the management of the University's invested assets and outstanding debt. Such mechanism will include periodic reviews by and consultation with appropriate advisers on the basic parameters and

issues associated with the University's asset and debt management.

The Board of Regents voted unanimously to approve the recommendations of the Finance & Legislative Committee.

Chair Schertler reported that the committee also reviewed a proposed modification to the Reserve Spending Plan relating to the renovation of the Variety Club Heart Research Center and received a legislative update from the Office of External Relations.

#### **REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE**

Regent Roe, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following action:

- a) Approval of the Senior Vice President's Monthly Educational Planning and Policy Report as presented to the committee in the docket material.

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

Chair Roe reported that the committee also reviewed a proposal for a Free-Standing Minor in Psychoneuroimmunology; engaged in a discussion relating to M SPAN II/M SPAN 2000; and received a report on UMD International Programs.

#### **REPORT OF THE AUDIT COMMITTEE**

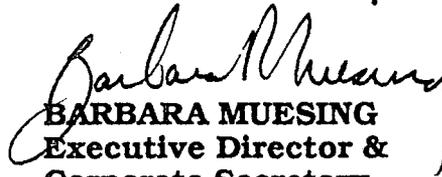
Regent Craig, Chair of the committee, stated that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of the Compliance Officer's Quarterly Report as presented to the committee in the docket materials.
- b) Approval of the Director of Audits' Quarterly Report as presented to the committee in the docket materials.

The Board of Regents voted unanimously to approve the actions of the Audit Committee.

Chair Craig reported that the committee also received an update regarding the status of external audit activities and an update on the progress of the Financial Management System development.

The meeting adjourned at 12:25 p.m.

  
**BARBARA MUESING**  
Executive Director &  
Corporate Secretary

