

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

MINUTES

BOARD OF REGENTS MEETINGS

AND

COMMITTEE MEETINGS

June 12-13, 2014

**Office of the Board of Regents
600 McNamara Alumni Center**

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Minutes of the Board of Regents Meetings
and Committee Meetings

June 12-13, 2014

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**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Audit Committee
June 12, 2014**

A meeting of the Audit Committee of the Board of Regents was held on Thursday, June 12, 2014 at 8:00 a.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Laura Brod, presiding; Clyde Allen, Peggy Lucas, Abdul Omari, and Patricia Simmons.

Staff present: Senior Vice President and Provost Karen Hanson; Vice President Brian Herman; Executive Director Brian Steeves; and Associate Vice Presidents Gail Klatt and Michael Volna.

Student Representatives present: Joseph Daniewicz and Ben Metcalf.

INTERNAL AUDIT PLAN

Associate Vice President Klatt presented the 2014-15 Internal Audit Plan (plan), as detailed in the docket. She noted that the plan is risk-based and continues to reflect the principles of the Integrated Framework of Internal Control. The annual internal audit plan is intended to demonstrate:

- The breadth and depth of audit activities addressing financial, operational, compliance, and strategic risks of the University;
- Accountability for resources; and
- Progress in efforts to continually improve the University's Internal Audit Program.

Klatt explained that the plan includes 25 audits of University processes, units, and systems. Given that audit coverage was recently provided for all of the University's significant processes, the proposed plan includes notably more unit-based audits.

The Office of Internal Audit will have a staffing complement of 15.3 full-time equivalent professionals in 2014-15. The office intends to devote 55 percent of its audit resources to scheduled audits; 6 percent to investigations; 10 percent to requests from the Board of Regents, President, and senior leaders; 4 percent for follow-up procedures; and 25 percent for internal administrative functions. The plan consists of 10 process audits, 14 unit-based audits, and 1 system-based audit.

In response to a question from Regent Simmons, Klatt explained that data privacy and security is covered by a number of audits throughout the University. The audit process has looked at both specific projects dealing with data privacy and security and processes of how data is handled. Data privacy and security is a topic included in unit-based audits. Klatt cautioned that this is a fluid area that many organizations across the world are struggling with. More risk assessment in this area is needed to ensure that appropriate controls are in place.

In response to a question from Regent Brod, Klatt stated that the University is exposed to data theft but that little that can be done to limit exposure given the sophistication of the attacks. Additional controls may not be cost effective since the size of the risk is unknown. The Office of

Internal Audit does have three information technology auditors who are able to examine most of the data privacy and security needs of the University. For unique areas, the University would bring in outside auditors, but seeking outside support has been rare.

In response to Regent Allen, Klatt agreed that the goal of both internal and external audits is reasonable assurance that the University has mitigated risk, especially those risks identified as high or moderate. It is not within the means of the University to audit each and every unit.

INTERNAL AUDIT UPDATE

Associate Vice President Klatt presented the Internal Audit Update, as detailed in the docket.

Since the last update to the Audit Committee in February 2014, University departments implemented 29 percent of outstanding recommendations rated as “essential,” below the expected implementation rate of 40 percent. (Five units fully implemented all their remaining “essential” recommendations.) Six audit reports containing 29 recommendations rated as “essential” were issued in the last four months. The Office of Internal Audit also performed investigative work on nine issues in accordance with the University policy on Reporting and Addressing Concerns of Misconduct.

In response to Regent Omari, Klatt explained some issues are not easily solved, and the committee should be concerned when action toward addressing the issues raised by the audit is unsatisfactory. As long as risks are being mitigated and the unit is working toward a solution, there is not concern. If that effort were not being made and progress were unsatisfactory, the committee would be notified.

UPDATED RESEARCH RISK PROFILE

Regent Brod introduced Vice President for Research Brian Herman and Sarah Waldemar, director, Research Education and Oversight, to present an update to the research risk profile, as detailed in the docket.

Herman noted that the research risk profile continues to change due to environmental shifts and intentional risk management activities. He explained that the Office of the Vice President for Research (OVPR) has worked to recalibrate the tolerance for certain types of risk, while maintaining proactive oversight. These changes include a review of clinical trials oversight and research data management policy; engaging leadership around a prioritization of key areas of risk; and ensuring appropriate use of resources.

Herman explained that OVPR is working to reduce administrative burden on faculty members. Currently, faculty members involved in research are spending over 40 percent of their time on administrative activities. OVPR is working to strike the right balance between needed and burdensome administrative reporting.

Waldemar explained that OVPR is working to reduce administrative burden by identifying processes that represent departmental requirements in excess of what is required by policy and research agreements. OVPR will be working to assist researchers and staff in developing and implementing new procedures. To do so, Waldemar will work with two pilot sites – the University of Minnesota Duluth and the Department of Computer Science and Engineering in the College of Science and Engineering on the Twin Cities campus – to determine perceived burden and financial impact of changes.

In response to a question from Regent Brod, Herman reported that OVPR has worked hard to be proactive in improving public-private partnerships. OVPR has sought to create more

streamlined and transparent processes to allow partnerships to grow. He added that he has heard from businesses that they are receptive to these changes, and that University researchers have started 52 new companies over the past five years. University researchers are also looking at these types of relationships as an opportunity to supplement decreased federal funding for research.

In response to a question from Regent Simmons, Herman described the need for more growth in clinical trial research. He explained that OVPR is working to ensure oversight and management with an appropriate structure that extends across the entire University. Herman noted that this work would help ensure robust capacity for clinical trials at the University.

CONSENT REPORT

Associate Vice President Klatt invited Associate Vice President Michael Volna to present the Consent Report, as detailed in the docket. Volna explained that the University's Office of Facilities Management seeks to engage Deloitte Consulting (Deloitte) to provide advisory services for the first phase of the University's Enterprise Asset Management (EAM) project. The EAM project will develop new business processes and systems for maintaining the University's physical plant and infrastructure assets. Volna noted the engagement is for the project establishment and preliminary planning phase.

Volna reminded the committee that Deloitte is the external auditor for the University. He stated that his office had reviewed the scope, deliverables, and Deloitte's proposed role and concluded that this engagement would not impair the firm's independence with respect to their role as external auditor.

In response to a question from Regent Brod, Volna responded that both the University and Deloitte review additional engagements to ensure that those engagements are not impairing the firm's independence. A key aspect of that review is ensuring that Deloitte is not making decisions for the project, but instead is giving recommendations to the University.

A motion was made and seconded and the committee voted unanimously to recommend approval of the Consent Report.

INFORMATION ITEMS

Associate Vice President Klatt invited Associate Vice President Volna to present the semi-annual controller's report, as detailed in the docket. Volna highlighted three main points included in the report:

1. Analysis of new accounting standards that will be adopted by the University.
2. Implementation of a new procurement card contract with U.S. Bank.
3. Status of the finance system upgrade as a part of the Enterprise Systems Upgrade Program.

The meeting adjourned at 9:23 a.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Litigation Review Committee
June 12, 2014**

A meeting of the Litigation Review Committee of the Board of Regents was held on Thursday, June 12, 2014 at 8:30 a.m. in the W.R. Peterson Conference Room, 600 McNamara Alumni Center.

Regents present: Richard Beeson, presiding; and David McMillan.

Staff present: President Eric Kaler; General Counsel William Donohue and Executive Director Brian Steeves.

Others present: Brent Benrud, Keith Dunder, Amy Phenix, and Tracy Smith.

**RESOLUTION TO CONDUCT NON-PUBLIC MEETING
OF THE LITIGATION REVIEW COMMITTEE**

At 8:35 a.m. a motion was made and seconded that the following resolution be approved:

WHEREAS, based on advice of the General Counsel, the Board of Regents Litigation Review Committee has balanced the purposes served by the Open Meeting Law and by the attorney-client privilege, and determined that there is a need for absolute confidentiality to discuss litigation strategy in particular matters involving the University of Minnesota;

NOW, THEREFORE, BE IT RESOLVED, that in accordance with Minn. Stat. § 13D.01, Subd. 3 and 13D.05 Subd. 3(b), a non-public meeting of Litigation Review Committee be held on Thursday, June 12, 2014 at 8:30 a.m. in the William R. Peterson Conference Room, 600 McNamara Alumni Center, for the purpose of discussing attorney-client privileged matters including the following:

- I. *West Bank contamination;*
- II. *Prescription drug insurance claims*
- III. *Minnesota Police and Peace Officers Association and Police Officers Federation of Minneapolis (MPPOA) v. National Football League, Minnesota Vikings Football, LLC, and Regents of the University of Minnesota; and*
- IV. *Kathryn Brenny v. University of Minnesota*

The committee voted unanimously to approve the resolution.

The meeting adjourned at 9:35 a.m.

A handwritten signature in black ink that reads "Brian R. Steeves". The signature is written in a cursive, flowing style.

BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Facilities & Operations Committee
June 12, 2014**

A meeting of the Facilities & Operations Committee of the Board of Regents was held on Thursday, June 12, 2014 at 9:45 a.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: Clyde Allen, presiding; Linda Cohen, Thomas Devine, Dean Johnson, Peggy Lucas, and Abdul Omari.

Staff present: President Eric Kaler; Chancellors Jacqueline Johnson and Fred Wood; Vice Presidents Brian Herman, Scott Studham, and Pamela Wheelock; Executive Director Brian Steeves; and Associate Vice President Laurie Scheich.

Student Representatives: Hannah Keil and Benjamin Metcalf.

REAL ESTATE TRANSACTION

A. Sale of 18.13 Acres, Carver County – Landscape Arboretum

A motion was made and seconded to recommend approval of the following action:

On recommendation of the President and the Vice President for University Services, the appropriate administrative officers are authorized to execute the appropriate documents providing for the following real estate transaction:

- The subject property is located west of Bavaria Road at the Landscape Arboretum. The property consists of 18.13 acres of vacant land.
- Basis for Request: The subject property and an additional parcel totaling 51.72 acres at the Landscape Arboretum were identified for sale in late 2012 in conjunction with identifying funding sources for the planned purchase of 78.13 acres for expansion of the Landscape Arboretum. As a result of the sale listing for the 18.13 acres, Meridian Land Company, LLC submitted an offer to purchase the property.
- Detail of Transaction: The sale price will be \$750,000 with \$100,000 earnest money/down payment and the balance on two-year contract for deed at 2% interest per annum. The closing will occur when the buyer has obtained all applicable governmental approvals required for subdividing the land into 14 or more single-family residential lots, but no later than December 12, 2014. After August 2, 2014 the \$100,000 earnest deposit will become non-refundable.

The committee voted unanimously to recommend approval of the real estate transaction for the sale of 18.13 acres in Carver County at the Landscape Arboretum.

PROJECT COMPONENTS OF THE PRESIDENT'S RECOMMENDED FY15 ANNUAL CAPITAL BUDGET

Vice President Wheelock provided an overview of the project components of the President's Recommended FY 2015 Capital Improvement Budget (Capital Budget), as detailed in the docket. Wheelock explained that the Capital Budget authorizes projects totaling \$291,655,000 to begin design or construction during the next fiscal year. She updated the committee on changes made to the budget since the conclusion of the 2014 legislative session.

In response to questions from Regent Lucas, Wheelock explained that the Six-Year Capital Plan would likely include plans to repurpose the existing Bell Museum. She noted that renovation will be required to make the space usable for another purpose but added that the space is attractive to the College of Design.

In response to a question from Regent Omari, Wheelock invited Monique MacKenzie, Director of Planning, to respond. MacKenzie explained that one of the additions to the Capital Budget since it was before the committee in May was spurred by a change in the scope of work required to install a key piece of research equipment. Addressing the second addition, Wheelock noted that following recent organizational changes in University Services, the department was now positioned to move forward with Phase II of the Work+ workspace renovation.

In response to a question from Regent Devine, Wheelock explained that an additional \$7.5 million would be required to co-locate all of the earth sciences programs in Tate Hall as a part of the Tate Science and Teaching Renovation. The college is funding the additional project cost.

A motion was made and seconded and the committee voted unanimously to recommend approval of the resolution related to the President's Recommended FY 2015 Capital Improvement Budget.

MAXIMIZING THE UNIVERSITY'S PHYSICAL ASSETS (PART III): FACILITIES PLANNING & ASSUMPTIONS

Vice President Wheelock introduced part three of a conversation on maximizing the University's physical assets, as detailed in the docket. Wheelock explained that University Services must shift its focus to think strategically about how space will be used in the future to guide facility changes that can support shifting demographics and enrollment or academic program changes. She added that given limited resources, it is important to be strategic about growth that will advance the academic mission while also remaining good stewards of the existing infrastructure.

Wheelock presented the following questions to frame the presentation:

- How can we predict academic program changes and priorities?
- How is the condition of our facilities limiting academic productivity?
- How can we match the use of our buildings with the function they best support?
- If our competitive advantage comes from a unique place-based experience, are we positioned to be successful?
- How can we allocate resources to better protect the investment we have already made when we also have opportunities to build and develop new?

Wheelock invited Monique MacKenzie, Director of Planning, to present. MacKenzie shared the footprint of the University of Minnesota Twin Cities campus at various points in its history. She also shared a map highlighting where new development is expected, and referred to the campus boundaries as increasingly fluid. She emphasized that buildings constructed in the 1960s and 1970s were expected to have shorter life spans yet they are still in use today, 50 years later.

MacKenzie cited several goals that will remain at the forefront of planning decisions, including making spaces flexible over a long span of time, protecting existing investments, finding the right space for the right people in the right location, developing a building by building strategy for facility investments, and close alignment of academic program needs within a physical location/area.

In response to a comment by Regent Johnson, MacKenzie cautioned that before expansion is considered, efforts to stay within the existing footprint must be exhausted. Wheelock added that it is necessary to decommission and vacate old spaces to free up resources.

In response to a question from Regent Omari, President Kaler affirmed that it is time to update the Campus Master Plan.

STUDENT HOUSING TRENDS & STRATEGIES

Vice President Wheelock, Laurie McLaughlin, Director of Housing and Residential Life, and Robert McMaster, Vice Provost and Dean of Undergraduate Education, led a discussion on student housing trends and strategies, as detailed in the docket. Wheelock explained the importance of on-campus housing to the overall student experience, citing the sense of community built in residence halls and its affordability as a living option.

McMaster shared data showing better outcomes for students who lived on campus during their first year, including higher GPA, and increased retention and graduation rates. He also pointed out that graduation rates increased another 10 percent for students who spent two years in on-campus housing.

McLaughlin reported that there is a national trend toward investing in on-campus housing. The University of Minnesota has followed that trend with investments in new residence halls on the Crookston, Morris and Twin Cities campuses.

Wheelock emphasized that room and board rates cover the debt service and maintenance of housing facilities, and stressed that maintaining affordability is a core commitment.

In response to a question from Regent Lucas, Wheelock stated that priority is given to first-year students who register for housing by the May deadline. Following that deadline, capacity is determined for second-year students. McLaughlin added that there was space for approximately 2,000 second-year students in residence halls during the 2013-2014 academic year.

In response to a comment by Regent Cohen, McLaughlin agreed that there is a risk in Living Learning Communities becoming too insular, but that care is taken to be thoughtful about where the communities are located and proximity to other students housed nearby.

In response to comments by Student Representative Keil and Regent Johnson, Wheelock stated that the University has the second-lowest housing rates in the Big Ten.

THE ROLE OF INFORMATION TECHNOLOGY IN RESEARCH

Vice President Wheelock invited Vice President & Chief Information Officer Scott Studham and Vice President for Research Brian Herman to present on the role of information technology in research, as detailed in the docket.

Studham explained that the role of information technology is broken into two areas: infrastructure and scientific consulting. He shared that infrastructure must support the capabilities of computational power, storage, and network capabilities. He noted that in the past, computation was the most important, but now networking is the most strategic and storage is the most important.

Herman discussed the link between scientific consulting and infrastructure. He explained that vast amounts of data could be measured, collected, and stored but the key is extracting useful knowledge from the data. Herman explained that informatics, a tool used to extract that information, requires specialized analysis skills and tools that many researchers do not have. He stressed that informatics services will be crucial to meet the needs of researchers effectively.

In response to a question from Regent Johnson, Herman responded that ownership of information and data is often complicated and does not have a clear answer.

INFORMATION ITEM

Vice President Wheelock referred committee members to the following information item:

- Capital Planning & Project Management Semi-Annual Report

The meeting adjourned at 11:53 a.m.



BRIAN R. STEEVES
Executive Director
and Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Faculty & Staff Affairs Committee
June 12, 2014**

A meeting of the Faculty & Staff Affairs Committee of the Board of Regents was held on Thursday, June 12, 2014 at 9:45 a.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: John Frobenius, presiding; Richard Beeson, Laura Brod, and David McMillan.

Staff present: Chancellor Fred Wood; Senior Vice President and Provost Karen Hanson; Vice Presidents Kathryn Brown and Richard Pfitzenreuter; General Counsel William Donohue; Executive Director Brian Steeves; and Associate Vice Presidents Bernard Gulachek, Gail Klatt, and Stuart Mason.

Student Representatives present: Joseph Daniewicz and Kevin Lang.

OVERVIEW OF BENEFITS

Vice President Brown presented for discussion an overview of benefits provided to University faculty and staff, as detailed in the docket.

Brown stated that the goal of benefits at the University is to attract and retain a high-quality workforce, ensure a cost-effective program, encourage good health and wellness, and comply with state and federal law.

Brown detailed changes to UPlan related to the Affordable Care Act (ACA). She noted that the University has sought to minimize the impact for those with health conditions. Brown explained that the excise tax under ACA continues to be a concern. The University has taken steps such as increasing costs to employees to avoid a possible tax liability of roughly \$50 million over five years.

Brown highlighted the creation of an Accountable Care Organization (ACO) plan. ACOs represent the first step away from a fee-for-service system, and are a model that can help reduce the University's excise tax liability. ACOs provide all services through a single provider, which typically reduces costs for the individual and the University. Brown noted that UPlan ACO enrollment was initially 915 and has grown to 1,005 enrollees as of May 2014.

Brown also provided information on the University's move toward a total reward strategy for benefits. The program will likely include health, wellness, retirement, compensation, and rewards and recognition programs. Brown noted that total reward strategies are being used in the private sector and could help the University create a program that reflects the culture and goals of the organization, while reducing the cost of health care and other noncash benefits to employees.

In response to a question from Regent Frobenius, Brown indicated that there are neither barriers nor strong incentives for University employees to use University health facilities and University of Minnesota Physicians (UMP). She noted ongoing discussions of how the University can strengthen the tie between University employees and UMP.

In response to comments from Regents Beeson, Frobenius, and McMillan, Brown agreed that a broader discussion of the philosophy and policy behind the University's mix of benefits and compensation would be helpful. She cautioned that a single mix would not fit all employees given the range of duties and responsibilities. She indicated comfort with the current policy since it provides both needed flexibility and sufficient direction. Brown agreed that any changes at the Board policy level should be strategic and intentional, while allowing the administration the appropriate freedom to act.

ANNUAL UPLAN HEALTH INSURANCE UPDATE

Vice President Brown invited Dann Chapman, director of Employee Benefits in the Office of Human Resources, to present the annual UPlan health insurance update, as detailed in the docket.

Chapman described UPlan governance and administration, the history of the plan, and current health care trends. Chapman noted that while UPlan continues to be below the trend in health care costs, costs continue to rise; spikes in health care will occur and likely cannot be prevented.

Chapman explained that UPlan is self-insured and separate from the State of Minnesota. This allows the University to control what the plan looks like and offers. Chapman added that being self-insured has created lower administrative fees along with significant savings through cost avoidance. He noted that for every dollar spent, 95 cents goes to care. That is well above the Affordable Care Act (ACA) standard for large employer-insured plans of 85 cents.

Chapman also outlined benefits of the University-sponsored wellness program. The program provides a \$1.63 return on investment for every dollar spent, and the University has seen health risks decrease by 6.8 percent. New options to reduce stress and enhance employee well being include expansion of the Employee Assistance Program and the addition of a financial counseling program.

In response to a question from Regent Brod, Chapman noted that employees have incentives to use generic drugs, which save both the employee and employer money. He cautioned that the percent of employees using generic drugs is starting to reach the upper limit and further growth may not be possible. Specialty drug costs will continue to be high, and some may never be offered as a generic due to the expense and skill required for production.

In response to a question from Regent Beeson, Chapman agreed that there is tension between offering a wide selection of plans and the expense associated with that selection. While there could be savings if all employees were in one plan, different plans make sense given the geographic distribution of University employees and the desire for control over health care providers. Chapman noted that there is little to no internal subsidizing between plans.

In response to a question from Regent Frobenius, Chapman noted that there has been an increase in the employee's contribution since the University became self-insured and given the requirements of the ACA. The University has paid a large amount of those increased costs over time, but has moved some of the cost to the employee in order to avoid the excise tax liability. The University has established benchmarks to compare employee health care costs to those of other institutions and to ensure that the University is competitive in the employment marketplace.

RETIREMENT PROGRAM TRENDS

Vice President Brown invited Jackie Singer, director of Retirement Programs in the Office of Human Relations (OHR), to present program trends for retirement plans offered by the University, as detailed in the docket.

Singer walked through the four major retirement plans offered by the University. She noted that the Minnesota State Retirement System is well managed and provides a strong return with lower employee and employer contributions compared to other public sector employers. She noted that the Faculty Retirement Plan, which includes academic professional and administrative employees, continues to keep the employee contribution low. The corresponding estimated income placement ratio is also lower than for other public research institutions.

In response to a question from Regent Beeson, Singer explained that adjunct faculty are not eligible for the Faculty Retirement Plan. An employee needs to hold at least a nine-month appointment of 67 percent time or above to be eligible. Adjunct faculty could participate, but would not receive a contribution from the University.

Singer explained that retirement plan simplification continues to be a focus for OHR. This simplification could include different tiers allowing employees to pick the level of involvement they want to have in managing their investments.

CONSENT REPORT

Vice President Brown presented for review and action the Consent Report, which included the following items:

- Appointment of Dr. Brian Buhr as Dean of the College of Food, Agricultural and Natural Resources Sciences.
- Appointment of members of the Minnesota Landscape Arboretum Foundation Board of Trustees.
- Conferral of tenure of new hires.

A motion was made and seconded and the committee voted unanimously to recommend approval of the Consent Report.

INFORMATION ITEMS

Vice President Brown referred the committee to the information items contained in the docket materials, which included:

- Personnel highlights
- University highlights
- Faculty and staff activities and awards

The meeting adjourned at 11:34 a.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Academic & Student Affairs Committee
June 12, 2014**

A meeting of the Academic & Student Affairs Committee of the Board of Regents was held on Thursday, June 12, 2014 at 2:45 p.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Linda Cohen, presiding; Thomas Devine, Peggy Lucas, and Abdul Omari.

Staff present: Chancellors Jacqueline Johnson and Stephen Lehmkuhle; Executive Director Brian Steeves; and Associate Vice President Bernard Gulachek.

Student Representatives present: Meghan Mason and Joelle Stangler.

STRATEGIC PLANNING PROCESS UPDATE

Senior Vice President and Provost Hanson provided an update on the strategic planning process. She reported that the process was moving from strategic visioning to development of objectives and that the project was on schedule. She explained that five teams have been created and are meeting on key issues related to each of the four goals that will support the vision. Hanson invited leaders from each of the workgroups to share an update on the work of their committee.

Professor Renee Cheng, co-lead for the grand challenges curriculum team, explained that her team is reviewing the grand challenges courses that already exist within the University and identifying barriers such as administration, budget, and time constraints that limit participation, as well as ways to lower those barriers. She noted that the difference between the curriculum grand challenges and the research grand challenges is that the goal within the curriculum is to impart a certain set of skills and values on the student but not necessarily to solve any particular challenge.

Professor Allen Levine, co-lead for the grand challenges research team, shared that his team is determining how to involve students, scholars and the outside community in selecting the grand challenges, as well as how to involve not only the STEM disciplines but also the arts and humanities in addressing the challenges. Levine noted that the committee is considering resource management and will use existing data from the Office of Institutional Research to determine the University's areas of strength.

Associate Professor Jakub Tolar, co-lead for the rejecting complacency team, commented that his committee is using several principles to guide their work including: avoid mistakes, include everyone, operate with actions and not words, and stay away from overused phrases. Specifically, they recommend detailed annual reviews with measurable goals, rewarding success, and the use of an employee engagement survey that can be compared with peers outside of the University. The overarching goal is to attract and retain the best and the brightest to an environment that is open to new ideas – even those that may be contrarian.

Assistant Dean Amelious Whyte, co-lead of the reciprocal engagement team, identified the core competencies around reciprocal engagement as mutual respect and trust, authentic commitment, sustainable collaboration, flexibility and accountability. His team surveyed community members to understand the opportunities and challenges of working with the University. He shared several objectives to achieve greater engagement including that partners feel welcome and respected, greater recognition and incentives for engagement, and improved navigation for finding and developing partnerships.

Professor Timothy Kehoe, co-lead of the field shaping researchers/teachers team, reported that his committee would like to see the University be known as the “University of opportunity.” He emphasized the need to develop a culture that attracts a diverse faculty, and that offers more flexibility but with a sense of accountability and responsibility. He added that faculty members should have the opportunity to strive to be their best and the University should provide additional compensation for its highest achievers. Kehoe proposed that department chairs need better training, resources, and recognition.

Provost Hanson also invited Meghan Mason, a graduate student and strategic planning workgroup member, to provide the student perspective. Mason offered that students would find the greatest connection within the grand challenges research and curriculum. For graduate students she cited the growing importance of interdisciplinary work and emphasized that working within the grand challenges would offer much-needed training in that area. From the undergraduate perspective she noted a strong interest in the grand challenges curriculum as an opportunity for service learning, skills development, design thinking and opportunities to address problems from a global and local level not offered in a traditional classroom experience.

In response to questions and comments by Regents, a discussion arose around acceptable types and levels of risk. The discussion included:

- Monitoring four-year graduation rates to mitigate risk around curriculum changes.
- Updating department tenure codes to encourage interdisciplinarity, and rewarding individuals who tackle the hard challenges rather than making incremental gains that result in an acceptable but mediocre research profile.
- Creating a culture that accepts failure but reacts quickly to change course.
- Reducing bureaucracy while maintaining meaningful annual reviews.
- A desire for a growth model for professors, with a meaningful review from a competent leader that is focused without being burdensome.

HEALTH & WELLNESS SERVICES ASSESSMENT

Senior Vice President and Provost Hanson shared information on the ongoing review of the mission of Boynton Health Service (Boynton), its scope of services, population served, and its relations with the Academic Health Center (AHC), University of Minnesota Physicians, and University of Minnesota Health, as detailed in the docket.

Danita Brown Young, Vice Provost for Student Affairs and Dean of Students; Ferdinand Schlapper, Director and Chief Health Officer, Boynton Health Service; and Bobbi Daniels, CEO of University of Minnesota Physicians presented on the impact of student affairs on health, the need to increasingly focus on campus population health – students, faculty and staff – and opportunities for the delivery of clinical care across Boynton, the AHC, and University of Minnesota Health.

Provost Hanson noted that the review is ongoing and specific recommendations will be presented at a future meeting.

In response to a question from Regent Devine, Brown Young identified several touch points educating students about the mental health resources available on campus, including orientation, welcome week, the undergraduate *Brief* newsletter, and marketing to student groups.

In response to a question from Regent Omari, Schlapper predicted that the demand for mental health services will continue to rise and will require a new and more holistic approach to providing support.

In response to a question from Regent Cohen, the following ideas were proposed to enhance collaboration between student affairs, Boynton, and the AHC:

- Offer AHC teaching rotations and training experiences to Boynton.
- Expand the use of technology such as apps and text messaging to appeal to students, as well as provide additional technology training to faculty and staff to support their use.
- Increase collaboration between Boynton and the AHC to gain efficiencies and services.

Student Representative Mason noted her participation on the review committee and cited additional opportunities for collaboration with the School of Public Health.

CONSENT REPORT

A motion was made and seconded, and the committee unanimously recommended approval of the following, as described in the Consent Report:

- **Request for Approval of New Academic Programs**
 - Academic Health Center (Twin Cities campus)—Create M.A. degree in Integrative Health and Wellbeing Coaching
 - Academic Health Center (Twin Cities campus)—Create post-baccalaureate certificate in Clinical Ethics
 - College of Continuing Education (Twin Cities campus)—Create B.A.Sc. degree in Health Services Management
 - College of Continuing Education (Twin Cities campus)—Create undergraduate minor in Translation
 - College of Liberal Arts (Twin Cities campus)—Create M.A. degree in Health Communication
 - College of Liberal Arts (Twin Cities campus)—Create certificate in Technical Communication
 - Medical School (Twin Cities campus)—Create certificate in Pediatric Dermatology
 - School of Dentistry (Twin Cities campus)—Create post-baccalaureate certificate in Advanced Dental Therapy

- Labovitz School of Business and Economics (Duluth campus)—Create B.B.A. degree in Entrepreneurship
- College of Liberal Arts (Duluth campus)—Create a B.A. degree and undergraduate minor in Women, Gender and Sexuality Studies
- The Morris campus—Create undergraduate minor in Latin American Area Studies
- **Request for Changes to Academic Programs**
 - College of Liberal Arts (Twin Cities campus)—Create dual B.A./M.A. degree program in Health Communication
 - College of Liberal Arts and the Humphrey School of Public Affairs (Twin Cities campus)—Create dual B.A./M.P.P. degree in Political Engagement
 - School of Nursing (Twin Cities campus)—Change the name of the sub-plan in Informatics to Nursing Informatics within the Doctor of Nursing Practice (D.N.P.) degree
 - School of Public Health (Twin Cities campus)—Create Plan B sub-plan within the M.S. degree in Clinical Research
 - College of Education and Human Service Professions (Duluth campus)—Change the name of the Health Education minor to Public Health Education and Promotion
 - College of Liberal Arts (Duluth campus)—Create new sub-plan in Literary Studies and discontinue the sub-plans in Liberal Arts and Pre-Graduate Studies within the B.A. degree in English
 - School of Fine Arts (Duluth campus)—Create new sub-plans in Costume Design, Lighting Design, Scene Design, and Technical Theater, and change the name of the sub-plan in Design and Technology to Design and Production within the Theater B.F.A.
- **Request for Approval of Discontinued Academic Programs**
 - College of Education and Human Development (Twin Cities campus)—Discontinue the M.Ed. degree in Recreation, Park, and Leisure Studies
 - Humphrey School of Public Affairs (Twin Cities campus)—Discontinue the graduate minor in Public Affairs
 - College of Liberal Arts (Duluth campus)—Discontinue the B.A. degree and minor in Women's Studies

The meeting adjourned at 3:22 p.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Finance Committee
June 12, 2014**

A meeting of the Finance Committee of the Board of Regents was held on Thursday, June 12, 2014 at 2:45 p.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: David McMillan, presiding; Clyde Allen, Richard Beeson, Laura Brod, John Frobenius, and Dean Johnson.

Staff present: President Eric Kaler; Chancellor Jacqueline Johnson; Vice Presidents Kathryn Brown, Richard Pfutzenreuter, R. Scott Studham, and Pamela Wheelock; Executive Director Brian Steeves; and Associate Vice Presidents Stuart Mason, Julie Tonneson, and Michael Volna.

Student Representatives present: Hannah Keil and Kevin Lang.

PRESIDENT'S RECOMMENDED FY 2015 ANNUAL OPERATING BUDGET

Vice President Pfutzenreuter and Associate Vice President Tonneson presented for action the President's recommended FY 2015 Annual Operating Budget (Operating Budget), as detailed in the docket.

Tonneson reminded the committee of key components of the Operating Budget as presented in May. She detailed specific changes to the Operating Budget made in response to the outcome of the 2014 legislative session. Those changes include:

- Estimated increase in spending on need-based aid for University students of approximately \$3.8 million.
 - Federal Pell Grant award was increased for most recipients by \$85 and the maximum was increased to \$5,730.
 - Minnesota State Grant program increased living and miscellaneous expenses by \$590 giving many full-time students an award increase of \$210 - \$295 based on financial need.
- Indirect cost recovery revenue estimate \$45,000 higher than at time of budget review in May.
 - \$830,000 increase in estimate for University of Minnesota Extension due to SNAP-ED grant renewal.
 - \$785,000 decrease in estimate for School of Public Health.
- State special appropriations totaling \$8.9 million more than at time of budget review in May.
 - \$3.4 million one-time appropriation for the Invasive Terrestrial Plants & Pests Center.
 - \$1 million one-time appropriation for the Forever Green Initiative.

- \$4.35 million recurring appropriation and \$150,000 one-time appropriation for regenerative medicine research added to the health sciences appropriation.
- Legislative-Citizen Commission on Minnesota Resources one-time project appropriations totaling \$11.358 million.
 - \$490,000 for the Invasive Terrestrial Plants & Pests Center.
 - \$10.9 million for 28 projects across the University.
- State agency one-time transfers to the University totaling \$1.17 million.
 - \$970,000 for the Invasive Terrestrial Plants & Pests Center.
 - \$200,000 for porcine epidemic diarrhea virus research.

Tonneson reported that these changes are reflected in the state specials, indirect cost recovery, total net resources, and allocations to units budget line items. She noted that the projected ending balance for FY 2015 remains unchanged.

In response to a question from Regent Beeson, Tonneson reported that administrative position eliminations have mainly been through attrition. So far, 115 positions have been reduced.

A wide-ranging discussion covering trends in University recruitment commenced, focusing on specific recruitment targets, application targets, recruiting efforts in the northeast section of the United States, Big Ten Conference expansion, and the purchase of student information lists from private companies.

President Kaler highlighted the process for the increased state special appropriations. He explained that the Board did not make a supplemental budget request to the state. Some legislators were interested in giving the University special appropriations, primarily focused on regenerative medicine. Those legislators wanted to ensure that the Board supported the increased appropriations. Kaler described how he worked with the chair of the Board to convey support for the requests. He noted that while the process was a bit awkward, it did follow the intent of Board policy but will need further work to ensure better functioning if similar opportunities arise in the future.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the President's Recommended FY 2015 Annual Operating Budget.

FINANCIAL COMPONENTS OF THE PRESIDENT'S RECOMMENDED FY 2015 ANNUAL CAPITAL IMPROVEMENT BUDGET

Vice President Pfutzenreuter presented for action the President's Recommended FY 2015 Annual Capital Improvement Budget (Capital Budget), as detailed in the docket.

Pfutzenreuter explained changes to the Capital Budget stemming from the outcome of the 2014 legislative session. The Capital Budget now authorizes projects totaling \$291,655,000, a decrease from the May Capital Budget total of \$376,845,000, to begin design or construction during the next fiscal year. Approximately 40 percent, or \$119,367,000, of the Capital Budget is State of Minnesota supported debt from the University's 2014 capital request. The remaining 60 percent of the Capital Budget is the University's share of the state bonding projects as well as University-funded capital improvements.

In response to a question from Regent Brod, Pfutzenreuter characterized the addition of the Bell Museum in the Capital Budget as unusual. The Bell Museum was included twice in previous capital requests made by the Board, but was not in this year's request. The University decided to shift focus away from the project after it had been repeatedly left out of the final bill. This year, the chair of the Minnesota House of Representatives Capital Investment Committee had interest in funding the project and an agreement was made that the University would issue the debt and the state would pay the debt service through an annual appropriation of \$3.5 million to the University.

President Kaler added that this was an extraordinary circumstance around a very unique project. He indicated that this would not be a normal way to fund capital projects in the future.

In response to a question from Regent McMillan, Vice President Wheelock explained that when the Capital Budget is reduced, a multitude of options are considered. Some projects do not fit well with a smaller appropriation and are put on hold, while others can be phased across years, allowing some work to start or continue. For example, the Mechanical Engineering building on the Twin Cities Campus will now be a phased project given the reduced Higher Education Asset Preservation and Renovations funds allocation by the state and higher priority projects across the University preventing full funding.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the President's recommended FY 2015 Annual Capital Improvement Budget.

LONG-RANGE FINANCIAL PLANNING MODEL

Regent McMillan invited Lincoln Kallsen, director, Financial Analysis, to present the Long Range Financial Planning Model for discussion, as detailed in the docket.

Kallsen explained that this discussion would update the six-year operating budget forecast based on the FY 2015 operating budget and baseline assumptions. He presented how long-range financial planning interacts with annual operating budget recommendations, the biennial budget request to the state, trends in state funding, changes in student enrollment, changes in federal research funding, base revenue assumptions, and investment and expense assumptions.

Kallsen offered four revenue scenarios for consideration by the committee. Each scenario manipulates the annual change in all tuition rates and the annual change in state appropriation. All of the models create a budget that is in some level of deficit over the projected period.

A broad discussion ensued examining each of the scenarios, the assumptions for both revenues and expenses, internal University funding of Higher Education Asset Preservation and Renovations as a source of additional expense, the amount of funding needed for debt service, and the size of deficit each scenario projected and the need for further work to close that deficit.

ENTERPRISE SYSTEMS UPGRADE PROJECT: UPDATE

Regent McMillan introduced Vice Presidents Pfutzenreuter and Studham and Dennis Wenzel, executive program director, Enterprise Systems Upgrade Program, to present an update on the Enterprise Systems Upgrade Project (ESUP), as detailed in the docket.

Studham explained the three phases of the project: development, testing, and deployment transition. ESUP is in the development phase. Studham stressed that while the first two phases are important, the third phase is equally, if not more, important. The ESUP project does not end at the “go-live” date, but will continue for 60 days following to ensure a successful transition and correct any issues that may arise.

Wenzel reported that the project is currently on budget and on time with an expected go-live date in mid-February 2015. He presented a financial summary of the project, defined program metrics being used to track progress across ESUP development, and summarized how ESUP changes will be communicated to the University.

Wenzel identified five items that could impact the University:

1. A single go-live day for all systems across the University.
2. Post go-live defects that could cause issues for users.
3. The cultural change that will be required by users.
4. The need for an ongoing strategy to ensure full use of ESUP tools, including future improvements and enhancements for the long term.
5. The need for the ESUP team to maintain a high level of productivity.

In response to a question from Regent Allen, Studham explained that change management and communication across the University will help prevent common failures faced when bringing a large system like this online. He noted that it is key to recognize that the changes are significant and will cause disruption. Detailed communication around ESUP is needed to help users manage that change. This includes maintaining a high level of effort after the go-live date by the ESUP team. Wenzel added that using a pilot group to work through some of the common processes should help address issues.

In response to Regent Beeson, Studham explained that not all reports were available to use when the current Enterprise Financial System went live, which forced some users to create custom reports. ESUP will launch with all 52 needed reports ready to be used. This should eliminate any need by users to create their own reports.

UNIVERSITY TAX COMPLIANCE ACTIVITIES & PROGRAMS

Regent McMillan announced that due to time, the presentation on university tax compliance activities and programs would be delayed until a future committee meeting.

CONSENT REPORT

Vice President Pfutzenreuter presented the Consent Report, as detailed in the docket:

Purchase of Goods and Services \$1,000,000 and Over:

- To AudienceView Ticketing Corporation for an estimated \$1,200,000 for software, hosting, and support of the University ticketing system as needed for the period of July 1, 2014, through July 15, 2018, for all ticketing services for the University of Minnesota. AudienceView will be funded by two separate business units, Athletics and Non-athletics (Northrop and other units of the University). Athletics and multiple other units will fund the purchase through ticket revenue, fees, and O&M budget.

- To Life Technologies, Inc. for an estimated \$1,336,000 for the purchase of laboratory supplies and reagents as needed for the period of July 1, 2014, through June 30, 2015, for the Molecular Diagnostics section of the Veterinary Diagnostic Laboratory. The reagents and supplies will be purchased with departmental funds currently available for clinical testing of client samples. Diagnostic service fees charged to clients will generate additional revenue.

Purchase of Underwriting/Investment Banking Services:

- To RBC Capital Markets, LLC as senior manager, and Barclays Capital, Inc. and J.P. Morgan as co-managers, for underwriting and investment banking services for the issuance and sale of bonds to fund the construction of the Ambulatory Care Center (ACC). The vendors were chosen through a competitive bidding process.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the Consent Report.

INFORMATION ITEMS

Vice President Pfutzenreuter referred the committee to the Information Items contained in the docket materials:

- Quarterly Investment Advisory Committee Update
- Quarterly Asset Management Report
- Debt Management Advisory Committee Update

The meeting adjourned at 4:39 p.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Board of Regents
June 13, 2014**

A meeting of the Board of Regents of the University of Minnesota was held on Friday, June 13, 2014 at 9:00 a.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Richard Beeson, presiding; Clyde Allen, Laura Brod, Linda Cohen, Thomas Devine, John Frobenius, Dean Johnson, Peggy Lucas, David McMillan, Abdul Omari, and Patricia Simmons.

Staff present: President Eric Kaler; Chancellor Stephen Lehmkuhle; Senior Vice President and Provost Karen Hanson; Vice Presidents Kathryn Brown, Richard Pfitzenreuter, Scott Studham, and Pamela Wheelock; General Counsel William Donohue; Executive Director Brian Steeves; and Associate Vice Presidents Gail Klatt, Julie Tonneson, and Michael Volna.

ANNUAL MEETING

Chair Beeson called the Annual Meeting to order at 9:00 a.m.

ESTABLISHMENT OF MEETING DATES

Chair Beeson proposed adjusting the tentative March 2015 meeting dates to March 26-27, 2015. A motion was made and seconded and the Board of Regents voted unanimously to approve the following meeting schedule for 2014-15:

July 9, 2014	One-Day Meeting
July 10-11, 2014	Board of Regents Retreat
August, 2014	No Meeting
September 11-12, 2014	
October 9-10, 2014	
November, 2014	No Meeting
December 11-12, 2014	
January, 2015	No Meeting
February 12-13, 2015	
March 26-27, 2015	
April, 2015	No Meeting
May 7-8, 2015	
June 11-12, 2015	

The annual meeting adjourned at 9:03 a.m.

The regular meeting of the Board of Regents was convened at 9:03 a.m.

MONTHLY MEETING

RECOGNITIONS

Student Representatives to the Board of Regents

Recognition was given to the 2013-14 Student Representatives to the Board of Regents of Regents:

Meghan Mason (Chair)
Twin Cities (GAPSA)

Joseph Daniewicz (Vice Chair)
Morris

Kevin Lang (Vice Chair)
Twin Cities (GAPSA)

Hannah Keil
Duluth

Ben Metcalf
Rochester

John Reichl
Twin Cities (MSA)

Joelle Stangler
Twin Cities (MSA)

Drew Underdahl
Crookston

Academic Professionals & Administrators Consultative Committee Outgoing Chair

Recognition was given to Cynthia Murdoch, Analyst in the Enterprise Portal Project, University of Minnesota Twin Cities Campus, and 2013-14 outgoing chair of the Academic Professionals & Administrators Consultative Committee.

Civil Service Consultative Committee Outgoing Chair

Recognition was given to Tom Sondreal, Senior Media Producer, Media Services, University of Minnesota Crookston, and 2013-14 outgoing chair of the Civil Service Consultative Committee. Sondreal was unable to be present.

APPROVAL OF MINUTES

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

Audit Committee - May 8, 2014
Special Committee on Academic Medicine - May 8, 2014
Facilities & Operations Committee - May 8, 2014
Faculty & Staff Affairs Committee - May 8, 2014

Academic & Student Affairs Committee - May 8, 2014
Finance Committee - May 8, 2014
Board of Regents Meeting - May 8, 2014
Board of Regents Meeting - May 9, 2014

REPORT OF THE PRESIDENT

President Kaler expressed gratitude to Governor Dayton, the legislature, and members of the Legislative Action Network for their support of the University. He cited the positive outcome of the recently concluded session as evidence of a continuing strong partnership and increased trust between this institution and legislative leaders.

Kaler announced that the University of Minnesota Morris was awarded a Climate Leadership Award by Second Nature, a national nonprofit that works to create a healthy and sustainable society by transforming higher education. He noted only 20 campuses across the country were honored for their exceptional work, and the Morris campus received the most votes among those institutions that award only bachelor's degrees.

Kaler reported on a recent trip to China with Professor David Pui, Mechanical Engineering, other University of Minnesota scientists and researchers, and several industry partners. The group met with Chinese scientific and government leaders on the issue of air pollution in China. He added that this institution is the only university in the world invited by Chinese officials to discuss the ideas Pui has developed to address China's air quality issues.

The President noted the opening of Green Line light rail transit on June 14, 2014, highlighted strong donor support for the University, and provided an update on the Twin Cities campus tobacco-free policy set to begin on July 1, 2014. He noted that the University recently initiated an external review of its human subjects research practices in response to a University Senate resolution, emphasizing the institution's strong commitment to maintaining the highest standards for excellence in this area. Kaler also acknowledged John Sill, a counselor in One Stop Student Services, present in the audience. Sill provided "above and beyond" assistance to a former student encountering online registration difficulties.

Finally, Kaler distributed his 2013-14 report of accomplishments.

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

REPORT OF THE CHAIR

Chair Beeson addressed a recent report issued by the Institute for Policy Studies, noting that it included misleading and erroneous information about University of Minnesota executive pay, student debt, administrative funding, and employment of adjunct faculty numbers. He added that this report, and much of the resulting national and local media coverage, was a disservice to the universities it singled out and did not add to the public discourse about higher education.

Beeson reported on a number of activities and events Regents participated in since the last Board meeting in May 2014: the Siehl Prize for Excellence in Agriculture, the President's Club Heritage Society dinner, the Puckett Scholarship Program dinner, and 29 commencement ceremonies across five campuses. Beeson also reported that he and Regents Brod, Devine, Johnson, Lucas, and Omari recently visited the Dairy Education Center, Southern Research and Outreach Center, and the Hormel Institute in southern Minnesota.

Beeson reported that the Presidential Performance Review Committee met in closed sessions on May 9 and May 27, 2014. The committee, which included Regents Beeson, Johnson, and McMillan, met with President Kaler on June 11, 2014 to discuss his performance. The committee's report was provided to the Board of Regents.

Beeson, Johnson, and McMillan highlighted items from the report, which speaks to the exceptional performance of President Kaler. The report notes he is passionate, energetic, and eager to transform the University of Minnesota to meet the grand challenges facing our society, while also addressing the need to evolve the institution's business model to one that can adapt with the rapidly transforming world of higher education. On behalf of the Board of Regents, Beeson expressed appreciation to President Kaler and Karen Kaler for their service and dedication to the University. Beeson noted his belief that President Kaler's strong performance warrants an extension of his contract and indicated he would bring his recommendations to the Board of Regents at a future meeting.

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

RECEIVE AND FILE REPORTS

Chair Beeson noted the receipt and filing of the Report of the Academic Professionals and Administrators Consultative Committee and the Quarterly Report of Grant and Contract Activity.

CONSENT REPORT

Chair Beeson presented for action the Consent Report as described in the docket materials, including:

- Regents Professor recommendation forwarded in a letter from President Kaler dated June 4, 2014;
- Report of the All-University Honors Committee recommendations forwarded in a letter from President Kaler dated June 4, 2014; and
- Summary of Gifts through April 30, 2014.

A motion was made and seconded, and the Board of Regents voted unanimously to approve the Consent Report.

REPORT OF THE FACULTY CONSULTATIVE COMMITTEE

Professor William Durfee, Chair of the Faculty Consultative Committee (FCC), reported on the committee's recent activities. Topics included graduate education, the strategic planning process underway at the Twin Cities campus, and a new model for faculty governance. Durfee announced that Rebecca Ropers-Huilman, Professor and Chair of the Department of Organizational Leadership, Policy and Development, College of Education and Human Development, would serve as FCC chair for the 2014-15 academic year.

RECOGNITION OF FACULTY CONSULTATIVE COMMITTEE OUTGOING CHAIR

Professor Durfee was recognized for his service as chair of the Faculty Consultative Committee during the 2013-14 academic year.

REPORT OF THE STUDENT REPRESENTATIVES TO THE BOARD OF REGENTS

Meghan Mason, Chair, student representatives to the Board of Regents, presented a report from the group. It reflected student perspectives on issues and concerns and included items from each of six student government groups. Mason addressed the report's three main topics: financial literacy, system-ness, and sexual assault.

President Kaler commended the student representatives for an excellent report highlighting a number of critical issues system-wide.

A copy of the Report of the Student Representatives to the Board of Regents is on file in the Board Office.

BOARD OF REGENTS POLICY: CODE OF ETHICS FOR MEMBERS OF THE BOARD OF REGENTS - ANNUAL REVIEW

General Counsel Donohue reviewed Board of Regents Policy: *Code of Ethics for Members of the Board of Regents*. The Board, with the assistance of the general counsel, annually reviews the requirements and procedures set forth in the policy.

Donohue highlighted the guiding principles that Board members are obligated to follow: 1) Board members are responsible for the governance of the University and must be accountable in the areas of financial disclosure, gifts, expenses, and conflicts of interest; and 2) Board members are expected to put aside parochial interests, keeping the welfare of the entire University, not just a particular constituency, at all times paramount. He described when conflicts of interest exist, how to manage them, and what should be done if a Board member has a conflict of interest.

PRESIDENT'S RECOMMENDED FY 2015 ANNUAL CAPITAL IMPROVEMENT BUDGET

Chair Beeson introduced Vice Presidents Pfutzenreuter and Wheelock to present for action the President's Recommended FY 2015 Annual Capital Improvement Budget (Capital Budget), as presented in the docket materials.

President Kaler opened discussion of the Capital Budget by reaffirming the commitment to ensure students, faculty, and staff live, learn, and work in 21st century facilities and recognizing the importance of sustaining and improving facilities in support of teaching, research, and outreach. He noted that the Board of Regents reviewed the Capital Budget at its May 2014 meeting.

Chair Beeson called on Regent Allen, Chair of the Facilities & Operations Committee, to present the recommendation of the committee. Allen reported that the committee reviewed project components of the Capital Budget and voted unanimously to recommend approval of the Resolution Related to the FY 2015 Capital Improvement Budget. He moved its approval.

Chair Beeson called on Regent McMillan, Chair of the Finance Committee, to provide the recommendation of the committee. McMillan reported that the committee reviewed the financial components of the Capital Budget and also recommends approval of the resolution. He seconded the motion.

Wheelock stated that the Capital Budget represents the first year of the Six-Year Capital Improvement Plan and authorizes projects to begin design and construction during the

upcoming fiscal year. Each project in the Capital Budget has a value greater than \$500,000 and a completed predesign, and is fully funded.

Wheelock discussed the \$42.5 million included for Higher Education Asset Preservation and Renewal, which is intended to preserve and renew existing campus facilities. She also briefly described several projects included in the Capital Budget, and noted project and funding changes due to the outcome of the state bonding bill.

Pfutzenreuter summarized funding sources for the \$291.7 million Capital Budget. He reminded the Board that the legislature requested that the University issue debt for the Bell Museum project, and in turn increased the institution's base appropriation by \$3.5 million annually to cover debt service. Wheelock stated that, in addition to the University debt for the Bell Museum, there are additional funds on hand previously raised for the project. She added that the administration will work to increase fundraising to achieve the desired \$57.5 million total project cost, and will also hold off on the project design until there has been an opportunity to raise the required funds.

Regent Simmons requested a better understanding of the Bell Museum project's implications related to total University debt, plus the additional operating costs that will eventually be incurred once the facility is completed.

President Kaler stated that the previous day he had assured the Finance Committee that this funding arrangement is unique situation, a rare one, in which the administration was able to move the project forward by using the University's credit to do so. He added that the impact on University debt capacity is not viewed as a substantial and should not limit opportunities going forward. He indicated the College of Food, Agricultural and Natural Resource Sciences would manage operating costs associated with the new facility. Kaler noted that the project was approved twice previously by the Board of Regents and this was seen as a strategic opportunity to move the project forward in a responsible and creative way.

Regent Simmons added that the Board, along with the President, need to thoughtfully consider the impact of significant new projects like the Bell Museum because they often require additional operating and philanthropic funds, which in turn drives fundraising priorities. She noted that the Board of Regents approves acceptance of gifts, and expressed her belief that the Board should be involved in establishing, and perhaps approving, fundraising priorities for the University and not just accept donations on the backend. Fundraising can have a substantial impact on what the University does and does not do.

Regent Allen noted that the institution did receive additional funds to cover debt service for the Bell Museum and pointed out that it had been approved by the Board of Regents as a priority in previous years.

Regent Simmons stated that she is a supporter of the Bell Museum, but wants to make sure the Board is cognizant of the decisions it makes regarding things the University will do and not do from the philanthropic side because the focus will shift to raising money for one project over another project. She stressed that she wants to make sure that the Board is conscious of this decision upfront.

Regent Devine commented that this bonding bill was unique in several ways. The Bell Museum project has been a Board priority in the past, with fundraising starting and stopping. He pointed out that the state of Minnesota made a gift to the people of the state by providing a new facility to house the University's natural sciences collections. He added the Bell Museum is a teaching facility that attracts thousands of schoolchildren each year, which puts the facility in a different funding context than some of the other capital projects that are funded with the traditional one-third University match. Regent Devine also noted appreciation for the state's

investment in a new wellness center at University of Minnesota Crookston as well as the importance of the Tate Laboratory and aquatic invasive species projects.

Regent Brod expressed appreciation for the mission-focused language in the resolution. She explained that she looks at capital investments through the eyes of a student, with projects that are important for recruitment, the student experience, and the safety of staff and students. She indicated support for the resolution as the debt service falls within guidelines and costs can be covered in the operating budget.

Regent Frobenius stated that he does not want to be critical of the Bell Museum project as it is an important resource for the state and this institution needs to assume responsibility for maintaining the facility and its collections, but he expressed concern about uncovered additional operating costs related to the project and the impact on debt service. He noted that there are probably enough tradeoffs to make the funding arrangement appropriate, but worried that the institution may be asked to assume funding other projects in this manner in the future. He urged the administration to avoid setting a precedent with this project and stressed the need to be careful about diluting the University's efforts.

President Kaler expressed agreement with these points and indicated that he made it clear with leaders in St. Paul that the Bell Museum was a unique situation. He recognized that the project was not advanced in the usual way, but that Board leadership was consulted.

Chair Beeson emphasized that the Board has the autonomous right and responsibility to sometimes reject special legislative appropriation earmarks that have not been requested by the University, whether operating or capital in nature including campus specific. The Bell Museum project is different for all reasons stated, and he expressed his appreciation to the legislature for working with staff on this particular project and for their efforts on an outstanding capital budget.

Regent Lucas discussed what she called 'cascading opportunities' this project will present, such as the repurposing of the current facility.

Regent Simmons noted that the Bell Museum had been on the Board's approved capital request priorities in the past. President Kaler agreed that this was an extraordinary circumstance and unique situation. He indicated that this would not be a normal way to fund capital projects in the future.

The Board of Regents voted unanimously to approve the Resolution Related to the FY 2015 Capital Budget, as follows:

WHEREAS, the Board of Regents directed the administration to annually submit a capital improvement budget and a six-year capital improvement plan; and

WHEREAS, the Board has adopted principles to guide the formulation of the capital improvement budget and six-year capital improvement plan; and

WHEREAS, the Board recognizes the importance of sustaining and improving the University's facilities in support of teaching, research, and outreach; and

WHEREAS, the administration has developed a capital planning framework designed to focus its capital planning efforts toward projects that support the University's institutional priorities within a financial strategy that is realistic;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents approves the FY 2015 Capital Improvement Budget and reaffirms its prior year capital expenditure authorizations.

PRESIDENT'S RECOMMENDED FY 2015 ANNUAL OPERATING BUDGET

President Kaler presented for action his Recommended FY 2015 Annual Operating Budget (Operating Budget) as detailed in the docket materials. He invited Vice President Pfutzenreuter to join the discussion.

Kaler pointed out that the Operating Budget is a statement of priorities and plans for the institution and clearly reflects three priorities:

- Access, affordability, and academic excellence;
- Operational excellence and accountability; and
- Restoring higher education's historical state support.

Specific funding decisions have been made to advance the University in a number of areas:

- Committing to no increase in tuition for resident undergraduate tuition for two years.
- Increasing the tuition differential between resident and non-resident undergraduate students.
- Keeping graduate and professional tuition as low as possible and aligned with market conditions and peer institutions.
- Capping campus/collegiate fees (no increases in this budget) and minimizing increases in student service fees, course and miscellaneous term fees, and room and board charges.
- Implementing a competitive compensation plan to retain and recruit world-class faculty and staff through a 2.5 percent increase.
- Maintaining critical technology and facility infrastructure.
- Advancing goals envisioned by the four Minnesota Discovery, Research and Innovation Economy (MnDRIVE) research initiatives through investments in faculty and staff, equipment, outreach, etc.
- Approving targeted, high-priority, innovate and strategic investment proposals brought forward by the system campuses, Twin Cities colleges, and support units.
- Taking action to reduce mission support/facilities/oversight costs where appropriate and redirect available resources to higher-priority strategic needs.

Kaler highlighted investments in merit-based scholarship aid and changes in federal and state grants. He indicated that the U Promise scholarship program, which provides need-based financial aid, remains fully funded for the coming year.

Kaler discussed new academic investments earmarked for faculty positions, college and campus support, classrooms, and research infrastructure across 30 units, colleges, campuses, and support units. He also reported briefly on operational excellence progress toward the goal of \$90 million in total reductions over six years.

Kaler reported that there would be no increase in tuition for resident undergraduate students, and noted that the difference between resident and non-resident tuition at this institution remains the smallest in the Big Ten. He noted a continuing focus on aligning graduate and professional tuition rates with market conditions and peer institutions, with minimal increases planned that vary by program. He also noted no increase in campus/collegiate fees for a

second year in a row, and minimal increases in course and miscellaneous fees. Kaler discussed proposed room and board costs and illustrated how those costs compare to peer institutions.

Kaler provided a summary of the \$3.6 billion Operating Budget. He discussed revenues, expenses, investments, and reallocations. He noted state appropriations are 17 percent of the Operating Budget, and presented details on state funding trends.

Chair Beeson called on Regent McMillan, Chair of the Finance Committee, to present the recommendation of the committee. McMillan reported that the committee voted unanimously to recommend approval of the Resolution Related to the FY 2015 Annual Operating Budget. He moved its approval. The motion was seconded.

Regent Devine expressed appreciation for efforts to hold down tuition costs, and indicated his support for the resolution. Regent Simmons commended the administration for efforts to reduce administrative costs and for being creative and open minded on how to achieve those goals. Regent Brod stated her belief that the budget is targeted, strategic, responsible, and demonstrates creative thinking and an aggressive approach to addressing difficult budget issues.

In response to questions from Regent Johnson, Pfutzenreuter indicated future challenges for the institution include tuition, facilities maintenance, federal funding for research, and staying competitive on financial aid and compensation.

The Board of Regents voted unanimously to approve the Resolution Related to the Fiscal Year 2015 Annual Operating Budget, as follows:

WHEREAS, the University of Minnesota as the state's public, land grant university is charged with the responsibility to pursue knowledge and to help apply that knowledge through research and discovery, teaching and learning, and outreach and public service; and

WHEREAS, the State of Minnesota, through its legislative and executive branches, has appropriated \$599,999,000 in state general fund monies for fiscal year 2014-15 to the University of Minnesota, which includes \$8,900,000 resulting from the 2014 legislative session, for the pursuit of its mission and in support of our goals and objectives; and

WHEREAS, the University's biennial request to the State of Minnesota proposed to stabilize the resident undergraduate tuition rate at the 2012-13 level for both 2013-14 and 2014-15; and

WHEREAS, the University of Minnesota is committed to achieving standards of national and international excellence; and

WHEREAS, the future of the University is premised on partnerships within the University community of faculty, staff and students, with the State of Minnesota, other educational institutions, business and industry, University alumni, local communities, and the citizens of Minnesota;

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents hereby approves the University of Minnesota Fiscal Year 2014-15 Annual Operating Budget as follows:

Minnesota resident undergraduate tuition rates will be stabilized at the 2012-13 level for 2014-15, consistent with the request by the State of Minnesota.

The Fiscal Year 2014-15 Annual Operating Budget approved by the Board of Regents includes the following attachments from the President's Recommended FY15 Operating Budget:

Attachment 1 – Resource and Expenditure Budget Plan (University Fiscal Page) - REVISED

Attachment 4 - University of Minnesota 2014-15 Tuition Plan: Tuition Rates

Attachment 6 - University of Minnesota 2014-15 Tuition Plan: Course Fees

Attachment 7 - University of Minnesota 2014-15 Tuition Plan: Misc. Term Fees

Attachment 8 - University of Minnesota 2014-15 Tuition Plan: Academic Fees

Attachment 9 - Student Services Fees

Attachment 12 - Fund Forecast - Centrally Distributed and Attributed Funds - REVISED

RESOLUTION RELATED TO STUDENT SEASON TICKET SALES FOR FOOTBALL

Chair Beeson called on Vice President Pfutzenreuter, Norwood Teague, Director of Intercollegiate Athletics, and Mike Ellis, Executive Associate Athletics Director, to discuss a resolution related to student season ticket sales for football as presented in the docket materials.

Ellis explained that the Department of Intercollegiate Athletics is proposing an amendment to the 2006 Board of Regents resolution related to timing of the sale of unsold student section football tickets to the general public. If approved, the resolution would give Gopher Athletics the authority to sell unsold student tickets in a timelier manner in an effort to ensure the student seating area of TCF Bank Stadium is as full as possible, and to maximize revenues. The new language would change the restriction on the sale of unsold student tickets to the general public from the Tuesday before the actual game date to the Monday following the first week of school in September. The student section seats would only be released for sale if all other tickets in the stadium bowl were sold out.

Ellis reported that since the opening of TCF Bank Stadium in 2009, student attendance has steadily declined. He noted that a half-full student section is undesirable and negatively impacts the game-day atmosphere, and there is a need to create a culture of urgency leading to stronger and earlier ticket purchases by students. Ellis reported on various marketing campaigns being implemented to promote early student ticket sales.

Chair Beeson noted that this item was only scheduled for review this month, but if no further discussion were required he would entertain a motion to approve the resolution.

A motion was made and seconded, and the Board of Regents voted unanimously to approve the Resolution Related to Student Season Ticket Sales for Football, as follows:

WHEREAS, the 2006 Minnesota State Legislature enacted Sections 137.51 to 137.60 of the Minnesota Statutes (Stadium Act), providing for annual appropriations of up to \$10,250,000 to reimburse the Regents of the University of Minnesota for principal and interest payments to service bonds in a total amount not to exceed \$137,250,000 (Stadium Bonds) in order to fund a portion of the cost of the TCF Bank Stadium and related infrastructure improvements (Stadium Project); and

WHEREAS, the Stadium Act provides that transfers of funds to service the Stadium Bonds are conditioned upon certain actions by the Board of Regents of the University of Minnesota (Board) and by the Minnesota Commissioner of Finance (Commissioner); and

WHEREAS, on November 10, 2006, the Board of Regents resolved to take certain actions to meet those conditions; and

WHEREAS, Section 137.54 (c) of the Minnesota Statutes required “Before the first payment is made under paragraph (a), the board must certify to the commissioner that a provision for affordable access for university students to the university sporting events held at the football stadium has been made.” To satisfy that requirement, one of the actions the Board of Regents took was to resolve that, *[T]he Board hereby certifies that, so long as any of the Stadium Bonds remain outstanding, affordable access for University students to University sporting events held at the Stadium shall be provided as follows: a number of tickets equal to 20 percent of the seating capacity for each football sporting event (Discounted Student Tickets) shall be made available to University students at prices equal to the lesser of (i) 40 percent of the respective season or single game public ticket prices and (ii) 110 percent of the previous year’s price for the same student season or single game ticket, adjusted to the nearest dollar. If any Discounted Student Tickets remain unsold four days before any game, they will also become available for sale to the public at Public Ticket prices; and*

WHEREAS, the Board of Regents has determined that revising the policy will promote sales of Discounted Student Tickets, provide a more active game-day atmosphere for students, result in more timely sales of unsold tickets, and enhance revenues, while meeting the requirement of providing affordable access for university students to the university sporting events held at the football stadium, pursuant to section 137.54(c) of the Minnesota Statutes.

NOW, THEREFORE, BE IT RESOLVED that pursuant to Section 137.54(c) of the Minnesota Statutes, the Board hereby certifies that, so long as any of the Stadium Bonds remain outstanding, affordable access for University students to University sporting events held at the Stadium shall be provided as follows: a number of tickets equal to 20 percent of the seating capacity for each football sporting event (Discounted Student Tickets) shall be made available to University students at prices equal to the lesser of (i) 40 percent of the respective season or single game public ticket prices and (ii) 110 percent of the previous year’s price for the same student season or single game ticket, adjusted to the nearest dollar. If all seats in the bowl of the stadium (i.e., all of the seats except those in the tower or premium seating portion of the stadium) are sold out and any Discounted Student Tickets in sections 220-223 and 227-229 remain unsold on the first Monday following the first week of classes in September, they will also become available for sale to the public at public ticket prices.

NEW APPROACHES TO NEIGHBORHOOD ENGAGEMENT - OVERVIEW & RESOLUTION

Chair Beeson invited Vice Presidents Pfutzenreuter and Wheelock and Monique MacKenzie, Director of Planning and Architecture, Capital Planning and Project Management, to discuss new approaches to neighborhood engagement as presented in the docket materials.

Kaler stated that, for over 160 years, the Minneapolis area of the Twin Cities campus has been inextricably linked to the its surrounding neighborhoods. As higher education rapidly evolves, the University’s place-based learning experience is, and is expected to be, one of the institution’s greatest competitive advantages. Given the size of the student body, historical decisions by both the University and private developers, and the location of the campus in a major metropolitan area, more University students than at any other point in history live near campus and walk, bike, or commute through the adjacent neighborhoods. Kaler noted that the University’s stature and role as an economic engine has a huge impact on neighborhoods around campus.

Wheelock posed a number of questions for consideration:

- Why is it important for the University to engage differently with the neighborhoods surrounding the Minneapolis campus?
- What do we hope to achieve by changing our approach?
- What processes do we currently use to guide our interactions and planning with the near-campus communities?
- What tools do we currently use to execute on these plans?
- What principles will guide us in developing our engagement strategy?
- How will we know when we've been successful?

Wheelock indicated that the area around the Minneapolis portion of the Twin Cities campus has seen an accelerated rate of change in recent years. For students living on the East and West Bank, there has been a blurring of edges between the campus proper and surrounding neighborhoods. She provided a brief history of the evolution of the campus and surrounding neighborhoods, and presented information on the number of students living on or near campus and the impact of those numbers on student housing.

Wheelock noted the University has two primary assets: its people and its places. The campus is in the heart of a vibrant metropolitan area surrounded by opportunities and partnerships for research and discovery. She discussed the importance of strengthening connections to the adjacent communities, and developing strategies that advance key interests of both the University and the surrounding community, including public safety, transportation, building code enforcement, housing, and other types of economic development activity.

MacKenzie discussed processes currently used to guide interactions and planning within near-campus communities. She provided background on the institution's *Twin Cities Campus Master Plan*, a tool used to align investments with the strategic academic vision; assist in determining plans for the best overall use of existing land, development sites and facilities; and promote positive relationships with adjacent neighborhoods, municipalities, and the region.

Pfutzenreuter reported that the University's planning and development activities historically have focused primarily within campus boundaries, with real estate transactions near campus targeted on direct mission activities. In addition, housing priorities have been intended to ensure first- and second-year students have opportunities to live on campus while allowing the private sector to meet the balance of student housing needs.

Pfutzenreuter outlined a number of principles guiding the University's engagement with the surrounding communities. He described community engagement through the University District Alliance and the Stadium Area Advisory Committee, and explained student involvement efforts. He stressed that the participation of all parties is critical.

Pfutzenreuter described desired outcomes and next steps, which include research on best practices at similar institutions, engaging in broader discussions with community partners, reviewing the relevance of current Master Plan principles, establishing outcome-based metrics, and identifying short-term and long-term strategies and supporting resource needs.

In response to comments from Regent Frobenius, Wheelock indicated that health care delivery is a key part of the University's mission, with significant investment of resources made to advance the institution's position in the health care industry. She stressed that uninterrupted access to University health care facilities is a crucially important element in traffic management and campus planning.

Regent Allen urged the administration to balance the need for new facilities with the desire to maintain open space and an attractive campus. He noted it would be useful for the administration to quantify how open and green space has changed historically.

Regent Lucas expressed concern about the maintenance of buildings and the thousands of privately constructed housing units that will be aging at the same pace. She urged the administration to work with appropriate city partners on code enforcement and other issues related to student housing.

REPORT OF THE FACILITIES & OPERATIONS COMMITTEE

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

- a) Approval of the following real estate transactions as presented to the committee and described in the June 12, 2014 committee minutes:

- 1. Sale of 18.13 Acres, Carver County (Landscape Arboretum).

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

Allen reported that the committee also received a report on maximizing the University's physical assets (Part III): Facilities, Planning and Assumptions; received and discussed a report on student housing trends and strategies; discussed the role of information technology in research; and reviewed a number of information items included in the docket materials.

REPORT OF THE FACULTY & STAFF AFFAIRS COMMITTEE

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

- a) Approval of the Consent Report for the Faculty & Staff Affairs Committee as presented to the committee and described in the June 12, 2014 committee minutes.

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

Frobenius reported that the committee also received an overview of benefits; received an annual UPlan health insurance update; discussed retirement program trends; and reviewed a number of information items outlined in the docket materials.

REPORT OF THE FINANCE COMMITTEE

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

- a) Approval of the Consent Report for the Finance Committee as presented to the committee and described in the June 12, 2014 committee minutes.

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

McMillan reported that the committee also discussed a long-range financial planning model; received an update on the enterprise systems upgrade project; and discussed a number of information items included in the docket materials. An item on University tax compliance activities and programs was delayed due to time constraints.

REPORT OF THE ACADEMIC & STUDENT AFFAIRS COMMITTEE

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

- a) Approval of the Consent Report for the Academic & Student Affairs Committee as presented to the committee and described in the June 12, 2014 committee minutes.

The Board of Regents voted unanimously to approve the recommendation of the Academic & Student Affairs Committee.

Cohen reported that the committee also received a strategic planning progress update and discussed a health and wellness services assessment.

REPORT OF THE AUDIT COMMITTEE

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

- a) Approval of the Consent Report for the Audit Committee as presented to the committee and described in the June 12, 2014 committee minutes.

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

Brod reported that the committee also discussed the internal audit plan; received an internal audit update; received and discussed an updated research risk profile; and reviewed the information items contained in the docket materials.

REPORT OF THE LITIGATION COMMITTEE

Chair Beeson reported that, pursuant to notice sent by the University, the Litigation Review Committee met on June 13, 2014. A resolution was considered and passed that authorized the closing of the meeting. In the closed meeting a discussion was held of matters subject to the attorney-client privilege.

REPORT OF THE SPECIAL STUDY COMMITTEE ON ACADEMIC MEDICINE

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

The meeting adjourned at 12:10 p.m.

A handwritten signature in black ink that reads "Brian R. Steeves". The signature is written in a cursive style with a large, prominent initial "B".

BRIAN R. STEEVES
Executive Director
and Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

Presidential Performance Review Committee

May 9, 2014

A meeting of the Presidential Performance Review Committee of the Board of Regents was held on Friday, May 9, 2014 at 1:40 p.m. in 600 McNamara Alumni Center.

Regents present: Richard Beeson, presiding; Dean Johnson, and David McMillan.

Staff present: Executive Director Brian Steeves.

**RESOLUTION TO CONDUCT NON-PUBLIC MEETING
OF THE PRESIDENTIAL PERFORMANCE REVIEW COMMITTEE**

A motion was made and seconded that the following resolution be approved:

RESOLVED, that as provided by Minnesota State Statute 13D.05, Subd. 3(a), a non-public meeting of the Presidential Performance Review Committee of the Board of Regents will be held on Friday, May 9, 2014 immediately following the Public Forum on the President's Recommended FY 2015 Annual Operating Budget in the W.R. Peterson Conference Room, 600 McNamara Alumni Center, 200 Oak Street, SE, Minneapolis, Minnesota, for the purpose of evaluating the performance of the President of the University of Minnesota.

The committee voted unanimously to approve the resolution. Beeson outlined the evaluation process and timeline.

The public portion of the meeting adjourned at 1:45 p.m.

The non-public portion of the meeting adjourned at 2:45 p.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

Presidential Performance Review Committee

May 27, 2014

A meeting of the Presidential Performance Review Committee of the Board of Regents was held on Tuesday, May 27, 2014 at 11:30 a.m. in 600 McNamara Alumni Center.

Regents present: Richard Beeson, presiding; Dean Johnson, and David McMillan.

Staff present: Executive Director Brian Steeves.

**RESOLUTION TO CONDUCT NON-PUBLIC MEETING
OF THE PRESIDENTIAL PERFORMANCE REVIEW COMMITTEE**

A motion was made and seconded that the following resolution be approved:

RESOLVED, that as provided by Minnesota State Statute 13D.05, Subd. 3(a), a non-public meeting of the Presidential Performance Review Committee of the Board of Regents will be held on Tuesday, May 27 at 11:30 a.m. in the W.R. Peterson Conference Room, 600 McNamara Alumni Center, 200 Oak Street, SE, Minneapolis, Minnesota, for the purpose of evaluating the performance of the President of the University of Minnesota.

The committee voted unanimously to approve the resolution.

The public portion of the meeting adjourned at 11:35 a.m.

The non-public portion of the meeting adjourned at 1:00 p.m.



**BRIAN R. STEEVES
Executive Director and
Corporate Secretary**

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

Presidential Performance Review Committee

June 11, 2014

A meeting of the Presidential Performance Review Committee of the Board of Regents was held on Wednesday, June 11, 2014 at 6:00 p.m. in the Hearth Room of the Minneapolis Club, 729 - 2nd Avenue South, Minneapolis, Minnesota.

Regents present: Richard Beeson, presiding; Dean Johnson, and David McMillan.

Staff present: President Eric Kaler and Executive Director Brian Steeves.

**RESOLUTION TO CONDUCT NON-PUBLIC MEETING
OF THE PRESIDENTIAL PERFORMANCE REVIEW COMMITTEE**

A motion was made and seconded that the following resolution be approved:

RESOLVED, that as provided by Minnesota State Statute 13D.05, Subd. 3(a), a non-public meeting of the Presidential Performance Review Committee of the Board of Regents will be held on Wednesday, June 11, 2014 at 6:00 p.m. in the Hearth Room, Minneapolis Club, 729 Second Avenue South, Minneapolis, Minnesota for the purpose of evaluating the performance of the President of the University of Minnesota.

The committee voted unanimously to approve the resolution.

The public portion of the meeting adjourned at 6:40 p.m.

The non-public portion of the meeting adjourned at 8:35 p.m.



**BRIAN R. STEEVES
Executive Director and
Corporate Secretary**