

MBA/MGG

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

MINUTES

**BOARD OF REGENTS' MEETING
AND
REGENTS' COMMITTEE MEETINGS**

November 7-8, 1991

**Office of the Board of Regents
220 Morrill Hall**

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

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

November 7-8, 1991

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Year 1991-92

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Audit Committee

November 7, 1991

A meeting of the Audit Committee of the Board of Regents was held on Thursday, November 7, 1991 at 7:30 a.m. in Room 300, Morrill Hall.

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

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

Student Representative present: David Dahlgren.

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

**QUARTERLY REPORT ON FINANCIAL MANAGEMENT SYSTEM
(CUFS)**

The committee received a quarterly update on the progress of the Financial Management System (CUFS). Senior Vice President Erickson reported that the CUFS system was implemented on November 4 and is in the beginning phases of operation, indicating that while the entire program is not operating, administration is cautiously optimistic about the implementation. Senior Vice President Erickson also reported on the project budget, indicating that projected expenditures through the end of December indicate that the project is approximately \$3.6 million over the original estimate. He stated that he has requested that Coopers & Lybrand, along with the Internal Audit Department, do a review of the project history and budget expenditures to determine how expenditures were monitored; determine if controls were adequate; and suggest any corrective action that might be needed for future controls. The cost of the external review is estimated to be \$10,000. In response to a question from Regent Kuderer, it was stated that the proposed review would be complete in 30 days.

Regent Keffeler stated she is pleased that a formal review will be performed, indicating that the expenditure overrun is disappointing. Regent Keffeler also asked about progress on developing financial reporting formats for Regents' review after the system is in full operation. Senior Vice President Erickson responded that because of the implementation thrust, the proposed report formats are still being discussed, indicating that he will present proposed formats at the next Audit Committee meeting in January.

COMPLIANCE OFFICER'S QUARTERLY REPORT

The committee reviewed a summary of the University's departmental compliance with audit recommendations from internal, external, and legislative audit reports issued between July 1, 1988 and April 30, 1991.

Gráinne Medearis, Policy and Compliance Officer, reviewed a summary of the report, indicating that overall compliance was at 91 percent. Regent Kuderer asked if any comparisons regarding compliance rates have been made with other universities. Patrick Spellacy, Director of Audits, responded that very few universities have a monitoring system like the University of Minnesota and at this time there have been no comparisons made. He stated that he has received inquiries from various schools about the process used at the University of Minnesota, noting that several are using this model for their institutions.

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

DIRECTOR OF AUDITS' QUARTERLY REPORT

Patrick Spellacy, Director of Audits, presented the Quarterly Report which included information pertaining to audits issued since the July 11, 1991 report, audits in process, and audits scheduled.

Mr. Spellacy indicated that in September, the Audit Department finished its first self-assessment sessions with Telecommunications Services and was encouraged by the initial results. Time commitments on the part of the Audit Department are greatly reduced with the use of this self-assessment process. He stated that other self-assessments are planned in the coming months.

Mr. Spellacy also reported that 14 audits are in progress, with many of them delayed due to the Audit Department devoting time to working with the CUFs implementation team.

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

REVIEW OF FISCAL YEAR 1991 FINANCIAL STATEMENT

Messrs. Mark Chronister and Jon Killmer and Ms. Mary Jefferson, from Coopers & Lybrand, presented a review of the 1991 fiscal year financial statements.

Mr. Chronister reported that in the opinion of Coopers & Lybrand, the financial statements present fairly, in all material respects, the financial position of the University of Minnesota as of June 30, 1991, and that the changes in fund balances and current fund revenues, expenditures, and other changes for the year then ended in conformity with generally-accepted accounting principles.

Ms. Jefferson reviewed significant items in the 1991 financial statements with comparisons to previous years. She reported that total assets for the University increased by \$28.9 million in 1991, with total liabilities increasing by \$8.2 million. Total fund balances increased by \$20.6 million. A comparison of the sources of total revenues and components of expenditures from 1990 to 1991 was also reviewed. In addition, a five-year trend analysis was reviewed showing consistency in growth of both revenues and expenditures, however, growth in revenues was less than growth in expenditures.

Mr. Chronister reported that Coopers & Lybrand will present its Management Letter in draft form to the University's management by mid-November so that management's response and the final letter from Coopers & Lybrand will be completed for the January meeting.

It was also reported that in addition to reviewing the annual financial statements, Coopers & Lybrand also provided consulting services to the University for the following:

- Assistance to internal audit in assessment of certain components of CUFS
- Assessment of Support Services and Operations accounting procedures and financial statement presentation, audit
- Assessment of Facilities Planning function
- Assisted in obtaining tax exempt status for RUMINCO
- Performed overview of implementation readiness of University related to CUFS
- Assisted in determining depreciation adjustment

The meeting adjourned at 8:50 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Physical Planning and Operations Committee

November 7, 1991

A meeting of the Physical Planning and Operations Committee of the Board of Regents was held on Thursday, November 7, 1991 at 1:30 p.m. in Room 300, Morrill Hall.

Regents present: Regent Wynia, Acting Chair; Regents Anderson, Craig, Kuderer, Neel and Wynia.

Staff present: Senior Vice President Erickson; Associate Executive Director Janzen; Associate Vice President Hewitt; Assistant Vice Presidents Cram and Markham; and Assistant Provost Bakkenist.

Student Representative present: David Dahlgren.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

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

PURCHASE OF GOODS AND SERVICES OVER \$250,000

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

- American Red Cross, St. Paul Regional Blood Service for red blood cells and plasma from 10/1/91 - 9/30/92 at an estimated cost of \$600,000 for the Surgery Department.
- The System Works, Inc. for the purchase of a Software License Agreement at a cost of \$300,000 for Facilities Management.

PROJECTS FUNDED BY LEGISLATIVE APPROPRIATION

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

- a. Natural Resources Research Institute - Phase V Remodeling
Duluth Campus
Estimated cost of the project: \$2,300,000
Funding: 1990 Legislative Appropriation
Debt Financing Sources: Natural Resources Research Institute
Special State Appropriation
Estimated completion: January 1993

PROJECT PRESENTED FOR INFORMATION/ACTION

The committee voted unanimously to recommend approval of the following project:

- a. **Underground Storage Tank Abatement Program, Systemwide**
Total estimated cost of the project: \$704,000
(Funding requirement for 1990-92 work is \$524,000)
Funding: Central Reserves
Estimated completion: November 1992

PROJECT FOR INFORMATION FUNDED BY LEGISLATIVE APPROPRIATION

Wilson Library Remodeling Twin Cities Campus

The committee reviewed a proposal for the remodeling of Wilson Library on the Twin Cities campus. The scope of the project would consist of 1) converting Room S50 from a standard book stack configuration to a mobile compact shelving system, increasing storage capacity from 100,000 volumes to 350,000 volumes; 2) extending stack space at the basement level to create an additional 5,825 gross square feet of storage area; 3) reconfiguring the enter/exit area in the basement to improve efficiency; and 4) replacement of study furniture. Estimated cost of the project was reported to be \$2,800,000, with funding provided from a 1990 legislative appropriation. Estimated completion would be scheduled for August 1992. Mr. Don Kelsey from University Library Administration was present to respond to questions.

LAND TRANSACTION

Acquisition of Interstate Medical Center Red Wing, Minnesota

The committee reviewed a proposal for the acquisition of the Interstate Medical Center (IMC) in Red Wing, Minnesota by the University Hospital and Clinic. Ms. Kris Johnson, Chair of the Board of Governors of the University of Minnesota Hospital & Clinic, presented brief comments on the item, indicating that this acquisition is one that the Board of Governors has been looking at for the past two years. She stated that due to the change in health care environments with increasing linkages in health care systems and increasing emphasis on the outpatient aspect of health care, the Board of Governors believes this is an appropriate investment for the University Hospital to make.

Robert Dickler, Director of the University of Minnesota Hospital and Clinic, presented details on the proposal, indicating that the acquisition price is \$9,074,600 subject to adjustment for any issues discovered during the due diligence process. He noted that approximately \$3.5 million will be for the purchase of the tangible assets and \$5.5 million will be for the purchase of the practice. Mr. Dickler reported that the acquisition price was negotiated on the basis of two real estate appraisals and a valuation of the equipment and inventory provided by American Appraisal. In addition, he noted that external consulting firms expert in the acquisition of a practice have reviewed the matter and reported that the aggregate purchase price is within the fair market value of the practice. The IMC is a 28-physician, multi-specialty clinic operating primarily out of a facility in Red Wing, with a satellite office in Zumbrota and a clinic building in Ellsworth, Wisconsin. Mr. Dickler reported that this proposal is to establish a new non-profit organization, with the University of Minnesota

as the sole member. The mission of the corporation would be to engage in, assist and contribute to the support of charitable, scientific, and educational activities and projects. He stated that the acquisition of IMC would be consistent with the statewide role of the University Hospital and the changes occurring within the health care systems with regard to system development and integrated delivery systems.

Several members of the committee raised concerns regarding the proposal, questioning if the University should actually be involved in this type of acquisition and indicating that \$5.5 million is a high price to pay for "good will". Concerns were also raised regarding the condition of the assets being purchased and the proposed legal structure for the operation of the entity.

After a lengthy discussion, it was the consensus of the committee that the item should be on the agenda in December for further information.

Regent Wynia requested that Mr. Dickler provide her with information regarding similar contractual arrangements that other major hospitals in the metropolitan area have made in the last five to ten years that speak to this type of integrated-delivery system. Mr. Dickler stated that he would provide that information before the next meeting.

NEW BUSINESS
STUDENT HEALTH AND COUNSELING CENTER EXPANSION
DULUTH CAMPUS, PROJECT SCOPE INCREASE

The committee voted unanimously to recommend approval of a scope increase for the following project:

- a. Student Health and Counseling Center Expansion
Duluth Campus, Project Increase
Project increase: \$100,000
Total estimated cost of the project: \$1,040,000
Funding: Student Health & Counseling Center Building Fund
Reserve; Student Health & Counseling Center Operating Fund
Reserve; and Student Fee Committee Reserve Fund
Estimated completion: August 1992

It was noted that the reason for the project increase was that the low base bid received on this project came in approximately \$170,000 over the amount originally budgeted for the base bid award. It was reduced to approximately \$100,000 by deduct alternates and other non-construction scope of work reductions.

Student Representative Darby Laing commented that there had been a great deal of concern by students about using the Student Fee Committee Reserve Fund for partial funding of the increase; however, after meeting with the Administration at UMD, those concerns have been alleviated.

The meeting adjourned at 2:30 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

Year 1991-92

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Finance and Legislative Committee

November 7, 1991

A meeting of the Finance and Legislative Committee of the Board of Regents was held on Thursday, November 7, 1991 at 3:40 p.m. in Room 300, Morrill Hall.

Regents present: Regent Anderson, Chair; Regents Kuderer, M. Page, Roshia, Sahlstrom and Wynia.

Staff present: Senior Vice President Erickson; Vice President Heydinger; Associate Executive Director Janzen; and State Relations Director Peterson.

Student Representatives present: Jeffrey Lund and Tim Wolf.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

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

MODIFICATION OF RESERVE SPENDING PLAN

The committee voted unanimously to recommend approval that the appropriate staff are authorized to expend central reserve funds for the following:

\$369,000 Continuation of work on Underground Storage Tank
Abatement Program

RESOLUTION REGARDING APPROVED DEPOSITORIES

The committee voted unanimously to recommend approval of a resolution expanding the University of Minnesota's list of approved depositories to include Wacovia Bank and Trust.

The committee also voted unanimously to recommend approval of the following resolution regarding authorized signers on University of Minnesota bank accounts:

RESOLVED, That «designated depository» (herein called the "Bank") be and is hereby designated as a depository of the REGENTS OF THE UNIVERSITY OF MINNESOTA (Federal Tax Identification Number 41-6007513) (herein called the "University") with authority to accept or receive at any time for the credit of the University deposits by whomsoever made of funds and other property in whatever form or manner transferred or endorsed, whether made as demand deposits, savings deposits, or time deposits.

RESOLVED, That the person or persons from time to time holding the following offices of the University be designated "Authorized Signer(s)":

Senior Vice President for Finance and Operations
Treasurer
Controller

and that any Authorized Signer be and is hereby authorized to open or cause to opened one or more accounts with the Bank on such terms, conditions and agreements as the Bank may now or hereafter require and to make any other agreements deemed advisable in regard to any of the foregoing.

RESOLVED, That checks, drafts or other orders for the payment, transfer or withdrawal of any of the funds or property of the University on deposit with the Bank shall be binding on the University when signed, manually or by use of a facsimile or mechanical signature, regardless of by whom or by what means the actual or purported facsimile or mechanical signature or signatures may have been placed thereon, or otherwise authorized, by any ONE (1) Authorized Signer, or, any person or persons designated, on an account by account basis, as "Additional Signer(s)" in a written certificate signed by any Authorized Signer, which certificate may further specify the number of Additional Signers which may be required. In particular, and not in limitation of the foregoing, Authorized Signers (and to the extent authorized in a written certificate as provided above, Additional Signers) may authorize payment, transfer or withdrawal by written, telephonic, electronic, or oral instructions to the Bank complying with such rules and regulations relating to such authorization as the Bank may communicate to the University from time to time, of funds of the University on deposit with the Bank, by wire or otherwise, without any written order for the payment of money being issued with respect to such transfer, and, for and on behalf of the University, an Authorized Signer may enter into such agreements with the Bank with respect to any such transfer(s) as such Authorized Signer deems advisable. If any such payment, transfer or withdrawal authorization requires communication to the Bank by the requester of a code, and such code is communicated, any such payment, transfer or withdrawal so effected shall be binding on the University regardless of who communicates the request.

RESOLVED FURTHER, That any Authorized Signer is hereby authorized and empowered, on behalf of the University, to transact any and all other business with and through the Bank which such Authorized Signer may at any time deem to be advisable, including, without limiting the generality of the foregoing, authority to purchase certificates of deposit and to enter into safe deposit agreements, lockbox agreements, night depository agreements, securities custody agreements, or securities lending agreements, and in reference to any such business, to make any and all agreements and deliver to the Bank any and all contracts and other writings which such Authorized Signer may deem to be necessary or desirable.

RESOLVED FURTHER, That the Secretary shall certify to the Bank the names and signatures (either actual or any form or forms of facsimile or mechanical signatures adopted) of the Authorized Signers. In the event of a change in any Certified Authorized Signer, the Secretary, a remaining Certified Authorized Signer, or an Additional Signer shall promptly notify the Bank of any such change in certification. Such notification shall be followed, in a timely manner, by a revised certification by the Secretary of the names and signatures of the officers or persons authorized to sign or act. The bank may rely upon such notification without liability until the revised certification is received.

RESOLVED FURTHER, That these resolutions shall continue in force until express written notice of their rescission or modification has been furnished to and received by the Bank.

RESOLVED FURTHER, That any and all transactions by or in behalf of the University with the Bank prior to the adoption of this resolution (whether involving deposits, withdrawals or otherwise) be and the same hereby are in all respects ratified, approved and confirmed.

This resolution is intended to apply to all designated depositories of this corporation and the Secretary is authorized to prepare and transmit an identical resolution except for the name of the designated depository to each designated depository of this corporation.

QUARTERLY MANAGEMENT REPORT

The committee reviewed the quarterly report on the fiscal status of the current funds of the University as of September 30, 1991. Statements included in the report were 1) a statement of fund balances for the General Operations and Maintenance fund and for All Funds Combined; 2) a statement of the current status of the budget for the General Operations and Maintenance fund; and 3) a statement of budget performance by colleges and administrative units.

Senior Vice President Erickson reported that the Office of Finance and Operations had reviewed the information contained in the report and found no system-wide items of financial concern that should be brought to the attention of the Board of Regents.

LEGISLATIVE STRATEGY

Donna Peterson, Director of State Relations, presented a brief update on legislative activities during the past month.

Ms. Peterson distributed material prepared by the Minnesota High Technology Council entitled "An Unheralded Industry - The Economic Impact of Selected University of Minnesota Research and Education Programs." Ms. Peterson reported that this document will be useful during the legislative session.

Regent Sahlstrom commented briefly, indicating that it would be helpful if other external councils could be persuaded to prepare similar documents.

Ms. Peterson further reported that she, as well as other administrators, are continuing to meet with legislators to discuss the University's needs before the 1992 legislative session begins. Visits to the campuses are also being arranged for legislators.

The meeting adjourned at 3:55 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

Year 1991-92

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff and Student Affairs Committee

November 7, 1991

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, November 7, 1991, at 1:30 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Sahlstrom, presiding; Regents Keffeler, A. Page, M. Page, Reagan and Rosha.

Staff present: Chancellors Sargeant and Wilhelmson; Senior Vice President Infante; Vice Presidents Allen, Hughes and Perlmutter; Executive Director Muesing; Associate Vice Presidents Cabral and Carrier.

Student Representatives present: Eric Carter and Jeffrey Lund.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Infante presented the Senior Vice President's Monthly Report, which was included in the docket materials, including four revised Regents' policies relating to Affirmative Action and Equal Opportunity. He noted the proposal to continue the appointment of Cherie Perlmutter as Acting Vice President for Health Sciences until February 15, 1992. In addition, he presented a supplementary docket item recommending the appointment of Dr. Sandra Edwardson as Dean of the School of Nursing, effective November 16, 1991.

Dr. Infante reported that an offer has been extended to an individual for the position of Vice President for Research and Dean of the Graduate School, and the searches for General Counsel and Associate Vice President for Academic Affairs are continuing.

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

Regent Keffeler expressed concerns about the impact of the budget situation on the faculty and the resulting faculty renewal that will be necessary. Dr. Infante stated that this is a matter of considerable concern. He added there is an expectation that a significant renewal of the faculty will be needed because of faculty retirements and the current financial problems limit the University's capacity to rejuvenate the faculty. As a result, he stated that there has been no faculty hiring freeze because the Administration believes that the institution will be in an advantageous position if the financial problems are addressed at the earliest possible stage.

Dr. Infante concurred with Regent Reagan's suggestion that the Administration try to achieve a balance in terms of age and experience through the process of faculty rejuvenation.

Following the discussion, Regent Sahlstrom expressed appreciation to Dr. Infante for his report.

PHASED RETIREMENT AND TERMINAL LEAVE/ EARLY RETIREMENT POLICY

Senior Vice President Infante presented the revised Phased Retirement and Terminal Leave/Early Retirement Policy to the committee for approval. Ann Bailly, Assistant to the Vice President, noted that Section A.1 of the policy has been revised to delete full-time employment as an additional eligibility requirement.

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

1991-93 UNIT 4 COLLECTIVE BARGAINING AGREEMENT

Roger Forrester, Director of the University Personnel Department, recommended approval of the proposed Collective Bargaining Agreement between the University and AFSCME Local 1164 (Unit 4 Bargaining Unit - health care non-professional employees). He commended Patti Dion and Martha Johnson for their efforts in reaching the contract settlement. Mr. Forrester reviewed the provisions of the proposed contract, noting that the contract sets a precedent because it reflects the University's financial situation rather than being consistent with the contract for State of Minnesota employees.

Following the discussion, the committee voted unanimously to recommend approval of the proposed Collective Bargaining Agreement.

BOYNTON HEALTH SERVICE FEE

Vice President Hughes presented for approval the Administration's recommendation to continue the \$54 Boynton Health Service fee for all students for the remainder of the academic year. In response to a concern raised by Regent Sahlstrom, Dr. Hughes stated that the fee for medical residents and graduate assistants who hold more than 50 percent appointments will be discussed during the current review of health care needs and delivery, and a recommendation will be made to President Hasselmo by March 1, 1992.

Regent Keffeler endorsed the concept of a universal student fee, and suggested that issues relating to Boynton's level of service, efficiency and cost effectiveness be examined during the review process. Dr. Donald Peters, Director of Boynton Health Service, stated that efficiency will be discussed as part of the review. He indicated that Boynton Health Service is responsive to the needs of the University community and delivers a high level of service for \$54. While the level of service results in high costs, he noted that the Boynton fee has remained the same over the past three years and they continue to strive for cost containment within the context of the student development model. Dr. Peters indicated that national health care trends may result in major adjustments in Boynton's future level and delivery of health care services, stating that Boynton would welcome a review of that process.

Following the discussion, the committee voted unanimously to recommend approval of the following resolution:

RESOLVED, that the student health care fee (Boynton fee) be continued for all students; that the Vice President for Student Affairs augment the current professional agency review of Twin Cities campus student health care needs/delivery with other stakeholders in the health care issue, including representatives from the Health Sciences and Graduate School, and use other outside consultants where appropriate to evaluate services and prepare a comprehensive recommendation addressing student health care needs on an urban campus in a cost-effective manner; and that the recommendations should be forwarded to President Hasselmo by March 1, 1992.

SUMMARY OF 1990-91 ACADEMIC PERSONNEL ACTIONS

Vice President Infante, Associate Vice President Carrier and Patricia Mullen, Director of the Office of Equal Opportunity and Affirmative Action, presented a review of the academic personnel actions taken from July 1, 1990 through June 30, 1991. In response to Regent Sahlstrom, Dr. Carrier stated that the data indicate that the University is making progress towards its diversity goals.

Dr. Carrier reviewed the summary report, including data on composition, hiring practices of colleges in relation to Affirmative Action goals, attrition, promotion and tenure, consulting and leaves for University faculty and academic staff. She noted that the 1991-92 summary will also include an analysis of salary distribution and information regarding graduate assistants.

Dr. Carrier reported that in April 1991, there were 3,201 regular faculty at the University, compared with 3,220 in April 1990. There were 661 females, which is an increase of 13 over 1990, and 254 were minorities, which is an increase of 14 over 1990.

Ms. Mullen reviewed the Affirmative Action program requirements. Using the Department of Aerospace Engineering and Mechanics as an example, she discussed how availability data is used to develop hiring goals for women and minorities. In response to Regent Keffeler, Ms. Mullen stated that the University is required by federal law to set hiring goals annually.

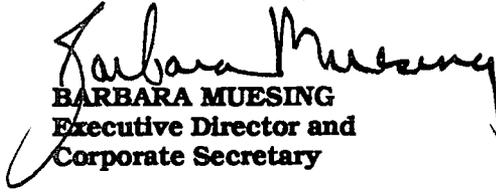
Regent Keffeler suggested that future reports be expanded so that departmental progress toward established University goals can be gauged, as opposed to progress made toward mirroring national availability pools. Dr. Carrier responded that collegiate plans could be reviewed to determine progress toward stated goals. Dr. Infante reported that he recently sent a memorandum to departments stating he will carefully consider progress made in the hiring of women and minorities when setting departmental budgets, and noting that bridge funding is available through his office for this purpose.

Dr. Carrier stressed the importance of the University's faculty leave programs in light of faculty rejuvenation issues. She noted that while the single quarter leave program is oversubscribed, only 109 faculty, or less than 10 percent of those eligible, took sabbaticals. She stated that faculty do not take advantage of this program for financial reasons, and indicated that the University needs to make its leave programs more attractive.

In the context of the proposed Budget Plan, Regent Keffeler asked about expected hiring goals for the next year and whether the University will have sufficient flexibility to achieve those goals. Dr. Infante stated that he anticipates approximately 50 regular faculty appointments in 1991-92, compared with 155 this year, in addition to an increase in the faculty attrition rate. He stated that 1991-92 will be a very tight year if

the Budget Plan is approved, however, if it is a one-year phenomenon the University will be in a good position in the future.

The meeting adjourned at 3:05 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Educational Planning and Policy Committee

November 7, 1991

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, November 7, 1991, at 3:45 p.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: Chancellor Johnson; Senior Vice President Infante; Executive Director Muesing.

Student Representatives present: Darby Laing and Kristina Peterson.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Infante presented for the committee's approval the Senior Vice President's Monthly Report, which included University and Minnesota Higher Education Coordinating Board (MHECB) items and was included in the docket materials. The report included a paper prepared by Patricia Kovel-Jarboe, Ph.D. titled "Quality Improvement Initiative: Background and Current Status at the University of Minnesota," which provides an overview of current efforts to improve quality through implementation of a structured quality improvement system.

Dr. Craig commended Dr. Kovel-Jarboe for preparing an excellent report. Regent Reagan noted that the quality improvement program at Lake Superior Paper Company in Duluth has become a model for such programs, and he offered to arrange a tour for anyone who is interested.

In response to a concern expressed by Regent Craig regarding some of the programs which are approved by MHECB, Dr. Infante stated that all of the degree programs offered in the State of Minnesota must be approved by the MHECB. He reminded the committee that as of November 1, 1991 the moratorium on new academic program proposals by University departments was lifted and a program proposal will be presented for information at the December meeting.

Regent Craig reported on a self-assessment program being tested by the Department of Audits, which requires employees in the department being audited to assess its strengths and weaknesses. She stated that this system results in support and cooperation and will make the audit process faster and simpler.

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

**APPOINTMENTS TO THE UNIVERSITY OF MINNESOTA FOUNDATION
BOARD OF TRUSTEES, THE MINNESOTA LANDSCAPE ARBORETUM FOUNDATION
BOARD OF TRUSTEES AND THE HORMEL FOUNDATION BOARD OF TRUSTEES**

Senior Vice President Infante presented the following resolution to the committee for approval:

RESOLVED, that the following appointments to the University of Minnesota Foundation Board of Trustees, the Minnesota Landscape Arboretum Foundation Board of Trustees and the Hormel Foundation Board of Trustees are hereby approved:

University of Minnesota Foundation Board of Trustees: Three-year terms - Wendell Anderson, Jean Keffeler, Elton Kuderer, Stanley Sahlstrom and Emily Ann Staples; to complete a two-year term - Josie Johnson; and to complete a one-year term - Stephen Pflaum.

Minnesota Landscape Arboretum Foundation Board of Trustees: Three-year terms - Elizabeth Savage and Clark Winslow.

Hormel Foundation Board of Trustees: One-year term - Dr. Harald H. Schmid.

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

**REPORT ON STATUS OF THE UNDERGRADUATE INITIATIVE -
INSTITUTE OF TECHNOLOGY**

Senior Vice President Infante led the presentation of the status report on the Initiative for Excellence in Undergraduate Education, focusing on activities of the Institute of Technology (IT). He introduced Gordon Beavers, Acting Dean of IT, and expressed pride in the efforts of his former colleagues in this arena. He stated that he hopes to see similar programs implemented in all of the other colleges, particularly in the College of Liberal Arts.

Dean Beavers began the discussion of IT's new initiative to improve the undergraduate experience and quality of education in the first two years of study in the Institute. He introduced Professor Marvin Marshak, Head of the School of Physics and Astronomy, and Associate Professor Cathy French, Department of Civil & Mineral Engineering, who participate in the new initiative as faculty advisers; and Kristen Lasky and Dan Palo, second-year students in IT.

As a result of the President's Initiative for Excellence in Undergraduate Education and in response to lower division education problems in IT, former Dean Infante appointed a committee to review the lower division program, recommend changes and oversee the implementation of those changes. Dean Beavers stated that the objectives of the Lower Division Committee were to 1) revise the curriculum so students could take 16 credits per quarter, and encourage them to do so; 2) provide opportunities for students to interact with each other; and 3) create an environment where students can get good advice from faculty members who are readily available.

Dean Beaver stated that there has been positive feedback regarding the following changes implemented by the Lower Division Committee in Fall Quarter, 1991:

- Changes in course credits for calculus and physics from five credits to four, with the intent to move to a norm of four 4-credit courses

per quarter. The previous credit structure made it impossible for most students to graduate in four years and the changes will give students the opportunity to complete a 192-credit Bachelor of Science curriculum in four years.

- Members of the freshman class are assigned to teams of 100 for the first two years, with two faculty advisers and a student peer adviser. Each team has been assigned lounge space, where the faculty advisers regularly have lunch, and there are team social activities.
- Block registration for each team for calculus, physics, chemistry and composition, resulting in team members taking at least two courses together each quarter.

Dean Beavers discussed future plans, including the continued development of the academic program and advising for lower division students. As evidence of IT's commitment to the undergraduate initiative, he stated that through internal reallocation IT has identified \$250,000 in recurring funds for the initiative and further reallocation will occur in the second year. In addition, he noted the establishment of the Mr. and Mrs. George W. Taylor Distinguished Teaching Professorship for the faculty member who serves as the IT Director of Lower Division Programs.

Professor Marshak stated that the effort to improve lower division education was a faculty initiative, rather than an administrative initiative. He stated that the IT faculty are interested in doing a quality job, and they wanted to improve IT's ninth-place standing in the Big 10 in terms of graduation rates. He noted that the major change he has observed is that the number of IT freshmen taking 16 or more credits has doubled as a result of the initiative. The reasons are the changes in course credits and the encouragement students have received from advisers to register for 16 credits.

Regent Neel reiterated his concerns regarding the University's graduation rates and the fact that the University is not comparable to other Big 10 institutions. Dr. Marshak concurred that there are no comparable Big 10 institutions, however, he stated that the University's graduation rates do not compare favorably with any equivalent institutions, such as the University of Washington in Seattle or the University of Maryland in College Park.

Regent Neel stated that the issue of the University's graduation rates is an important part of the Board's agenda, and he suggested that the IT initiative should be implemented throughout the University. Dr. Beavers stated that IT will publicize its activities broadly throughout the University, but it would require initiative by faculty in other colleges to implement such a program. Regent Keffeler noted that the IT initiative is the product of a faculty committed to doing its job in a quality way, and it demonstrates the progress that can be made in partnership with a faculty that is committed to achieving goals.

In response to Student Representative Laing, Dr. Marshak addressed the issues of changing courses from five credits to four and improvement in course availability.

Associate Professor French reported that many incoming students were well-prepared and the concept of registering for four courses per quarter has been successful. She indicated that block registration has made the process easier for students and the new advising structure has made faculty advisers more accessible to students. She discussed the development of a freshman colloquium, which will orient students to the library and computing facilities, and will include oral and written communication projects. Dr. French noted that she was an IT undergraduate 15 years ago, and it is exciting for her to participate in this program and to work with the students.

Dr. Infante commended Dr. Marshak and Dr. French, and commented on the teaching, research and outreach activities of IT faculty.

Ms. Lasky and Mr. Palo commented on their experiences as IT lower division students, including support during the registration process, advising, and opportunities for interaction with faculty and other students.

In summary, Dr. Beavers stated that he appreciates the Board's concerns regarding undergraduate education and graduation rates. He indicated that there are still some problems with the IT undergraduate initiative, but it has the enthusiastic support of the faculty, students and their parents. He stated that he feels IT is showing the way that the rest of the University should go, and he offered to assist any other part of the University interested in implementing such an initiative.

Following the discussion, Regent Craig expressed appreciation for the excellent report, and commended IT for developing an innovative and creative program.

The meeting adjourned at 5:00 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

November 7, 1991

A meeting of the Committee of the Whole of the Board of Regents was held on Thursday, November 7, 1991, at 9:40 a.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: President Hasselmo; Chancellors Ianni, Johnson, Sargeant and Wilhelmson; Senior Vice Presidents Erickson and Infante; Vice Presidents Allen, Heydinger, Hughes and Perlmutter; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice Presidents Hayes and Kvavik.

Student Representative present: Tim Wolf.

UNIVERSITY VIDEO

Regent Kuderer stated that University Relations produced a video entitled "Your University of Minnesota" for use by members of the University community in conjunction with presentations to various groups. He noted that the purpose of the video is to give a glimpse of the variety activities of the University, and the significant impact of the University on the State of Minnesota.

After the Board viewed the video, Regent Kuderer stated that it is troubling that the University of Minnesota Talented Youth Mathematics Program (UMTYMP), a program featured in the video, is one of the items vetoed by Governor Carlson. He indicated that he is very impressed with the video and invited the Regents to use it when they address groups around the state.

BUDGET PLAN/PROGRAM IMPLEMENTATIONS

President Hasselmo led the discussion regarding the program implications of the proposed Budget Plan. The goal of the Budget Plan is to improve quality in a time of limited resources. He stated that the University's fundamental contributions to the people of the state, its fundamental academic priorities, and the obstacles that might undermine its ability to serve the people of the state are being identified in order to achieve that goal.

President Hasselmo reviewed the reallocation plan which was approved by the Board in March 1991 and the reductions in state appropriations which affect the proposed Budget Plan. He commented on the fundamental assumptions of the proposal and stated that the tradeoffs include increases in tuition, recognition of inflationary costs, and elimination and curtailment of programs.

President Hasselmo presented a summary of the recommendations contained in the 1992-93 Budget Plan. He noted that the plan includes a proposed average 5 percent salary increase for faculty and staff in 1991-92, a 5 percent increase in supply, expense and equipment budgets, and a general 9 percent tuition increase, in addition to targeted tuition increases for specific units.

President Hasselmo stated that some portions of the proposed Budget Plan may be revised before it is presented to the Board for approval at the December meeting. With respect to the Occupational Therapy program, he indicated that it is a quality program. He stated that the severity of the current financial situation forced this recommendation, but efforts will continue to find an alternative solution.

President Hasselmo reviewed examples of improvement within the University, and reported that three-fourths of freshmen admitted in 1991 met the preparation requirements. He showed a chart of the corporations which have been founded by Institute of Technology alumni, stating that this is what the University has to continue to do in the future and what the Budget Plan intends to achieve.

Senior Vice President Infante reviewed an income analysis for 1990-91, 1991-92 and income projections of \$637 million for 1992-93, which imply a contraction of activities. He also reviewed 1990-91 figures adjusted to reflect the 7 percent rate of inflation and stated that within the context of future operations, the extent to which the University is going to recognize inflationary increases and their impact on programs must be determined.

Dr. Infante reviewed data comparing the University's 1985-86 and 1991-92 tuition and fees for upper division College of Liberal Arts students with those of a number of peer institutions, which illustrate that the University had the lowest increase over the five-year period. As a result of that analysis, he stated that it is with considerable regret that the administration is recommending an average tuition increase of 9 percent, in addition to targeted tuition increases for students in the Law School, the School of Management, the Humphrey Institute for Public Affairs, the University of Minnesota, Morris and Continuing Education and Extension.

Dr. Infante reviewed data comparing salaries for University faculty with those of faculty at the Big 10 public institutions and other public institutions. He discussed the proposal to increase salaries an average of 5 percent for faculty and staff in 1992-93.

Dr. Infante discussed funding problems for the state specials, noting that there was a 2 percent reduction in 1991-92 in the appropriation from the state and there has been significant internal reallocation. In addition, he commented on particular funding problems for the Minnesota Extension Service and the state specials which were vetoed by Governor Carlson.

Dr. Infante discussed \$24 million of programmatic reallocations, including the transfer of \$3.5 million from operations and maintenance to fees and other sources and a significant shift of funds from the administrative structure to academic programs.

Dr. Infante reviewed the proposed programmatic reallocations totaling \$20.9 million, stating that the proposed Budget Plan addresses the current serious financial situation and is based on Academic Priorities and the five-year Reallocation and Restructuring Plan. He noted examples of the impact of the proposed plan on University programs, including the Institute of Technology and the Minnesota Extension Service.

In summary, Dr. Infante stated that despite the current financial situation, he feels the University community is optimistic and determined to improve the

University's teaching, research and outreach activities. He noted that the University will have to become smaller, but there is a commitment to become better.

Senior Vice President Erickson reiterated the fundamental assumptions on which the Budget Plan is based, including restoration of \$23 million of vetoed funds and request inflationary increases from the state as a substitute for major tuition increases; continuation and acceleration of the reallocation plan; and a 5 percent increase in salaries and supplies and equipment budgets.

Mr. Erickson commented on the \$58.6 million reallocation plan which was approved in March 1991 and the sources of funds for fiscal year 1992. He summarized the proposed \$32 million of programmatic reductions, elimination of subsidies to non-instructional programs and targeted tuition increases, stating that the proposals will have a tremendous impact on the University community. He also reviewed \$5.32 million of reductions in Finance and Operations.

In response to Regent Wynia, Dr. Infante stated that each percentage point increase in tuition generates between \$1 million and \$1.5 million from all tuition sources, including regular tuition, summer session, and Continuing Education & Extension.

Regent Roe noted that the University is currently subsidizing the Route 52 bus service, and suggested that the administration should petition the Regional Transit Board to make that a regular Metropolitan Transit Commission route. Further discussion ensued, and Mr. Erickson stated that the rationale for the bus service subsidy, which is generated through parking revenues, is that it reduces traffic congestion on campus. Regent Reagan offered to help the administration seek support from the Minnesota congressional delegation for changing the status of Route 52.

Vice President Heydinger and President Hasselmo responded to Regent Roe's concerns regarding the impact of the proposed Budget Plan on the Department of External Relations.

Regent Keffeler expressed support for the tradeoffs reflected in the proposed Budget Plan. She stated that the proposed 9 percent tuition increase is pushing the limit, noting that she would not support a larger increase in tuition, and expressed a concern that although the faculty salary statistics show that the University is competitive, it is still at risk. She also raised concerns regarding the proposed 3 percent reallocation within the Institute of Technology, the Minnesota Extension Service funding situation and the need to streamline and consolidate within the College of Liberal Arts at a faster pace.

In response to issues raised by Regents Neel and Sahlstrom, Mr. Erickson discussed the University's financial management structure and the proposal to transfer various functions to a full-cost basis. In addition, Regent Neel urged the administration to consider seeking other sources of revenue beyond the state in times of financial difficulty.

Several Regents voiced strong support for the Minnesota Extension Service (MES) and expressed concern regarding the impact of the Budget Plan on that unit. President Hasselmo concurred with the concerns raised regarding MES funding, stating that the decrease in federal support has added to the problem.

In response to Regent A. Page, Dr. Infante discussed the impact of reductions in state funding on the University's ability to attract and retain funding from other sources. Regent Page commented on possible programmatic tradeoffs, and President Hasselmo noted that another tradeoff is that the University's funding decisions are not based on the ability of various units to leverage outside funding.

Regent A. Page asked about the status of women's athletics if the \$2.7 million vetoed special for that program is not restored. President Hasselmo stated if the funding is not restored, the administration will be faced with difficult tradeoffs with respect to the University's athletic programs.

Regent M. Page expressed concerns regarding the financial impact of the Budget Plan on the Minnesota Extension Service. She stated that the University has a state-wide mission and the MES is the network that provides the support for that outreach mission. With respect to the proposed salary increases for 1992-93, she indicated that some faculty and staff of the MES and Experiment Stations have expressed a willingness to forego those increases to save the network.

In response to questions from Regent M. Page regarding the budget process, President Hasselmo stated that the proposed Budget Plan is a contingency plan for the 1992-93 budget which will be presented to the Board in June. He stated that this process is unusual because of the current financial situation.

In response to Regent Sahlstrom, Dr. Patrick Borich, Director of the MES, stated that there is considerable concern in many counties regarding the reduction in federal, state and University funding.

Student Representative Wolf expressed concern regarding the proposed 9 percent tuition increase. He urged the administration to identify ways to ease the burden of the cost of education upon University students in the future. Regent Keffeler concurred with Mr. Wolf's concerns regarding this issue.

President Hasselmo stated that the tradeoffs facing the University will require difficult choices and he expressed appreciation to the Board for an excellent discussion.

Regent Kuderer also thanked the Board for its spirited discussion of the issues. He noted that the Board will hold an Open Forum regarding the Budget Plan on Tuesday, December 3 at 1:30 p.m. at the Earle Brown Center, St. Paul Campus.

NEW BUSINESS

Regent Neel expressed appreciation to the University of Minnesota marching band for the concert presented in Rochester, Minnesota on Wednesday evening. He stated that the event was supported by the Rochester community and it made everyone proud of the University of Minnesota.

The meeting adjourned at 12:10 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

November 8, 1991

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, November 8, 1991, at 8:35 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Kuderer, presiding; Regents Craig, Keffeler, Neel, A. Page, M. Page, Rosha, Sahlstrom and Wynia.

Staff present: President Hasselmo; Chancellors Johnson and Wilhelmson; Senior Vice Presidents Erickson and Infante; Vice Presidents Allen, Heydinger, Hughes and Perlmutter; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice Presidents Barbatsis, Fischer, Hayes, LaFontaine and Robb; Assistant Vice Presidents Markham and Vikmanis.

Student Representative present: Tim Wolf.

Regent Kuderer noted that Regents Anderson, Reagan and Roe were unable to attend the meeting.

REPORT OF THE FACULTY CONSULTATIVE COMMITTEE

Regent Kuderer stated that the Regents appreciate the efforts of the members of the Faculty Consultative Committee, and he introduced Thomas Scott, Chair of the Faculty Consultative Committee (FCC).

Professor Scott commented on the scope and purpose of the University governance system. As part of that system, he stated that the FCC has an important role in helping to shape policy and to maintain some sense of community in a large, fragmented institution.

Dr. Scott commented on the major agenda items of the University Senate and Twin Cities Campus Assembly committees for 1991-92. He noted that the issues for discussion cover a wide range of topics, including student access to computing, new liberal education requirements, increasing cost of periodicals in the libraries and transportation accessibility on campus.

Dr. Scott stated that the faculty is involved at every level in the critical decisions affecting the University's current financial situation. He indicated that while there is widespread faculty support for the restructuring and reallocation process being undertaken, the consensus among faculty is that budget reductions must be done differentially and not across the board. He noted that faculty members have serious concerns about the University's ability to remain competitive and the danger of losing faculty and staff. Dr. Scott indicated there is widespread faculty support for the broad directions of budget planning, and for the leadership being provided by President Hasselmo and the Senior Vice Presidents.

Dr. Scott stated that the United States has built the best higher education system in the world. He indicated that the issue which deeply troubles faculty is the danger of losing what has been built, stating that the long-term costs of that loss are beyond calculation.

Regent Keffeler asked if the faculty would feel the Board was appropriately aggressive and responsive to the criteria if the proposed Budget Plan is approved. Dr. Scott stated that there is general agreement with the criteria and that the University is moving in the right direction. However, he stated that there are concerns about the long-term consequences of the decisions and in part, the faculty is endorsing the broad outlines and the process which will involve as much faculty participation as possible.

In response to Regent Kuderer, Dr. Scott stated that there is no significant disagreement regarding the Budget Plan. He noted that although there is support for continuing the reallocation process, there are concerns regarding whether differential decisions will continue within the colleges and concerns that the 3 percent budget reductions were not distributed differentially enough across vice presidential units.

Dr. Scott concurred with Regent Sahlstrom's concern that the concept of educating students to be active, participating citizens should not be forgotten as other crucial University issues are considered. In response to an issue raised by Regent Sahlstrom, Dr. Scott commented on faculty efforts to assist the Board with communicating the University's need for increased support to the citizens of the state, the Legislature and the Governor.

Student Representative Wolf stated that he feels it would be more effective to collectively pursue the University's objectives with the Legislature, and he asked if that has been considered. Dr. Scott concurred with the suggestion, particularly with respect to broader issues facing the University.

Regent Wynia asked if faculty perceive quality undergraduate education as a dimension of the overall quality of the institution, or is the focus on quality programs as compared to quality activities. Dr. Scott indicated that there is serious concern across the University regarding undergraduate education, but there is frustration because there are inadequate resources to make the changes necessary to improve the undergraduate experience.

In response to Regent Kuderer, Dr. Scott reiterated the concern of the faculty that if the reductions continue in the range and quality of the educational opportunities available, the United States is in danger of losing its leadership position.

Following the discussion, Regent Kuderer expressed appreciation to Professor Scott for his report.

SUMMARY OF EXPENDITURES

The committee voted unanimously to recommend approval of the Summary of Expenditures for the Board of Regents' Office and the Office of the President for the period July 1, 1991 through September 30, 1991.

LEGISLATIVE CAPITAL REQUEST

President Hasselmo presented the 1992 Legislative Capital Request to the committee for approval. He noted that the Request is based on Academic Priorities and only contains construction items.

Senior Vice President Erickson reviewed the 1992 Legislative Capital Request of \$78.3 million, which includes \$15.6 million for health and safety items (fire and life safety programs, upgrades for the physically disabled, asbestos abatement, replacement of domestic water pipes on the Duluth campus, and replacement of the primary electrical distribution system on the Morris campus) and \$62.7 million for construction of a new Basic Sciences/Biomedical Engineering Building.

The committee voted unanimously to recommend approval of the 1992 Legislative Capital Request.

REPORT OF THE NOMINATING COMMITTEE - BOARD OF GOVERNORS UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

Regent Craig, Chair of the Nominating Committee for the Board of Governors of the University of Minnesota Hospital and Clinic, presented the committee's nominations for information. She stated that the names of the nominees will be made public following approval by the Board at the December meeting.

Dr. Craig reported that the committee met several times and considered criteria and expertise needed on the Board of Governors when identifying the three nominees.

Dr. Craig indicated that as a result of two recent resignations from the Board of Governors, nominees to fill those vacancies will be presented for information in December and approval in January. She thanked the Regents who submitted names for consideration by the committee and invited the submission of additional names for the two new vacancies.

Regent Neel commended Dr. Craig for the thoroughness with which she conducted the selection process, and he thanked Vice President Perlmutter for her efforts.

UNIVERSITY FOUNDATION REPORT

President Hasselmo introduced Marvin Borman, Duane Kullberg and Associate Vice President Gerald Fischer, Chair, Vice Chair and President, respectively, of the University of Minnesota Foundation. He thanked them for the leadership they have provided to the University of Minnesota Foundation, and commented on the valuable relationship between the University and the Foundation.

Mr. Fischer used visual aids to provide an overview of private support for the University of Minnesota. He reviewed the number of donors and the number and size of contributions, stating that those numbers doubled as a result of the Minnesota Campaign. He also commented on the decentralized distribution of donations throughout the University.

Mr. Fischer noted that there were 57,262 donors in 1991, including 3,735 organizations, foundations and corporations, 18,819 individuals and 34,708 alumni, which represents only 11 percent of the University's alumni. Mr. Fischer stated that efforts will be made to increase the number of alumni donors, including improved communication regarding the University's positive impact on the state and nation.

Mr. Fischer reported that the combined endowment market value of the University of Minnesota Foundation and the University of Minnesota increased from \$221.4 million in 1985 to \$473.9 million as of June 30, 1991. In addition, there was an increase in the number of endowed chairs from 17 in 1985 to 227 in 1991.

Mr. Fischer presented a progress report on a number of projects prioritized by the President's Development Council for special private fund raising efforts by the University Foundation, including undergraduate scholarships, on-campus sports facilities, the Cancer Research Center, The Gateway, Morse-Alumni teaching awards, the Biomedical Engineering Center and University diversity programs. He noted that fund raising efforts have been completed for the Ted Mann Concert Hall and the Frederick Weisman Art Museum.

In summary, Mr. Fischer stated that the University Foundation Board of Trustees and staff have identified the following key strategic issues: increase alumni support, increase private support for facilities, determine a balance between centralized and decentralized fund raising, and strengthen the case for private support of the University.

Mr. Borman indicated that the Board of Trustees is extremely proud of what the University of Minnesota Foundation has done for the University of Minnesota during its 29-year history. He noted that the strategic issues focus on increasing the amount of support for the University, which is the primary function of the Board of Trustees. Mr. Kullberg agreed with Mr. Borman's comments, and stressed the importance of increasing alumni support.

In response to an issue raised by Regent Craig, Mr. Fischer stated that when a corporate gift comes to the University through an alumnus, that gift is included in the statistics for alumni donations. Regent Craig expressed a concern regarding the small percentage of alumni donors. She commended the efforts to improve the sense of community on campus for students, thereby increasing the potential for alumni loyalty and support in the future.

Regent Sahlstrom concurred with Regent Craig's concern regarding the level of alumni support, stating that he feels loyalty begins at the undergraduate level. He noted that it is a privilege to serve on the Board of Trustees, and he thanked Mr. Borman and Mr. Kullberg for their efforts on behalf of the University. Mr. Borman stated that the University Foundation is working closely with the Minnesota Alumni Association (MAA) to increase that level of support.

Mr. Fischer stated that in a recent MAA marketing survey, 41 percent of alumni expressed an interest in reconnecting with the University through scholarships. He indicated that he hopes to effectively use that information to increase alumni support and address the need for undergraduate scholarships. Regent Keffeler commended the University Foundation for the 50 percent increase in funds raised for scholarships in 1991, noting that this is a high priority area and the need for scholarships will increase as a result of higher tuition rates.

Following the discussion, Regent Kuderer noted the significant impact of the University of Minnesota Foundation on activities of the University. President Hasselmo expressed appreciation to Mr. Borman, Mr. Kullberg and Mr. Fischer for their leadership of the University Foundation.

UNIVERSITY FINANCIAL MANAGEMENT

Associate Vice President LaFontaine led the third in a series of presentations regarding the University's financial management structure, concentrating on the classification of resources. Using the audited financial statements for fiscal year 1991 as examples, he stated that the resources owned by the University total \$1.690 billion. He reviewed the resources included in various classifications, including restricted and unrestricted funds, restricted and unrestricted plan funds and expendable and non-

expendable funds, which consist primarily of endowments and loan fund additions that come through the University Foundation.

Mr. LaFontaine stated that the Annual Financial Report will be presented at the December meeting. A ratio analysis will be presented at the January meeting, which will put 1990-91 in a historical perspective and provide some comparisons to other universities.

Senior Vice President Erickson noted the University's fund accounting system is confusing because there are a number of funds that are restricted as to purpose and the University is required to maintain accountability of these funds. He stated that one of the administration's objectives following implementation of the CUFSS system, is to clearly present data so the activities of each particular unit can be seen in the aggregate.

Following the discussion, Regent Kuderer thanked Mr. Erickson and Mr. LaFontaine for their presentation. He noted that the Annual Financial Report may be presented in January or February, rather than at the December meeting.

The meeting adjourned at 10:20 a.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

November 8, 1991

A meeting of the Board of Regents of the University of Minnesota was held on Friday, November 8, 1991, at 11:10 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Craig, Keffeler, Kuderer, Neel, A. Page, M. Page, Rosha, Sahlstrom and Wynia. President Hasselmo presided.

Staff present: Chancellors Johnson and Wilhelmson; Senior Vice Presidents Erickson and Infante; Vice Presidents Allen, Heydinger, Hughes and Perlmutter; Vice Provost Hopkins; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice President Fischer; and Assistant Vice President Markham.

APPROVAL OF MINUTES

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

Physical Planning & Operations Committee -
October 10, 1991
Finance & Legislative Committee - October 10, 1991
Faculty, Staff & Student Affairs Committee -
October 10, 1991
Educational Planning & Policy Committee -
October 10, 1991
Committee of the Whole - October 10, 1991
Committee of the Whole - October 11, 1991
Board of Regents - October 11, 1991

REPORT OF THE PRESIDENT

President Hasselmo presented his monthly report which pertained to the 1992-93 Budget Plan and the 1985-1988 Minnesota Campaign.

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

REPORT OF THE CHAIR

Chair Kuderer reported that there will be an Open Forum December 3 at the Earle Brown Center for the purpose of gaining input on the administration's 1992-93 University Budget Plan. He urged anyone interested in speaking to contact the Regents' Office as soon as possible.

Chair Kuderer called on Regent Keffeler for an update on progress of the Agenda Guidelines Committee. Regent Keffeler commented briefly reviewing the scope of responsibility for this committee which is to look at the guidelines that govern the agenda-setting process. She reported that the committee has met

twice and will soon be contacting both administrators and regents for insight on this process.

He reported that the Board is scheduled for another retreat in February or March and the Executive Director will be contacting members of the Board to find a suitable date.

Regent Kuderer reported that a list of students has been determined for the day with a student project. He stated that the results of those experiences will be discussed at the retreat. Dates for visiting with a dean will also be scheduled soon.

Chair Kuderer also reported that the Regents' Office has received considerable mail relating to the proposed Budget Plan. He stated that all letters are being answered on behalf of the Board through the Regents' Office.

GIFTS

Associate Vice President Fischer presented the monthly list of gifts to the University of Minnesota, the University of Minnesota Foundation, the Arboretum Foundation and the Minnesota Medical Foundation as listed in the docket material and on file in the Regents' Office.

The Board of Regents voted unanimously to approve the gifts.

CONTRACTS AND GRANTS/APPLICATIONS AND AWARDS

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

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

REPORT OF THE COMMITTEE OF THE WHOLE November 7, 1991

Regent Kuderer, Chair of the committee, reported that the committee reviewed and discussed the proposed 1992-93 Budget Plan and program implications.

REPORT OF THE COMMITTEE OF THE WHOLE November 8, 1991

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

- a) Approval of resolution re Summary of Expenditures, as follows:

RESOLVED, that the Summary of Expenditures for the Board of Regents' Office and the Office of the President from July 1, 1991 to September 30, 1991, is hereby approved.

- b) Approval of the 1992 Legislative Capital Request. Documentation is filed supplement to the minutes, No. 22,304.

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

Chair Kuderer reported that the committee also received a report from the Faculty Consultative Committee; reviewed a report of the Nominating Committee of the Hospital Board of Governors; received a report from the University Foundation; and engaged in discussion regarding University financial management.

REPORT OF THE FACULTY, STAFF & STUDENT AFFAIRS COMMITTEE

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

- a) Approval of the Senior Vice President's Monthly Faculty, Staff and Student Affairs Report as listed in the docket material and on file in the Regents' Office. Included in the report were revisions to four Regents' Policies pertaining to Affirmative Action and Equal Opportunity as follows:

Equal Educational Access and Opportunity

The Regents of the University of Minnesota reaffirm that it is the policy of the University to provide equal educational access and opportunity to all persons without regard to race, religion, creed, color, sex, national origin, disability, age, marital status, public assistance status, veteran status, or sexual orientation, as well as fairness to the individual in the competition for educational opportunity, and the appropriate administrative officers and faculty are directed to establish and continue any admission policies and guidelines necessary to implement this policy;

Further, in order to promote ethnic and cultural diversity which will enhance the campus environment and educational programs of the University;

In order to increase the representation of members of minority groups at the highest professional levels, providing encouragement to members of such minority groups to seek to attain the highest achievements of which they are capable;

In order to alleviate the shortage of trained professionals in diverse fields who will serve unmet community needs; and

In order to compensate for the inequalities that have existed in society;

The regents reaffirm and declare that it is the policy of the University of Minnesota to provide equal educational access and opportunity to members of minority groups, and the appropriate administrative officers and faculty are directed to develop affirmative action admission programs and to review admission policies to insure that the intent of this policy continues to be implemented.

Equal Opportunity in Employment

The Regents of the University of Minnesota believe that the provision of equal rights for persons of every race, religion, creed,

color, sex, national origin, disability, age, marital status, public assistance status, veteran status or sexual orientation is an important concern of the University of Minnesota and should be reflected in its personnel policies and employment practices in both academic and civil service positions. The University is proud of its long tradition of non-discrimination, and a reaffirmation of its dedication to all non-discrimination practices is appropriate.

Therefore, the Regents of the University of Minnesota reaffirm and declare that it shall be the policy of the University of Minnesota to promote equal opportunity in employment, both academic and non-academic, for women and members of minority groups. The appropriate administrative officers are directed to develop any additional affirmative action procedures requisite to accomplish the intent of the policy.

Equal Opportunity - Housing

The Board of Regents of the University of Minnesota updates and reaffirms its policies to provide full access to all housing without discrimination based on race, religion, creed, color, sex, national origin, disability, age, marital status, public assistance status, veteran status, or sexual orientation, and commits itself to promote equal opportunity for all in housing facilities owned by the University or offered to students and staff of the University.

In furtherance of these commitments, the regents pledge their efforts to eliminate discrimination based on race, religion, color, sex, national origin, handicap, age, veteran status, or sexual orientation through, but not limited to, the following: the registration procedures of listing and approval of housing facilities with the University; referral of alleged discriminatory practices to and cooperation with cognate federal, state, and local human rights' agencies; review of alleged discrimination; and appropriate affirmative educational programs and services.

The appropriate administrative officers shall promulgate this policy and adopt regulations to achieve these goals.

Prohibition of Employment of Non-Equal Opportunity Contractors, Suppliers, or Services

It is the policy of the Regents of the University of Minnesota to promote equal opportunity of employment without discrimination based on race, religion, creed, color, sex, national origin, disability, age, marital status, public assistance status, veteran status, or sexual orientation. Henceforth, the regents will require that all contractors with the University, including suppliers supplying goods or services to it, regardless of where located or the form of the contractual relationship be equal opportunity employers, whose business is guided by the principle that there shall be no difference in the treatment of persons because of race, religion, color, sex, national origin, handicap, age, veteran status, or sexual orientation. The regents will also require that the contractor take affirmative action to ensure implementation of this policy, such action to include but not to be limited to the following: employment, upgrading, demotion, or

transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship.

The appropriate administrative officers shall adopt the conditions, specifications, and terms to be included in University of Minnesota contracts, purchase orders, and other documents to carry out the foregoing policy. Such conditions, specifications and terms shall establish the procedures needed to assure compliance with this policy and may establish categories of exemption from such procedures where appropriate.

- b) Approval of Regents' Policy revisions to the following: Faculty and Staff - Phased Retirement and Terminal Leave/Early Retirement Policy, as follows:

Phased Retirement and Terminal Leave/Early Retirement Policy

I. PHASED RETIREMENT

INTRODUCTION

The phased retirement is a voluntary option available only to tenured faculty members and academic professionals with continuous appointment for the purpose of facilitating change within units. Permission to offer this option must be obtained from the Senior Vice President for Academic Affairs by the responsible Vice President, Chancellor, Vice Provost, and/or Dean.

It must be demonstrated in a cover letter that the use of the phased retirement option, which is not available to the faculty and academic professional staff in general, is in the best interest of the University, that is, in keeping with specific programmatic goals or other special circumstances.

Any arrangement must be in writing and signed by the faculty member or academic professional, the appropriate academic administrator(s), and the Senior Vice President for Academic Affairs (or designee) before the terms become binding. An agreement may be changed only by mutual consent of the parties. Any amendment to the original agreement must comply with the policy, must be in writing, must be signed by the parties, and is not effective until signed by the Senior Vice President for Academic Affairs (or designee).

A. For this option the following stipulations apply:

1. Available only to tenured faculty members and academic professionals with continuous appointment who are at least 55 years of age.
2. Any agreement must include the proviso that the faculty member or academic professional agrees to take full retirement no later than five years after the commencement of the phased retirement. The retirement date must be specified.

3. Based on an annual 100% appointment term, the leave without salary must be for at least 25% and not more than 75% time. The employer's continuation of contributions to the State Plan medical, dental, and life insurance policies is dependent upon maintaining a 50% time salaried appointment. For appointments of 25% to 49% time, these policies may be continued at the employee's expense.
4. This option may not be combined with a Terminal Leave.
5. Basic Faculty Retirement Plan monies cannot be withdrawn during the period of phased retirement. If an individual has an Optional Retirement Plan, and is over the age of 59-1/2, monies may be withdrawn from this plan. (NOTE: Investment companies may have their own restrictions on withdrawals. Please direct questions to the Employee Benefits office.)
6. The phased retirement agreement must be described in writing and signed by the faculty member or academic professional, the appropriate academic administrator(s), and the Senior Vice President for Academic Affairs (or designee).
7. This program does not replace the employee's benefit continuation rights under the Consolidated Omnibus Budget Reconciliation Act (COBRA).

B. The benefits for phased retirement are the following:

1. Contributions to the faculty member or academic professional's Faculty Retirement plan will be based on the unreduced salary subject to the application of section 415 of the Federal Tax Code.
2. Optional Retirement Plan contributions are also subject to limitations under Section 403(b) of the Federal Tax Code, which take into account actual taxable salary and all retirement contributions. In some cases, these contributions may need to be discontinued or reduced.
3. FICA (Social Security plus Medicare) withholding is based on actual earnings.
4. The employee's State Plan medical, dental and/or life insurance coverage under this program will end on the earliest of the following: 1) the date on which the phased retirement ends, 2) the last date through which any required employee contributions have been paid, 3) the last day of the pay period in which the employee dies, or 4) the 31st day following the date on which the employee

becomes eligible for other group medical and/or dental coverage.

University contributions to State Plan medical, dental, and life insurance will end on the earlier of 1) the date on which the coverage under this program ends, or 2) the date on which the leave of absence without salary exceeds 50% of a 100% time appointment.

5. Faculty Group Disability Insurance will be continued but, in the event of certification of disability, payments may not exceed the level of the phased retirement actual salary.
6. The Faculty Group Term Life Insurance will be continued.

II. TERMINAL LEAVE

INTRODUCTION

The terminal leave is a voluntary option available only to tenured faculty members and academic professionals with continuous appointment for the purpose of facilitating change within units. Permission to offer this option must be obtained from the Senior Vice President for Academic Affairs by the responsible Vice President, Chancellor, Vice Provost, and/or Dean.

It must be demonstrated in a cover letter that the use of the terminal leave option, which is not available to the faculty and academic professional staff in general, is in the best interest of the University, that is, in keeping with specific programmatic goals or other special circumstances.

Any arrangement must be in writing and signed by the faculty member or academic professional, the appropriate academic administrator(s), and the Senior Vice President for Academic Affairs (or designee) before the terms become binding. An agreement may be changed only by mutual consent of the parties. Any amendment to the original agreement must comply with the policy, must be in writing, must be signed by the parties, and is not effective until signed by the Senior Vice President for Academic Affairs (or designee).

- A. This terminal leave option contains the following stipulations:
 1. Available only to tenured faculty members and academic professionals with continuous appointment who are at least 52 years of age and who have held academic appointments at the University of Minnesota for at least ten years.
 2. The salary payment will be made only as specified in II.B.1 below. A terminal leave may be approved

for a minimum of one annual contract year and a maximum of 36 months.

3. This plan may not be combined with a Phased Retirement.
4. The faculty member or academic professional may continue Continuing Education and Extension (CEE) activities but may not engage in other University duties for additional pay during the terminal leave.
5. Basic Faculty Retirement Plan monies cannot be withdrawn during the period of terminal leave. If an individual has an Optional Retirement Plan and is over the age of 59-1/2, monies may be withdrawn from this plan. (NOTE: Investment companies may have their own restrictions on withdrawals. Please direct questions to the Employee Benefits office.)
6. In the event that the employee takes other full-time employment prior to the end of the terminal leave, the employee must notify the Senior Vice President for Academic Affairs. The University will cease salary payment as of the effective date of the new employment. Contributions to retirement plans are based on actual earnings. University contributions to medical and dental coverage will end under the conditions in II.B.5.
7. The Terminal Leave agreement must be described in writing and signed by the faculty member or academic professional, the appropriate academic administrator(s), and the Senior Vice President for Academic Affairs (or designee).
8. This program does not replace the employee's benefit continuation rights under the Consolidated Omnibus Budget Reconciliation Act (COBRA).

B. The benefits for Terminal Leave are the following:

1. The terminal leave provides payment equal to one year's current annual contract salary. The duration of the terminal leave with payment on regular payroll may be for a minimum of one contract year up to a maximum of 36 months. In the event the employee dies or commences full-time employment during the period of the terminal leave, salary payments under this program will cease. The employee must be available for telephone consultation for the duration of the terminal leave. Termination from University employment becomes effective on the end date of the terminal leave.

2. Contributions to the faculty member or academic professional's retirement plan will be based on the actual salary paid on regular payroll.
 3. Optional Retirement Plan contributions are subject to limitations under Section 403(b) of the Federal Tax Code, which take into account actual taxable salary and all retirement contributions. In some cases, these contributions may need to be discontinued.
 4. FICA (Social Security plus Medicare) withholding is based on actual earnings.
 5. The employee's State Plan medical and/or dental coverage under this program will end on the earliest of the following: 1) the date on which the terminal leave ends, 2) the last date through which any required employee contributions have been paid, 3) the last day of the pay period in which the employee dies, or 4) the 31st day following the date on which the employee becomes eligible for other group medical and/or dental coverage.
 6. Group term life insurance policies under the State Plan Insurance and Faculty Insurance will cease at the start of the Terminal Leave.
 7. Faculty Group Disability insurance can only be continued at the \$200 monthly coverage level at the employee's expense.
- c) Approval of Collective Bargaining Agreement between the University and AFSCME Local 1164 (Unit 4 Bargaining Unit - health care non-professional employees.) Documentation is filed supplement to the minutes, No. 22,304A.

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

Chair Sahlstrom reported that the committee also voted unanimously to recommend approval of the following action:

- a) Approval of resolution re Boynton Health Service Fee, as follows:

RESOLVED, that the Student Health Care Fee (Boynton Fee) be continued for all students;

that the Vice President for Student Affairs augment the current professional agency review of Twin Cities campus student health care needs/delivery with other stakeholders in the health care issue, including representatives from the Health Sciences and Graduate School, and use other outside consultants where appropriate to evaluate services and prepare a comprehensive recommendation addressing student health care needs on an urban campus in a cost effective manner; and

that the recommendations should be forwarded to the President by March 1, 1992.

The Board of Regents voted by majority to approve the recommendation of the Faculty, Staff & Student Affairs Committee with Regent Wynia voting against the resolution.

Chair Sahlstrom reported that the committee also reviewed a summary of the 1990-91 academic personnel actions.

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

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

- a) Approval of the Senior Vice President's Monthly Physical Planning and Operations Report which included reports pertaining to purchasing, project status, property accounting and miscellaneous items as presented in the docket material and filed in the Regents' Office.
- b) Approval of resolution re Purchase of Goods/Services over \$250,000 as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate staff are authorized to award pending purchases/contracts over \$250,000 as presented in the docket materials.

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

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

- a. Natural Resources Research Institute - Phase V Remodeling, Duluth Campus
Estimated cost of the project: \$2,300,000
Funding: 1990 Legislative Appropriation
Debt Financing Sources: Natural Resources Research Institute Special State Appropriation
Estimated completion date: January 1993
- d) Approval of the following projects submitted for information/action, as follows:
 - a. Underground Storage Tank Abatement Program, Systemwide
Total estimated cost of the project: \$704,000
(Funding requirement for 1990-92 work is \$524,000)
Funding: Central Reserves
Estimated completion: November 1992

- b. Student Health and Counseling Center Expansion
Duluth Campus, Project Increase
Project increase: \$100,000
Estimated cost of the project: \$1,040,000
Funding: Student Health & Counseling Center Building
Fund Reserve; Student Health & Counseling Center
Operating Fund Reserve; and Student Fee Committee
Reserve Fund
Estimated completion: August 1992

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

Chair Wynia reported that the committee also reviewed a proposal for the remodeling of Wilson Library on the Twin Cities campus and a proposal for the acquisition of the Interstate Medical Center (IMC) in Red Wing, Minnesota by the University Hospital & Clinic.

With regard to the proposed acquisition of IMC, Regent Wynia explained that many concerns and questions had been raised during the committee meeting regarding the structure of the transaction and whether or not this is an appropriate kind of venture for a public university hospital. She stated that the item would be on the agenda again in December for information.

Regent Keffeler stressed that the policy issue of whether or not the University Hospital and Clinic should enter into this kind of venture is a fundamental question and should be carefully studied during the next month.

REPORT OF THE FINANCE & LEGISLATIVE COMMITTEE

Regent Rosha, reporting on behalf of the chair of the committee, stated that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of the Senior Vice President's Monthly Finance and Legislative Report including accounts receivable, central reserves, debt management and miscellaneous items as presented in the docket material and filed in the Regents' Office.
- b) Approval of resolution re Designated Depository, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, Wacovia Bank and Trust is added to the University's list of approved depositories.

It was noted that the full list of designated depositories was included in the docket materials and available in the Regents' Office.

- c) Approval of resolution re Authorized Signers on University of Minnesota Bank Accounts, as follows:

RESOLVED, That «designated depository» (herein called the "Bank") be and is hereby designated as a depository of the REGENTS OF THE UNIVERSITY OF MINNESOTA (Federal Tax Identification Number 41-6007513) (Herein called the "University") with authority to accept or receive at any time for the credit of the

University deposits by whomsoever made of funds and other property in whatever form or manner transferred or endorsed, whether made as demand deposits, savings deposits, or time deposits.

RESOLVED, That the person or persons from time to time holding the following offices of the University be designated "Authorized Signer(s)":

Senior Vice President for Finance and Operations
Treasurer
Controller

and that any Authorized Signer be and is hereby authorized to open or cause to be opened one or more accounts with the Bank on such terms, conditions and agreements as the Bank may now or hereafter require and to make any other agreements deemed advisable in regard to any of the foregoing.

RESOLVED, That checks, drafts or other orders for the payment, transfer or withdrawal of any of the funds or property of the University on deposit with the Bank shall be binding on the University when signed, manually or by use of a facsimile or mechanical signature, regardless of by whom or by what means the actual or purported facsimile or mechanical signature or signatures may have been placed thereon, or otherwise authorized, by any ONE (1) Authorized Signer, or, any person or persons designated, on an account by account basis, as "Additional Signer(s)" in a written certificate signed by any Authorized Signer, which certificate may further specify the number of Additional Signers which may be required. In particular, and not in limitation of the foregoing, Authorized Signers (and to the extent authorized in a written certificate as provided above, Additional Signers) may authorize payment, transfer or withdrawal by written, telephonic, electronic, or oral instructions to the Bank complying with such rules and regulations relating to such authorization as the Bank may communicate to the University from time to time, of funds of the University on deposit with the Bank, by wire or otherwise, without any written order for the payment of money being issued with respect to such transfer, and, for and on behalf of the University, an Authorized Signer may enter into such agreements with the Bank with respect to any such transfer(s) as such Authorized Signer deems advisable. If any such payment, transfer or withdrawal authorization requires communication to the Bank by the requester of a code, and such code is communicated, any such payment, transfer or withdrawal so effected shall be binding on the University regardless of who communicates the request.

RESOLVED FURTHER, That any Authorized Signer is hereby authorized and empowered, on behalf of the University, to transact any and all other business with and through the Bank which such Authorized Signer may at any time deem to be advisable, including, without limiting the generality of the foregoing, authority to purchase certificates of deposit and to enter into safe deposit agreements, lockbox agreements, night depository agreements, securities custody agreements, or securities lending agreements, and in reference to any such

business, to make any and all agreements and deliver to the Bank any and all contracts and other writings which such Authorized Signer may deem to be necessary or desirable.

RESOLVED FURTHER, That the Secretary shall certify to the Bank the names and signatures (either actual or any form or forms of facsimile or mechanical signatures adopted) of the Authorized Signers. In the event of a change in any Certified Authorized Signer, the Secretary, a remaining Certified Authorized Signer, or an Additional Signer shall promptly notify the Bank of any such change in certification. Such notification shall be followed, in a timely manner, by a revised certification by the Secretary of the names and signatures of the officers or persons authorized to sign or act. The bank may rely upon such notification without liability until the revised certification is received.

RESOLVED FURTHER, That these resolutions shall continue in force until express written notice of their rescission or modification has been furnished to and received by the Bank.

RESOLVED FURTHER, That any and all transactions by or in behalf of the University with the Bank prior to the adoption of this resolution (whether involving deposits, withdrawals or otherwise) be and the same hereby are in all respects ratified, approved and confirmed.

This resolution is intended to apply to all designated depositories of this corporation and the Secretary is authorized to prepare and transmit an identical resolution except for the name of the designated depository to each designated depository of this corporation.

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

Regent Rosha reported that the committee also reviewed the Quarterly Management Report as of September 30, 1991, and received an update on legislative strategy.

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

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

- a) Approval of the Senior Vice President's Monthly Educational Planning and Policy Report as presented to the committee in the docket material.
- b) Approval of resolution re Appointments to the University of Minnesota Foundation Board of Trustees, the Minnesota Landscape Arboretum Foundation and the Hormel Foundation Board of Trustees, as follows:

RESOLVED, that the following appointments to the University of Minnesota Foundation Board of Trustees, the Minnesota Landscape Arboretum Foundation and the Hormel Foundation Board of Trustees are hereby approved:

University of Minnesota Foundation Board of Trustees:

Three year terms: Wendell Anderson, Jean Keffeler, Elton Kuderer, Stanley Sahlstrom, Emily Ann Staples

To complete two-year term: Josie Johnson
To complete one-year term: Stephen Pflaum

Minnesota Landscape Arboretum Foundation Board of Trustees:

Three-year terms: Elizabeth Savage and Clark Winslow

Hormel Foundation Board of Trustees:

One-year term: Dr. Harald H. Schmid

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

Chair Craig reported that the committee also reviewed a report on the status of the Undergraduate Initiative in the Institute of Technology.

REPORT OF THE AUDIT COMMITTEE

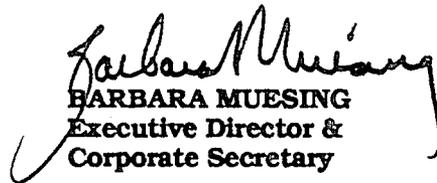
Regent M. Page, Chair of the committee, stated that the committee voted unanimously to recommend approval of the following actions:

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

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

Chair Page reported that the committee also received an update regarding the progress of the Financial Management System development and a review of the 1991 fiscal year financial statement.

The meeting adjourned at 11:50 a.m.


BARBARA MUESING
Executive Director &
Corporate Secretary