

M88/M66

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

MINUTES

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

October 10-11, 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

October 10-11, 1991

	<u>PAGE</u>
CONTENTS	
I. Committee Meetings	
A. Physical Planning and Operations Committee - October 10, 1991-----	123
B. Finance & Legislative Committee - October 10, 1991-----	127
C. Faculty, Staff & Student Affairs Committee - October 10, 1991-----	130
D. Educational Planning & Policy Committee - October 10, 1991-----	133
E. Committee of the Whole - October 10, 1991-----	136
F. Committee of the Whole - October 11, 1991-----	140
II. Board of Regents' Meeting - October 11, 1991	
A. Approval of Minutes-----	145
B. Report of the President-----	145
1) Appointment of Robert Stein as Special Counsel	
2) Bigotry & Diversity Issues	
C. Report of the Chair-----	145
1) Open Forums	
2) "Day with a Dean/Student" Program	
3) Report from Nominating Committee of Hospital Board of Governors	
4) Support for President regarding position on Diversity and Bigotry	
D. Gifts-----	146
E. Contracts and Grants/Applications and Awards-----	146
F. Report of the Committee of the Whole - October 10, 1991	
1) Budget Implementation Plan-----	146
G. Report of the Committee of the Whole - October 11, 1991	
1) Summary of Expenditures-----	147
2) 1992 Legislative Capital Request Review-----	147
3) Facilities Management Update-----	147
4) Financial Management System Update-----	147
5) Annual Report on Asset and Debt Management-----	147
6) Status Report on Athletic Facilities-----	147
H. Report of the Faculty, Staff & Student Affairs Committee	
1) Approval - Senior Vice President's Monthly Report-----	147
a) Resignation of Richard Bay	
b) Resignation of Surell Brady	
c) Appointment of Daniel Meinert as Acting Director of Men's Intercollegiate Athletics	
d) Appointment of Robert Stein as Special Counsel	
e) Appointment of Katherine Cram as Assistant Vice President	
3) Approval of Regents' Policy - Disclosure of Conflict of Interest-----	147
4) Proposed Changes to Regents' Policy - Phased Retirement and Terminal Leave/Early Retirement Policy-----	157
5) Boynton Health Service Fee-----	157

L.	Report of the Physical Planning & Operations Committee	
1)	Approval - Senior Vice President's Monthly Report-----	157
2)	Approval - Purchase of Goods/Services over \$250,000-----	157
3)	Approval - Projects Already Submitted for Information-----	157
	a) Diehl Hall Sixth Floor Psychiatry Phase I Remodeling	
	b) Jackson/Owre Halls Remodel Animal Holding Rooms	
	c) Middlebrook Hall, Renovate Fire Alarm System	
	d) Willey Hall Riverbend Restaurant Renovation	
	e) North Transitway Parking Lot	
	f) Agricultural Chemical Storage Building	
4)	Approval of Projects Approved in Capital Request-----	158
	a) Walter Library Renovation	
	b) Machine Storage/Field Crops Laboratory	
5)	Approval of Land Transaction-----	159
	a) Land Lease (10 year) to City of Minneapolis, Rosemount Research Center	
6)	Natural Resources Research Institute Phase V Remodeling Project - action delayed-----	159
7)	Projects Reviewed for Information-----	159
	a) Central Library (St. Paul), Remodel Basement and Second Floor	
	b) 11 Oak Street Garage Area Reconfiguration	
J.	Report of the Finance & Legislative Committee	
1)	Approval - Senior Vice President's Monthly Report-----	159
2)	Approval - Regents' Policy - Delegation of Authority - General Delegations-----	159
3)	Approval of resolution re Insurance/Risk Management Program-----	163
4)	Proposed Modification to the Reserve Spending Plan-----	164
5)	Proposed resolution re Approved Depositories-----	164
6)	Legislative Strategy-----	164
K.	Report of the Educational Planning & Policy Committee	
1)	Approval - Senior Vice President's Monthly Report-----	164
2)	Report on Status of Undergraduate Initiative/Liberal Education Requirements-----	164
L.	Report of the Audit Committee	
1)	No Report-----	164

Year 1991-92

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Physical Planning and Operations Committee

October 10, 1991

A meeting of the Physical Planning and Operations Committee of the Board of Regents was held on Thursday, October 10, 1991 at 3:00 p.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: Senior Vice President Erickson; Associate Executive Director Janzen; Associate Vice President Hewitt; Assistant Vice President Cram; 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 October 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:

- o Minnegasco, Inc. for a two-month contract for the purchase and transportation of natural gas from 10/1/91 through 11/30/91 for Facilities Management at an estimated cost of \$695,400.

PROJECTS PREVIOUSLY SUBMITTED FOR INFORMATION

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

- a. Diehl Hall Sixth Floor Psychiatry Phase I Remodeling Project,
Twin Cities Campus
Estimated cost of the project: \$449,000
Funding: Gift Funds
Estimated completion date: July 1992

- b. Jackson/Owre Halls Remodel Animal Holding Rooms 112-126, Twin Cities Campus
Estimated cost of the project: \$566,700
Funding: National Institute of Health Grant and Indirect Cost Recovery Funds allocated to Research Animal Resources
Estimated completion date: June 1992
- c. Middlebrook Hall, Renovate Fire Alarm System, Twin Cities Campus
Estimated cost of the project: \$248,000
Funding: Housing Services
Estimated completion date: January 1992
- d. Willey Hall Riverbend Restaurant Renovation, Twin Cities Campus
Estimated cost of the project: \$1,300,000
Funding: Twin Cities Campus Food Services
Estimated completion date: September 1992
- e. North Transitway Parking Lot, Twin Cities Campus
Estimated cost of the project: \$660,000
Funding: Support Services - Parking Services
Estimated completion date: August 1992
- f. Agricultural Chemical Storage Building, St. Paul Campus
Estimated cost of the project: \$900,600
Funding: Agricultural Experiment Station Investment Income; Maintenance and Operations Appropriation - Academic Affairs Sequestered Reserves; Maintenance and Operations Appropriation - Program Accommodations Remodeling; Indirect Cost recoveries; and Special State Appropriation for General Agricultural Research
Estimated completion date: March 1992

PROJECTS FUNDED BY LEGISLATIVE APPROPRIATION

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

- a. Walter Library Renovation, Twin Cities Campus
Estimated cost of the project: \$36,430,000
Funding: 1989 Legislative Appropriation with the balance to be requested from the legislature
Debt Financing Sources: Tuition Revenues and Indirect Cost Recoveries
Estimated completion: May 1996
- b. Machine Storage/Field Crops Laboratory
North Central Experiment Station, Grand Rapids
Estimated cost of the project: \$375,000
Funding: 1990 Legislative Appropriation
Debt Financing Sources: Station Capital Improvement Account funded from miscellaneous station sales and revenues
Estimated completion: July 1992

The committee also considered action on the Natural Resources Research Institute, Phase V remodeling project on the Duluth campus.

Regent Kuderer raised concern about taking action on this project as the Natural Resources Research Institute special state appropriation was vetoed by the governor. Associate Vice President Hewitt responded that the timetable on the project provides that only the working drawings would be completed by April 1992 when a final determination on the Natural Resources Research Institute state special will be known. Regent Kuderer asked if action on the project might be delayed until November so the committee could be provided with information regarding the implications of a delay on the project and the cost of completing working drawings. Greg Fox, Associate Chancellor from the University of Minnesota Duluth, responded that the item could be delayed for one month and the information requested would be provided.

The committee agreed to delay action until the November meeting.

LAND TRANSACTION

The committee voted unanimously to recommend that the appropriate officers are authorized to proceed with negotiations for the land transaction itemized below:

- a. Land Lease (10 year) to the City of Minneapolis, Rosemount Research Center, 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 execute a lease covering the use of 32.28 acres at the Rosemount Research Center by the Minneapolis and St. Paul Police Department Bomb Squads for a period of ten years.

PROJECTS PRESENTED FOR INFORMATION

The committee reviewed for information the following projects:

Central Library (St. Paul), Remodeling Basement and Second Floor, Twin Cities Campus

The committee reviewed a proposal for remodeling of the basement and second floor of the Central Library on the St. Paul campus. The project would consist of the general, mechanical and electrical construction work required to demolish the office space on the second floor and then refinishing the open space appropriate for the installation of existing collection storage shelving. One office will also be reconstructed on the second floor. The basement office space would be reconfigured and remodeled to accommodate the relocation of the office functions from the second floor. Estimated cost of the project was reported to be \$181,200 with funding provided from a state operating appropriation, programming accommodation remodeling allotment and a St. Paul Central Library allotment. The estimated completion date is March 1992.

11 Oak Street Garage Area Reconfiguration Twin Cities Campus

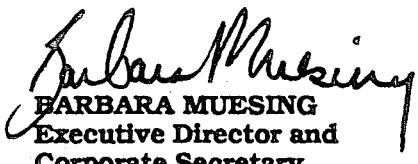
The committee reviewed a proposal for the partial demolition of the north end of the garage at 11 Oak Street and the reconstruction of an expanded loading dock, new work area and storage area. It was reported that the construction of the Huron Boulevard Project which is occurring immediately

adjacent to the 11 Oak Street facility requires that the north end of the parking facility be partially demolished and reconstructed in order to provide access to the facility. Estimated cost of the project was reported to be \$255,321 with funding provided from Central Reserves and Continuing Education and Extension, General University Fund. The estimated completion date is July 1992.

NEW BUSINESS

Senior Vice President Erickson reported on condemnation proceedings with respect to 322.5 acre of land owned by the University of Minnesota at the Rosemount Research Center, indicating that the property was condemned by Dakota County for purposes of its Resource Recovery Facility. He stated that both parties were in litigation with respect to the amount of payment for the land. The litigation is now concluded and the University will be transferring the ownership of that land to Dakota County for \$320,000. In addition, if the land is not utilized for the purpose for which it has been condemned, the University has preserved a right to repurchase the land until such time as bonds are issued by Dakota County for the Resource Recovery Facility.

The meeting adjourned at 4:10 p.m.



BARBARA MUESING
Executive Director and
Corporate Secretary

Year 1991-92

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Finance and Legislative Committee

October 10, 1991

A meeting of the Finance and Legislative Committee of the Board of Regents was held on Thursday, October 10, 1991 at 1:45 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Rosha, Acting Chair; Regents Kuderer, M. Page, Sahlstrom and Wynia.

Staff present: Senior Vice President Erickson; Associate Executive Director Janzen; Assistant Vice Presidents Cram and Vikmanis; Director of Asset Management Paschke; 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 October 1991.

INSURANCE/RISK MANAGEMENT PROGRAM

The committee voted unanimously to recommend approval of a resolution that would revise the Regents' Policy on Delegation of Authority to designate the Senior Vice President for Finance and Operation and his/her designee as solely responsible for the acquisition of property, casualty, and liability insurance coverages for the University of Minnesota. Approval to obtain insurance to augment the University's insurance may only be granted if the acquisition of such coverage is in the best interests of the University.

The committee also voted unanimously to recommend approval of a resolution authorizing that RUMINCO Ltd.'s retained earnings be maintained at a minimum of 50 percent of the total of the current year's expected losses and reserves for the prior year's claims.

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:

\$193,400	Moving of the Loading Dock at 11 Oak Street
\$268,000	Funding for Student Monitor Program
\$306,500	Funding for Epidemiology Move and Site Preparation
\$115,000	Funding for Moving and Configuration of Space for Human Sexuality Program

MODIFICATION OF RESERVE SPENDING PLAN

The committee reviewed for information a proposed resolution that would authorize the expenditure of \$369,000 from Central Reserve funds for the continuation of work on the Underground Storage Tank Abatement Program. Questions were raised about the status of this program and the total amount of money that is expected to be spent. He also noted that this project was not listed under "Projects in Process" in the Senior Vice President's Monthly report for Physical Planning and asked why it was not listed. Associate Vice President Hewitt responded that this project was handled a little differently in that the initial dollars approved for this project were used to do inventory and inspection work. Based on the inventory completed, it was determined that an additional \$369,000 may be needed for any contracts awarded for removal of tanks and soil remediation. In addition, any dollars spent for soil remediation may be submitted to the Petrol Fund for reimbursement. He further stated that, at this time, \$369,000 is an estimate of what is needed to meet the requirements under the law for removal of tanks and soil remediation, however, it is his expectation that the entire amount may not have to be used. In answer to a question from Regent Kuderer, Senior Vice President Erickson stated that any monies not used will revert back to the Central Reserve Fund.

Regent Page expressed concern about receiving requests for modifications to the reserve spending plan for projects that have already been approved asking if that means that these projects are being approved twice. Senior Vice President Erickson reported that sometimes the timing of a project and the availability of funding do not coincide and in order to proceed with a project, funds may be requested from Central Reserves. Regent Kuderer suggested that the handling of those types of requests from Central Reserves be taken to the Agenda Guidelines Committee for a recommendation on the procedure that should be used for such requests.

RESOLUTION REGARDING APPROVED DEPOSITORYIES

The committee reviewed two resolutions representing standard banking activity requiring approval by the Board of Regents.

The first resolution would expand the University of Minnesota's list of approved depositories to include Wacovia Bank and Trust of Georgia.

The second resolution would update a 1982 resolution regarding authorized signers on University of Minnesota bank accounts. The change reflected in the resolution would authorize signers identified by their University office (i.e. Senior Vice President for Finance and Operations, Treasurer, or Controller) rather than as individuals. This change would thus eliminate the need for Regents' action each time a change in officers occurs.

The resolutions will be on the agenda for action in November.

LEGISLATIVE STRATEGY

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

Ms. Peterson reported that administrators are continuing to meet individually with legislators discussing primarily the governor's vetoes and the University's budget. In addition, discussions have also related to the possibility of a bonding bill. Ms. Peterson distributed materials to the committee containing fact sheets on the individual vetoed specials noting that another

general fact sheet about the University is being prepared which will be helpful during discussions with legislators.

She stated that in addition to the legislative breakfasts which Regents have scheduled with legislators from their respective districts, it would be helpful if members of the Board would schedule meetings with individual legislators. A dinner at Eastcliff with legislators has also been scheduled.

Ms. Peterson noted that in addition to the University's budget and vetoed specials, general issues have also been discussed with legislators which have included transfer of credits, graduation rates, preparation requirements, and faculty workload.

It was noted that the Chair of the Minnesota House of Representative Appropriations Committee, Wayne Simoneau, was in the audience. Chair Simoneau spoke briefly to the committee indicating that Regents should not forget to include the governor when scheduling individual meetings.

The meeting adjourned at 2:35 p.m.



Barbara Muesing
BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS
Faculty, Staff and Student Affairs Committee

October 10, 1991

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, October 10, 1991, at 3:05 p.m. in Room 300, Morrill Hall.

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

Staff present: Senior Vice President Infante; Vice Presidents Hughes and Perlmutter; Vice Provost Hopkins; Executive Director Muesing; Associate Vice Presidents Barbatsis and Potami.

Student Representatives present: Eric Carter and Ron Merkling.

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. He noted the following items:

- Resignation of Richard Bay as Director of Men's Intercollegiate Athletics, effective September 30, 1991;
- Resignation of Surell Brady as General Counsel, Office of the University Attorney, effective September 13, 1991;
- Appointment of Daniel Meinert as Acting Director of Men's Intercollegiate Athletics, effective October 1, 1991;
- Appointment of Robert Stein as Special Counsel, Office of the University Attorney, effective September 16, 1991; and
- Appointment of Katherine Cram as Assistant Vice President, Business Services, effective October 1, 1991.

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

**PHASED RETIREMENT AND TERMINAL LEAVE/
EARLY RETIREMENT POLICY**

Ann Bailly, Assistant to the Vice President, and Diane Mulvihill, Director of the Employee Benefits Department, led a discussion regarding the proposed changes in the Phased Retirement and Terminal Leave/Early Retirement Policy. Ms. Mulvihill stated that the proposed policy changes are being recommended to comply with federal law and to address University needs, and noted that the mandatory retirement age will be removed for University employees effective July 1993. Ms. Bailly reviewed the proposed policy changes, noting that eligibility is extended to academic professional staff who hold continuous appointments.

Regent Keffeler asked about the changes in the overall financial impact of the revised policies and asked if the changes make the University's policies comparable to those of other academic institutions. Ms. Mulvihill stated that the policies which apply to tenured faculty were intended to hold the benefits as close to comparable levels as possible, given that the University had to be very sensitive to age limitations. As a result of the proposed eligibility of academic professional (P/A) staff, since it is a very small group in proportion to tenured faculty, if the percentage participation of tenured faculty is valid for P/A staff, then the costs will be relatively insignificant.

Following the discussion, Regent Sahlstrom indicated that this item will be presented to the committee for approval at the November meeting.

POLICY ON DISCLOSURE OF CONFLICT OF INTEREST

Senior Vice President Infante presented the revised Policy on Disclosure of Conflict of Interest to the committee for approval.

The committee voted unanimously to recommend approval of the policy.

BOYNTON HEALTH SERVICE FEE

Vice President Hughes led a discussion regarding the Boynton Health Service fee, which was approved by the Board of Regents at its July 1991 meeting as part of the 1991-92 Budget Plan, with the understanding that it would be reviewed during fall quarter. After extensive discussions, Dr. Hughes stated that the administrative recommendation is to continue the \$54.00 universal fee for all students for the remainder of the academic year.

Dr. Hughes indicated that she has been asked by Senior Vice President Erickson to augment the current professional agency review of Twin Cities campus student health care needs and delivery with representatives of the Health Sciences, Graduate School, student representatives and outside consultants to evaluate service. She stated that comprehensive recommendations addressing student health care needs on an urban campus in a cost effective manner will be presented to President Hasselmo by March 1, 1992.

A lengthy discussion ensued regarding this issue. In response to Regent Keffeler's request for clarification, it was noted that all students who take six or more credits per quarter must have health insurance in order to register and they are currently assessed a \$54.00 student health service fee. There has been extensive debate whether Graduate Assistants who have more than 50 percent appointments and medical residents should be required to continue paying the student health fee because they have medical coverage provided by the University.

Following the comments, Regent Keffeler stated that it would be helpful to understand if this is a policy issue or if there are underlying economic issues related to the Boynton Health Service.

Regent Rosha expressed disappointment that the issue has not been resolved, and stated that he feels a decision should either be made to assess all students for the Boynton Health Service fee or to assess no students for the fee. Dr. Hughes stated she intends to resolve the issue, and spoke in support of the universal fee for the student health service.

Vice President Perlmutter commented briefly on the differences of opinion surrounding the health service fee, and stated that the review will be helpful in resolving the issue.

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

The meeting adjourned at 3:50 p.m.

Barbara Muesing
BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Educational Planning and Policy Committee

October 10, 1991

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, October 10, 1991, at 1:50 p.m. in Room 300, Morrill Hall.

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

Staff present: Chancellor Johnson; Senior Vice President Infante; Vice President Hughes; Vice Provost Hopkins; Executive Director Muesing; Associate Vice President Barbatsis.

Student Representatives present: Darby Laing and Kristina Peterson.

Regent Craig noted an article regarding Student Representative Darby Laing which appeared in a recent issue of the UMD Statesman.

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 items, and was included in the docket materials. He specifically noted the proposal to change the name of the Department of Physiology, School of Medicine at the University of Minnesota, Duluth to the Department of Medical and Molecular Physiology.

The committee voted unanimously to recommend approval of the proposed name change.

Dr. Infante reported on the process of transferring tenured faculty members from the University of Minnesota, Waseca (UMW) to the other University campuses. In response to Regent Craig, he stated that transfers will be made on the basis of programmatic decisions, and noted that if every UMW tenured faculty member chose the transfer option, the total amount of funding involved would be approximately \$1.8 million.

Regent Keffeler asked if the same considerations and process will be applied when transferring other tenured faculty members as a result of proposed program reductions. Dr. Infante stated that although the same basic principles should guide that process, those transfers may be handled differently because they will not involve the closing of an entire campus.

Dr. Infante noted that three pilot projects have been initiated using Total Quality Management (TQM) techniques. He indicated that reports entitled "Quality Initiatives in Undergraduate Education at the University of Minnesota" and "Progress in Improving Student Transfer" were submitted to the Legislature as mandated by legislation passed during the recent session.

Dr. Infante noted the programs which were approved by the Higher Education Coordinating Board (HECB) at its September meeting. In response to an issue raised by Regent Craig, Dr. Infante discussed the consultative process prior to approval of programs by HECB.

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

REPORT ON STATUS OF THE UNDERGRADUATE INITIATIVE - LIBERAL EDUCATION

Vice Provost Hopkins presented a progress report on the Initiative for Excellence in Undergraduate Education, focusing on the recommendations of the Task Force on Liberal Education and plans for implementation of the curriculum changes proposed in the report. She stated that the Task Force report was endorsed by the Twin Cities Campus Assembly in May 1991.

Dr. Hopkins stated that the Task Force recommendations are critical to the undergraduate initiative, because curriculum is one of the key elements of a quality education and there are many problems associated with the current curriculum. She noted that her office will provide staff support for a new Council on Liberal Education, which will be charged with overall responsibility for shaping the new liberal education curriculum.

Dr. Hopkins reviewed the major recommendations of the Task Force, including strengthened advising and new student colloquia, increased writing skills and competencies, development of a diversified core curriculum across the campus and distribution requirements.

Dr. Hopkins stated that the development and implementation of a new curriculum will be an evolving process, including efforts to insure course and laboratory availability. She stated that the first part of the new curriculum would be required for students who enter in fall 1993, and full implementation would take approximately two more years.

In conclusion, Dr. Hopkins voiced her commitment to implement the changes as much as possible within existing resources through redirection of faculty effort, and in away that produces high quality results for students.

In response to Regent Reagan, Dr. Hopkins discussed student participation in the process. In addition, she noted that although each campus develops its own curriculum, efforts will be made to effectively coordinate the new curriculum so students can transfer easily within the University of Minnesota system.

Regent Neel commented on the excellence of the Task Force recommendations, and stressed the importance of improved advising. Dr. Hopkins stated that she is looking forward to implementation of the creative program developed by the Task Force, and commended the members and Chair, Professor John Howe.

Regents Neel and Keffeler asked about the uniqueness of the proposed curriculum. Dr. Hopkins and Dr. Infante responded, stating that common issues are addressed in curriculums at all institutions, but some of the proposed changes are unique to the University of Minnesota, including the new student colloquia.

Student Representatives Laing and Peterson commented on the proposed curriculum changes, stating that it is more understandable than the current system. In response to their comments, Dr. Hopkins discussed laboratory fees, course availability

and the possible implementation of a program planning model to help students understand the future implications of their course choices.

Regent Keffeler suggested that some current courses be retained and faculty be urged to participate in the new curriculum in order to complete the implementation process earlier. Dr. Hopkins stressed the importance of faculty involvement in the process, stating that it will result in a stronger new curriculum and less chance of future fragmentation. She stated she does not feel implementation will be possible before the fall 1993, because sufficient courses must be available and students must be notified of the changes in advance in writing.

Regent Neel asked if course availability will improve as a result of restructuring and reallocation plans. Dr. Hopkins indicated that she is in the process of improving the situation, and stated that most course availability problems should be resolved within a year. Dr. Infante stated that the University must engage in careful allocation of resources and enrollment management so that students who are accepted will have access to the programs they need to graduate.

Regent Neel asked for information to respond to legislators' criticism of the University regarding graduation rates and the time required to graduate, including data on full-time and part-time students, minority students, and on- and off-campus students. Dr. Infante stated that data is being developed and a report will be presented at the December committee meeting. In addition, Regent Neel asked for slides to show legislators the improvements being made, along with data for comparable national institutions outside the Big 10. Dr. Hopkins stated that the University is stronger than most other urban institutions, and Regent Neel suggested developing an explanation of why exact comparisons are not available.

Regent Reagan concurred with Regent Neel's concerns regarding graduation rates.

Following the discussion, Regent Craig expressed appreciation to Dr. Hopkins and Dr. Infante for their report.

The meeting adjourned at 3:00 p.m.

Barbara Muesing
BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

October 10, 1991

A meeting of the Committee of the Whole of the Board of Regents was held on Thursday, October 10, 1991, at 9:35 a.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: President Hasselmo; Chancellors Ianni, Johnson, Sargeant and Williamson; 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 Presidents Barbatsis and Potami; Assistant Vice President Vikmanis.

Student Representative present: Tim Wolf.

BUDGET IMPLEMENTATION PLAN

Regent Kuderer introduced the discussion regarding the budget implementation plan, stating that the programmatic implications will be presented at the November meeting for information, followed by an Open Forum on Tuesday, December 3. He noted that the budget implementation plan will be presented to the Board for approval at the December meeting.

President Hasselmo led the discussion. He stated that the budget plan is based on the 1991-92 Budget Principles and the University's long-range academic planning, and is consistent with the restructuring and reallocation plan approved by the Board in March 1991. He indicated that the Board will be asked to make difficult and controversial decisions, which are necessary to help the state resolve its financial problems and to meet the University's goal of quality improvement within limited resources. He noted that the decisions will have an impact on many people through increased tuition and the restructuring, reduction and elimination of programs, resulting in 600 to 700 faculty and staff positions being eliminated. He noted that the University will live up to its contractual obligations to faculty, staff and students and will maintain a commitment to its diversity objectives.

President Hasselmo noted examples of the University's record of improvement during the past decade as a result of systematic planning and decision making, in consultation with faculty, staff, students and external constituencies throughout the state. During this same period, he noted that the University's state funding has declined to approximately 28 percent of the total budget.

President Hasselmo stated that the administration intends to seek full restoration of the Governor's \$23.2 million line-item vetoes, noting that the proposed plan is based on the assumption that those vetoes will be overridden. In addition, he indicated that the current financial situation is reflected in the plan, including the

biennial budget decrease of \$27.1 million, no provision for cost of living increases for employees or expenses, and the deferred maintenance problem.

President Hasselmo stated that the University is fulfilling its responsibility to make the hard decisions necessary to improve quality during a period of limited resources. He stated that if the University of Minnesota is going to maintain its leadership position and remain an outstanding nationally and internationally competitive land grant and research university, the State of Minnesota must invest in the University.

Senior Vice President Erickson reiterated the assumptions upon which the plan is based, and particularly noted that the proposed budget implementation plan is based on the assumption that the Governor's line-item vetoes will be overridden. He reviewed the 1992 fund sources.

Senior Vice President Infante used slides to analyze the present status of the Crookston, Duluth, Morris and Twin Cities campuses. He stated that the implementation plan reflects the \$60 million reallocation plan, the 1991-92 salary freeze for faculty and staff, and the 1991-92 tuition increase. The plan presumes restoration of the \$23.2 million in line-item vetoes, the continuation and acceleration of the reallocation plan, and a 5 percent increase in salaries and supplies and equipment expenses, and he stated that the following actions will be necessary to produce the \$47 million required to fund the proposed 5 percent increase:

- General tuition increase of 9 percent in 1992-93 and targeted tuition/enrollment increases
- Initiation of a policy of tuition differentiation between programs and campuses
- Elimination of subsidies from state funds and tuition that are currently provided to non-educational programs
- Restructuring of central administration, reduction of support services and a change in the mode of operations
- Reduction of personnel and positions
- Increased support for infrastructure and physical facilities

In summary, Dr. Infante stated that the reallocation process will continue and he noted that the fundamental policy decision that underlies the proposed plan is that activities which are of a research and service nature cannot be provided with funding derived by increases in tuition.

Senior Vice President Erickson reviewed Finance & Operations reductions of \$5.32 million in Business and Financial Services, Physical Planning, Facilities Management, Administrative Information Services, Telecommunications, Treasury Services and Support Services. He commented specifically on the proposal to reduce the number of computer services operating sites to one, which will cause substantial staff reductions and achieve annual savings of \$2.5 million when fully implemented.

In conclusion, President Hasselmo stated that this strategic decision making is driven by a strong vision of the University's future and its unique contribution to higher education in the State of Minnesota as a leading national and international institution. In view of the difficult decisions being considered, he expressed hope that the impression that the Board of Regents is not able to manage the University effectively in the interest of the state will be resolved.

Regent Kuderer urged members of the Board to listen to the tape of the meeting if necessary to understand the principles which provide the basis for establishing the budget and to be in a position to make difficult decisions in the future.

Regent Craig complimented the administration for developing a strategic plan which provides evidence of responsible management and an interest in the future of the University.

In response to Regent Reagan, Dr. Infante addressed the issue of elimination of subsidies of state funds and tuition that are currently provided to non-instructional programs. For example, educational funds currently provided to the Department of Concert & Lectures will be replaced by parking fees associated with activities sponsored by the Department.

Regent Sahlstrom asked for elaboration of changes in the mode of operation and the proposed differentiation of tuition levels. Dr. Infante stated that the changes being recommended in computing services are an example of changes in the mode of operation. He responded further that each campus would have a separate uniform undergraduate tuition rate for students who are matriculated and there would be differentiation of tuition rates for post-baccalaureate and Continuing Education & Extension (CEE) students.

In response to Regent Sahlstrom's concerns, Mr. Erickson discussed the University's deferred maintenance problems and noted the administration's commitment to resolving those problems.

In response to Regent Keffeler's concern regarding the policy decision not to fund research and service activities with funding derived by increases in tuition, Dr. Infante stated that it is difficult to assign some activities into the teaching, research or service category and he noted that the problem must be addressed. Regent Keffeler stressed the importance of maintaining flexibility so that allocation of funds is based on policy priorities rather than funding sources.

In response to Regent Kuderer, Dr. Infante stated that in addition to a targeted tuition increase for law students, an increase is proposed for students in management, public policy and some master's degree programs. He noted that no health sciences programs are being considered at this time.

Regent M. Page asked about the relationship of tuition to state specials. Dr. Infante discussed the state specials and stated that the administration has decided not to fund those programs with funds derived from tuition increases. President Hasselmo noted that as a result of that decision, those programs will have to fully fund the proposed compensation increases of 6 percent.

Student Representative Wolf expressed a concern regarding proposed increases in user and student fees to compensate for budget reductions proposed for auxiliary and self-supporting activities, including Boynton Health Service. Dr. Infante stated that as a result of elimination of the subsidies for these services, there is a choice between increased user costs or decreased services.

In response to an issue raised by Mr. Wolf, Dr. Infante stated that full-time students who take CEE courses will not be required to pay the tuition surcharge.

Regent Neel commended the administration on the strategic plan which has been developed and asked about the implementation timetable. In response to Regent Neel, Mr. Erickson stated that the administration intends to implement the proposed changes by the end of 1991 and report to the Board on the progress. President Hasselmo

noted that portions of the plan will be phased in over a period of time due to contractual obligations.

Regent Keffeler asked what kind of information will be provided to the Regents before the November meeting so that they will understand how the principles have been applied in developing the administrative recommendations and will be in a position to assess trade-offs between proposals regarding tuition increases, salary increases and programmatic changes. President Hasselmo stated that the Regents will be provided with the administrative recommendations, which will be developed within the established parameters. Data provided will address how the program meets the principles for reallocation -- quality, centrality, comparative advantage, demand, and efficiency and effectiveness. In an effort to avoid additional morale problems, he stated that the administration does not intend to provide comparative decisions regarding programs. Regent Keffeler stated that she is sensitive to the situation, but asked for information which articulates a rationale based on the principles for the trade-offs involved and information on the combined impact at the collegiate level of the \$58 million reallocation and the \$32 million of budget reductions.

A discussion ensued regarding the type of background information the Regents would like to receive regarding the budget implementation plan. Regent Rosha concurred with Regent Keffeler's request for documentation regarding the recommendations, and Regent Kuderer stated that the Board should require the administration to justify all recommendations presented. President Hasselmo reviewed the process that will be followed in developing the recommendations to be presented to the Board, and stated that the administration will provide the Board with as much information resulting from that process as possible.

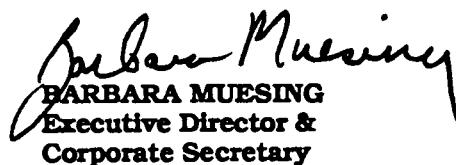
In response to a concern raised by Student Representative Wolf on behalf of students on the Morris campus, Dr. Infante commented on the proposal to add \$500 to tuition and emphasized that these additional funds will be retained by the Morris campus to address critical needs.

Regent M. Page expressed a concern that if a way to off-set inflation cannot be identified for outreach activities, it could result in elimination of the University's outreach mission. Dr. Infante stated that the state must provide this funding, because he feels it would be inappropriate to provide inflationary increases for state specials from tuition funds.

Following the discussion, Regent Kuderer commended the administration for the quality of the presentation.

Regent Kuderer noted the death of Vice President Allen's father.

The meeting adjourned at 11:55 a.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

October 11, 1991

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, October 11, 1991, at 8:30 a.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: President Hasselmo; Chancellors Johnson and Wilhelmsen; Senior Vice Presidents Erickson and Infante; Vice Presidents Heydinger, Hughes and Perlmutter; Vice Provost Hopkins; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice Presidents Barbatsis, Fischer, Hewitt and Potami; Assistant Vice Presidents Cram and Markham.

Student Representative present: Tim Wolf.

STATUS REPORT ON ATHLETIC FACILITIES

Regent Kuderer reported that as a result of a selection process which began in June 1991, the University has entered into a contract with the Opus Corporation to design and build a new 8,000-seat hockey facility, with expansion capacity to 9,600 seats.

Associate Vice President Hewitt used visual aids to illustrate the site plan and interior plans for the new facility.

Regent Wynia asked how the increased maintenance costs associated with the new athletic facilities will be covered. Mr. Hewitt stated that an analysis of the cost to maintain the new facilities was done by the Facilities Management Group and there will be adequate resources in the budget for the facilities to cover maintenance costs.

In response to a question by Regent Anderson, Mr. Hewitt stated that the design/build proposal submitted by Opus Corporation is an obligation to construct the new hockey facility for \$17.5 million. Senior Vice President Erickson noted that the total budget for the project is approximately \$20 million, which includes internal funds.

Dan Meinert, Director of Men's Intercollegiate Athletics, and Stanley Hubbard and Kathleen Ridder, co-chairs of the private fund drive for the project, expressed strong support for the plans proposed by Opus Corporation. Ms. Ridder also expressed appreciation to the Board for its support of women's athletics.

Following the discussion, Regent Kuderer thanked Mr. Hubbard and Ms. Ridder for their willingness to be involved in this important project.

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, 1990 through June 30, 1991.

LEGISLATIVE CAPITAL REQUEST

President Hasselmo led a discussion regarding the 1992 Legislative Capital Request, noting that the request is the result of extensive analysis and consultation. He stated that the Space Advisory Committee provided staff support and preparation of the Capital Request. The committee was guided by the following principles: adhere to Academic Priorities, request construction funds only and maintain continuity with prior requests.

Senior Vice President Erickson stated that the 1992 Capital Request originally included \$650,000 for continuation of work on the underground storage tank abatement program. As a result of time constraints, he indicated that this item will be funded from the Reserve Spending Plan and has been removed from the request.

Senior Vice President Erickson reviewed the 1992 Legislative Capital Request of \$78.3 million, including \$15.6 million for health and safety items and \$62.7 million for construction of a new Basic Sciences/Biomedical Engineering Building. Health and safety items include 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.

Vice President Perlmutter discussed the request for \$62.7 million for a new Basic Sciences/Biomedical Engineering Building on the Twin Cities campus. She stated that the proposed facility, which will only contain laboratories and limited office space, will address the need for adequate health sciences research facilities and will allow University faculty to continue to maintain and increase external research funding. Because of the importance of the project and its significant cost, she indicated that the University is exploring the possibility of securing matching federal funds.

In response to a question raised by Regent Sahlstrom, Ms. Perlmutter emphasized the importance of the 1992 schedule for the bonding bill because construction of the new facility is scheduled to begin in 1993.

Regent Keffeler asked if the University has a multi-year capital improvement plan. Mr. Erickson stated that as part of recent organizational changes in his staff, Associate Vice President Hewitt has agreed to assume responsibility for developing a campus master plan. He indicated that he will provide the Board with the time schedule for this project when it is available. President Hasselmo stressed the urgency of developing a comprehensive long-range plan for the campus.

In response to issues raised by Regent M. Page, Mr. Erickson commented on alternative sources of funding for projects, including requesting the \$6.5 million in indirect cost recovery funds retained by the state and increased revenue from an expanded sponsored research base.

In response to a question by Regent Kuderer, Mr. Erickson stated that the University is not required to pay one-third of the bonding indebtedness on health and life safety items.

Following the discussion, Regent Kuderer stressed the impact of the items contained in the Capital Request and stated that it will be presented for approval at the November meeting.

FACILITIES MANAGEMENT UPDATE

Assistant Vice President Markham presented a status report on progress being made within the Facilities Management organization. She reported that the decentralized zone structure is in place and all supervisors and staff have been selected, trained and assigned.

Ms. Markham stated that an evaluation of computerized work management systems is being finalized, a complete review of preventive maintenance activities is being conducted and progress is continuing on labor relations.

Ms. Markham introduced Cheryl Coryea, the new Facilities Management financial officer. Ms. Coryea presented a progress report on the financial management areas of Facilities Management, including the establishment of a first-step programmatic budget for 1991-92, separation of construction and maintenance activities and establishment of new overhead rates for business segments for implementation in November 1991.

Ms. Coryea stated that Facilities Management currently has four full-time employees dedicated to implementation of the first phase of the University's new financial management system project (CUFS). She indicated that Facilities Management must be able to analyze and measure total cost to effectively move toward overall cost reduction, and the CUFS project is a critical cornerstone of the overall plan.

Ms. Coryea commented briefly on future needs and priorities, and expressed appreciation to the University community for its support of the Facilities Management organization during this period of change.

In summary, Ms. Markham stated that Facilities Management is moving forward.

In response to a question by Regent Sahlstrom, Mr. Erickson stated that Ms. Markham communicates regularly with Legislative Auditor Nobles regarding Facilities Management issues and the progress that is being made.

President Hasselmo stated that he is pleased with the Facilities Management team that has been assembled, and he expressed appreciation for the work that is being done to address the challenges that were issued concerning the management of the University.

Following the discussion, Regent Kuderer thanked everyone who participated in the presentation.

UNIVERSITY FINANCIAL MANAGEMENT

Senior Vice President Erickson presented an update regarding the University's new financial management system, stating that implementation is scheduled for November 1, 1991. He stated that although there will be some problems associated with implementation of the new system, he is committed to making this essential management tool work.

Mr. Erickson presented an overview of college and University accounting and summarized all University funds for fiscal year 1989-90, including a breakdown of revenues and expenditures. In addition, he reviewed the June 30, 1990 balance sheet, noting that the University's AA bond rating was recently reaffirmed. He reviewed the difference between restricted and unrestricted funds.

In response to a question raised by Regent Wynia, President Hasselmo discussed the difference between department instructional budgets, which integrate instruction and research activities associated with faculty status in general, and the sponsored research activities of faculty members.

Regent Sahlstrom expressed a concern regarding the decline in expenditures for the University's public service functions from 9.38 percent of the budget in 1986 to 7.65 percent in 1990. Mr. Erickson noted that during this period there was a dramatic decline in the federal government's support of the Minnesota Extension Service, in addition to limited University resources. Regent Keffeler stated that this situation underscores the importance of maintaining as much flexibility as possible so that the allocation of funds for the University's three missions is based on policy priorities rather than funding sources.

Mr. Erickson stated that future presentations regarding financial management will include classification of resources in November, a review of the 1990-91 Annual Report in December and a financial ratio analysis in January.

Following the discussion, Regent Kuderer stated that the presentation was very helpful and he thanked Senior Vice President Erickson for his report.

ANNUAL REPORT/ASSET AND DEBT MANAGEMENT

Roger Paschke, University Treasurer and Director of Asset Management, presented the Annual Report of Asset and Debt Management to the committee. He stated that the current value of funds as of June 30, 1991 was \$868.7 million. He noted that the University's general endowment and the University of Minnesota Foundation endowment total approximately \$465 million, which is the third largest public endowment fund in the nation.

Mr. Paschke reviewed the University's diverse group of fund managers, the allocation of assets by manager and the performance of the fund managers, noting that in the future there will be a greater emphasis on international investments in the University's portfolio. He also reviewed the expenses associated with asset management activities.

Mr. Paschke stated that as of June 30, 1991, the actual value of the University's general endowment fund was \$249.1 million. He reviewed the growth of that fund since 1975, and stated that the basic objective is to maintain the inflation adjusted real value of the endowment fund. Mr. Erickson noted that the University has done very well in terms of surpassing its objective since 1975.

Mr. Paschke discussed the University's arbitrage program, noting that the program has resulted in \$44.4 million beyond normal fund management since 1980. He stated that this is the major source of the University's central reserves.

Mr. Paschke reported that the University's bonded debt as of September 30, 1991, including new debt for athletic facilities and the Cancer Center, totals \$336.8 million. He also reviewed debt service savings since July 1985, which totaled \$33.3 million.

In response to an issue raised by Regent Anderson, Mr. Paschke stated that he is comfortable with the percent of University investments which are managed internally.

Regent Reagan commended the administration on an excellent Annual Report and asked why the University does not have a AAA bond rating. Mr. Paschke noted that the University recently received a AA bond rating, stating that he is not aware of any institution which has received a AAA rating. Regent Anderson urged the administration to aggressively pursue such a rating, and Mr. Paschke stated that efforts will continue to try to improve the University's bond rating.

Following the discussion, Regent Kuderer thanked Mr. Paschke for an excellent presentation.

The meeting adjourned at 10:50 a.m.

Barbara Muesing
BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

October 11, 1991

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

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

Staff present: Chancellors Johnson, Sargeant and Wilhelmsen; Senior Vice Presidents Erickson and Infante; Vice Presidents Hughes and Perlmutter; Vice Provost Hopkins; Executive Director Muesing; Associate Executive Director Janzen; Assistant Provost Bakkenist; Associate Vice Presidents Fischer and Potami.

APPROVAL OF MINUTES

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

Physical Planning & Operations Committee -
September 12, 1991
Finance & Legislative Committee - September 12, 1991
Faculty, Staff & Student Affairs Committee -
September 12, 1991
Educational Planning & Policy Committee -
September 12, 1991
Committee of the Whole - September 13, 1991
Board of Regents - September 13, 1991

REPORT OF THE PRESIDENT

President Hasselmo introduced Dean Robert Stein who has taken on the assignment of Special Counsel to the Board of Regents during the transition period in the Office of the General Counsel.

President Hasselmo then presented his regular monthly report which pertained to the issues of bigotry and diversity on campus.

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

REPORT OF THE CHAIR

Chair Kuderer reported that he and Regents Craig, Rosha and Sahlstrom represented the Board at an open forum September 26, 1991 at the University of Minnesota Crookston campus. A summary of the comments made by those

speaking at the forum was distributed and tapes of the forum and program review session are available from the Regents' Office. Two additional forums are scheduled on January 23, 1992 at the University of Minnesota Duluth and May 21, 1992 at the University of Minnesota Morris.

Regent Kuderer stated that staff in the Regents' Office will be getting in touch with each Regent to schedule a time for Regents to spend a day with a dean and a student. He stated that the results of those experiences will be discussed at a retreat in early 1992.

Regent Craig was then called on to give a preliminary report from the Hospital Board of Governors Nominating Committee. She reported that the committee has met and is considering names for three vacancies on the Board of Governors. She stated that those names will be presented for information at the November meeting and for action in December.

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.

In conclusion, Chair Kuderer complimented the administration for the hard work that they have done putting together the budget plan. In addition, he stated for the record that the Board of Regents supports the President and the administration in their actions against bigotry and racism.

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 October 10, 1991

Chair Kuderer reported that the committee reviewed and engaged in an extended discussion on the proposed Budget Implementation Plan. He noted that additional information will be presented in November with action requested at the December meeting.

REPORT OF THE COMMITTEE OF THE WHOLE October 11, 1991

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

- a) Approval of resolution 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, 1990 to June 30, 1991, is hereby approved.

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

In addition, Chair Kuderer reported that the committee also reviewed the proposed 1992 Legislative Capital Request and received presentations pertaining to an update on Facilities Management, the University's new financial management system and an annual report on asset and debt management. A status report on athletic facilities was also presented.

**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.
- b) Approval of Regents' Policy, Disclosure of Conflict of Interest, as follows:

Disclosure of Conflict of Interest

Guide to Users:

This policy is intended to facilitate the widest possible interactions between faculty and industry, while at the same time satisfying the growing national concern over potential conflicts of interest in academia. This policy was a leader when it was first passed in 1988. The current revisions will keep it in the forefront of institutional policy in this area.

The underlying premise upon which this is based is disclosure. Effectively, in all cases in which knowledge of a relationship with an entity would be material, there must be disclosure. This includes, by way of example, disclosure of the relationship in the following cases:

- a) when presenting material by scholarly publication; and/or
- b) when applying for sponsorship from the entity; and/or
- c) when applying for sponsorship from a third party; e.g., National Institute of Health (NIH) or National Science Foundation (NSF), where the outcome of the research would affect the entity; and/or
- d) when transferring technology to the entity.

Examples of a relationship with an entity that must be disclosed include:

- a) consultantship; and/or
- b) equity position, including stock options; and/or
- c) gifts or loans; and/or
- d) official capacity such as serving on the board of directors or scientific board.

1. PREAMBLE

The University of Minnesota actively encourages and participates in interaction with private companies as an important component of its research, education, and public service missions. Research agreements between the University and private companies provide a valuable source of funds, equipment, and topics for University research. Consulting arrangements and other contacts between faculty and private companies advance the faculty's ability to provide a high quality research and educational experience for students and enhance employment opportunities for students. Licensing by the University to private companies, consulting services by faculty for private companies, assistance by faculty in new company starts, and other forms of technology transfer are critical to meeting society's needs. The University, therefore, clearly has a responsibility to foster the free flow of ideas and individuals between the University and the private sector.

The commitment of the University to this responsibility is reflected by its policies and guidelines relating to interaction with industry. The Patent and Technology Transfer Policy, Policy on Outside Consulting, and Guidelines on Interaction with Industry all recognize the value of various types of relationships with the private sector and provide the means to advance these relationships. These policies and guidelines are supported by the integrity of the faculty and by the adherence of the faculty to principles of good scholarly and professional practice. In view of the increased interaction between the University and the private sector, there is a need for a vehicle to safeguard the University's independence, credibility, primary missions, and the integrity of those University staff members involved in such interactions. Accordingly, this statement of principles is intended to facilitate and encourage interaction with the private sector by ensuring an environment in which University personnel are permitted the maximum freedom to enter into and continue various types of relationships outside of the University, while at the same time furthering the principal missions of the University and maintaining high standards of professional and ethical conduct.

2. OTHER APPLICABLE POLICIES AND LAWS

This policy complements the provisions of other applicable policies, regulations, and laws, including the Policy on Outside Consulting, the Patent and Technology Transfer Policy, the statement on "Preventing Conflicts of Interest in Government-Sponsored Research at Universities," Guidelines on Interaction with Industry, the Tenure Code, and applicable state and federal law. This policy is intended to help implement and expand upon these other related requirements. It should be noted that this policy does not apply to Medical School consultation practices that are in accord with the Regents' Policy on Private Consultation Practice.

3. GENERAL PRINCIPLES

With the acceptance of appointment or employment, an individual makes a commitment to the University and accords the University his or her primary professional loyalty according to the terms of appointment or employment. Every person is expected to arrange outside obligations, financial interests, and activities so as not to conflict or interfere with this overriding commitment to the University. At the same time, no one benefits from undue interference with the legitimate external activities of individuals who fulfill their primary full-time duties -- teaching at the University, conducting scholarly research under its sponsorship, and meeting the other obligations to students and colleagues. Indeed, the involvement of individuals in outside professional activities, both public and private, often serves not only the participants but also the University as a whole. It has been, and continues to be, assumed

that all individuals will be alert to the possible effects of outside activities on the objectivity of their decisions, their obligations to the University, and the University's responsibility to others.

The areas of potential conflict may be divided into two broad categories. The first relates to conventional conflicts of interest-- situations in which individuals may have the opportunity to influence the University's decisions in ways that could lead to personal gain or give improper advantage to their associates. The second is concerned with conflicts of commitment -- situations in which an individual's external activities, often valuable in themselves, interfere or appear to interfere with their paramount obligations to students, colleagues, and the University. Researchers and scholars are given great freedom in scheduling their activities with the understanding that their external activities will enhance the quality of their direct contributions to the University.

Currently, universities customarily use the term "industry" in the generic sense, to encompass their relations with all facets of the private sector. Throughout this policy, therefore, the term "industry" is not used in

any restrictive sense, but rather applies generally to all private enterprise. This policy is intended to apply solely to sponsored research, technology transfer, and other written agreements as provided for in Section 5.f.

4. DEFINITIONS

- a) PERSONNEL shall mean all persons appointed, employed and/or compensated by the University, including faculty, visiting faculty and researchers, professional and administrative staff, civil service employees, research and teaching assistants, residents, fellows, and trainees.
- b) COMPANY shall mean any corporation, partnership, proprietorship, firm, association, or other legal entities worldwide, excluding government entities in the United States.
- c) INTEREST shall mean any of the following interests in the aggregate held in a COMPANY, but not in a mutual fund whose investment policies are beyond the control of the individual, by PERSONNEL and/or PERSONNEL'S spouse and/or dependent children:
 - (i) an investment comprising equity or options to purchase equity with a total current value of more than \$1,000 or representing more than 5% of the total COMPANY equity; and/or
 - (ii) personal payments (excluding consulting fees), gifts, and other benefits, including personal loans and services, received from a COMPANY to PERSONNEL within the previous twelve months with a total current value of more than \$1,000; and/or
 - (iii) a consulting arrangement with a COMPANY or other agreement to provide services to a COMPANY which is or should be disclosed in accordance with the Policy on Outside Consulting; and/or
 - (iv) status as a director, scientific director or member of the scientific board of advisors, officer, partner, trustee, or employee (other than a consultant) of a COMPANY.
- d) SPONSORED RESEARCH shall mean any research sponsored by the University or by any external entity including without limit a COMPANY, agencies of the U.S. federal and state governments, foundations, industry associations, and others.

5. OPERATING PRINCIPLES

- a) General. PERSONNEL may form relationships with COMPANIES, including acquiring an INTEREST in a COMPANY, provided that such relationships satisfy this policy and any other applicable policies and laws. The University encourages all PERSONNEL to form relationships with COMPANIES which further its education, research, and public service missions. For example, effective transfer of University technology may require that the PERSONNEL who originally developed the technology have a consulting agreement with or otherwise assist the COMPANY in acquiring rights in the technology. Under such circumstances, equity in the COMPANY may be an appropriate means to compensate the PERSONNEL. The COMPANY may also desire to fund further University research concerning the technology to be conducted by those PERSONNEL. These combination relationships and other relationships are permissible, and may indeed be very desirable to meeting University objectives, provided that the disclosure requirements in this policy are satisfied. Disclosure will allow the opportunity for review to ensure that the performance of PERSONNEL'S duties is not compromised.
- b) Actual Conflicts. PERSONNEL shall not enter into or allow conflicts of interest or conflicts of commitment to the University, as those terms are annunciated in the General Principles. Determination whether an actual conflict exists shall be made by the appropriate vice president, or chancellor if a coordinate campus is involved. If PERSONNEL wish to initiate or continue such a conflicting relationship with a COMPANY and remain associated with the University, they shall seek a suitable leave of absence, reduction of appointment, or other arrangements with the University.
- c) SPONSORED RESEARCH Proposals. PERSONNEL with an INTEREST in a COMPANY and who propose SPONSORED RESEARCH which may affect the COMPANY shall disclose the existence of the INTEREST. To the extent allowed by law, such disclosure shall be considered private until the project is awarded. The disclosure shall be public information after the project is awarded.
- d) SPONSORED RESEARCH Participation. PERSONNEL with an INTEREST in a COMPANY and who participate in SPONSORED RESEARCH which may affect the COMPANY shall disclose the existence of the INTEREST. Such disclosure shall be considered public information.

- e) Technology Transfer. PERSONNEL with an INTEREST in a COMPANY shall disclose the existence of that INTEREST in the instance that the University is considering the transfer of rights, by license or otherwise, in technology developed by PERSONNEL to the COMPANY. To the extent allowed by law, disclosure shall be considered private.
- f) Other Written Agreements. In addition to restrictions in applicable law, PERSONNEL with an INTEREST in a COMPANY shall neither propose, negotiate, nor approve on behalf of the University a contract or other commitment concerning that COMPANY without full disclosure of the INTEREST. The disclosure shall be considered public information. This paragraph applies to all written agreements including, but not limited to, lease agreements, orders and requests for goods and services, or personnel from COMPANIES (including equipment, consulting services, and legal services). This provision does not cover research grants, contracts, and relationships otherwise covered by Section 5.c., 5.d. or 5.e. above.
- g) Public Statements. PERSONNEL with an INTEREST in a COMPANY are expected to refrain from making public statements (statements for use by the press and/or to individuals with an interest in the stock of the COMPANY) regarding SPONSORED RESEARCH prior to publication of the results in recognized scientific literature or presentations at recognized scientific meetings. Whenever possible, the University shall include a clause reflecting this principle in each industry-sponsored grant, contract, or agreement.
- h) PERSONNEL with an INTEREST in a COMPANY, or whose research was sponsored by a COMPANY, shall state such INTEREST or sponsorship when reporting research results and when providing expert commentary on a subject that may affect the COMPANY.
- i) PERSONNEL with an INTEREST in a COMPANY who are proposing to perform research involving human subjects where the research may affect the COMPANY, shall disclose that INTEREST in the approved human subjects informed consent form.

6. IMPLEMENTATION

- a) Compliance with this policy requires a three step determination:

- i) Does an INTEREST exist?¹
 - (ii) When an INTEREST exists, must it be disclosed?²
 - (iii) When an INTEREST exists, must approval of a vice president, or chancellor if a coordinate campus is involved, be obtained?³
- b) Disclosure under Sections 5.c. and 5.d. shall be made in the manner prescribed by the BA Form 23. These disclosures will be made as part of the proposal process. After acknowledgment by the appropriate department head and dean, the BA Form 23 and accompanying proposal shall be sent to the Office of Research and Technology Transfer Administration (ORTTA). ORTTA will forward the BA Form 23 to the appropriate vice president, or chancellor if a coordinate campus is involved, for approval when required.

It is the responsibility of all PERSONNEL to notify the appropriate department head and dean of any changes in the INTEREST originally reported on the BA Form 23. Such notification shall be made in a timely fashion (normally within a month) and in writing to permit reassessment by the appropriate officials.

It is required by University policy that all SPONSORED RESEARCH be covered by a BA Form 23. However, disclosures made during the term of the project and disclosures not made on a BA Form 23 shall be in the form of a memo to the appropriate department head and dean for their acknowledgment. The memo shall then be sent to O R T T A f o r consideration and for forwarding to the appropriate vice president, or chancellor if coordinate campus is involved, when approval is required.

The memo shall define the nature of the contract or other agreement and the COMPANY involved. Where possible, appropriate documentation from the COMPANY shall be attached. This memo shall be submitted in a timely manner so as to permit consideration by appropriate administration

¹ The existence of an INTEREST is determined by applying Section 4.c. to the situation.

² This is determined by applying Sections 5.c., 5.d., 5.e., and 5.f to the situation.

³ This is determined by applying Section 6.b. to the situation or, when a BA Form 23 (Application for External Research or Training Support) is not involved, by the appropriate department head or dean after consultation with PERSONNEL involved.

officials prior to consummation of the relationship.

c) Approval of the appropriate academic vice president, or chancellor if a coordinate campus is involved, must be obtained prior to submission of the SPONSORED RESEARCH proposal to the COMPANY or participation in SPONSORED RESEARCH, and approval of the senior vice president for finance and operations must be obtained prior to the transfer of rights in technology developed by PERSONNEL to the COMPANY, when PERSONNEL have an INTEREST in the COMPANY that is:

- (i) an investment comprising equity or options to purchase equity with a total current value of more than \$25,000 or representing more than 5% of the total COMPANY equity; and/or
- (ii) personal payments (excluding consulting fees), gifts, and other benefits, including personal loans and services, received from a COMPANY to PERSONNEL within the previous twelve months with a total current value of more than \$2,000; and/or
- (iii) a consulting arrangement with a COMPANY or other agreement to provide services to a COMPANY which is or should be disclosed in accordance with the Policy on Outside Consulting and with annual compensation of more than \$10,000; and/or
- (iv) status as a director, scientific director or member of the scientific board of advisors, officer, partner, trustee, or employee (other than a consultant) of a COMPANY.

Faculty may wish to seek the above approval in appropriate cases where an INTEREST exists but does not meet the above definitions. Approval shall be granted or denied within two weeks of submission to the vice president, or chancellor if a coordinate campus is involved.

Factors that will be taken into account by the appropriate vice president, or chancellor if a coordinate campus is involved, determining approval include:

- (i) THE PROMINENCE AND SIGNIFICANCE GIVEN THE UNIVERSITY AFFILIATION. Where the name and/or authority of the University (as opposed to that of the researcher) is more clearly being invoked, the

University should institutionally examine research affiliations more carefully.

- (ii) THE EFFECT OF THE OUTCOME OF THE PROJECT ON EXPECTED BEHAVIOR OF OTHERS. Where endorsement of a project or policy will result in people in significant numbers using a product or investing money or otherwise changing their lives, the University must bear responsibility to maintain objective evaluations. Where these first two factors combine to suggest the University, or a segment thereof, is acting as an independent evaluative laboratory, University responsibility is at a maximum.
 - (iii) DEGREE OF INVOLVEMENT AND DANGER OF OVER-COMMITMENT TO DETRIMENT OF UNIVERSITY MISSIONS. The University has the duty to scrutinize requests in the light of its own missions. High quality research should be encouraged. The extent of involvement of PERSONNEL in a project should not conflict with University activities.
- d) Disclosure under section 5.e. shall be made in the form of a memo to the associate vice president for ORTTA. This memo shall be submitted in a timely manner so as to permit consideration by appropriate administration officials prior to consummation of the relationship.
- e) Disclosure under Section 5.f. shall be made by memo to PERSONNEL with no INTEREST in the COMPANY who have final authority over negotiations and approval. The memo shall define the nature of the contract or other agreement and the COMPANY involved. Where possible, appropriate documentation from the COMPANY shall be attached. This memo shall be submitted in a timely manner so as to permit consideration by appropriate administration officials prior to consummation of the relationship.
- f) The Senate Research Committee or, if the Committee so chooses, a subcommittee appointed by the Chair of the Senate Research Committee will deal with issues concerning this policy. It will perform the following functions when necessary:
 - (i) to assist in the implementation of this policy;
 - (ii) to answer questions concerning this policy (the identity of PERSONNEL asking

questions and the specific facts of questions shall be kept private to the extent allowed by law);

- (iii) to review and comment on any disciplinary action to be taken under this policy;
- (iv) upon the request of affected faculty, to review a decision by an administration official that an INTEREST constitutes an actual conflict of interest. The results of this review shall be forwarded to the appropriate vice president or chancellor, if a coordinate campus is involved, and president of the University for final action; and
- (v) to periodically review this policy, including the set financial thresholds established herein.

If a subcommittee is appointed, it should include representation from ORTTA, the Research Executive Council, and the Senate Research Committee. Additional appointments can reflect necessary expertise and concerns of the broader University community.

- g) Appropriate disciplinary action may be taken by the University against PERSONNEL who violate this policy.

7. DISCUSSION

By way of example, disclosure is required by this policy in the following situations. These situations are not the only situations requiring disclosure, but may be helpful in assessing the spirit of this policy.

- a) The Principal Investigator must disclose on a BA Form 23 if a scientist working on the project has an INTEREST in the COMPANY funding the research.
- b) The Principal Investigator must disclose on a BA Form 23 if the proposal is going to the National Institutes of Health (NIH) and if the research proposed may affect a COMPANY in which the Principal Investigator has an INTEREST.
- c) The Principal Investigator must disclose in the Human Subjects Consent Form if the Principal Investigator has an INTEREST in a COMPANY that may be affected by the research.
- d) The Principal Investigator must disclose to the editor of a journal, when submitting a paper for publication, the Principal Investigator's

INTEREST in a COMPANY which may be affected by the publication.

- e) An inventor must disclose by memo an INTEREST in a COMPANY to which the University is intending to license the inventor's technology.
- f) If in the course of conducting research for a COMPANY the COMPANY grants an equity option to the Principal Investigator, the Principal Investigator must report that new INTEREST by memo to the Principal Investigator's department head and dean.

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 reviewed proposed changes in the Regents' Policy entitled Phased Retirement and Terminal Leave/Early Retirement Policy and information pertaining to the Boynton Health Service fee.

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 projects:

- a. Diehl Hall Sixth Floor Psychiatry Phase I Remodeling Project, Twin Cities Campus
Estimated cost of the project: \$449,000
Funding: Gift Funds
Estimated completion date: July 1992

- b. Jackson/Owre Halls Remodel Animal Holding Rooms 112-126, Twin Cities Campus
Estimated cost of the project: \$566,700
Funding: National Institute of Health Grant and Indirect Cost Recovery Funds allocated to Research Animal Resources
Estimated completion date: June 1992
 - c. Middlebrook Hall, Renovate Fire Alarm System, Twin Cities Campus
Estimated cost of the project: \$248,000
Funding: Housing Services
Estimated completion date: January 1992
 - d. Willey Hall Riverbend Restaurant Renovation, Twin Cities Campus
Estimated cost of the project: \$1,300,000
Funding: Twin Cities Campus Food Services
Estimated completion date: September 1992
 - e. North Transitway Parking Lot, Twin Cities Campus
Estimated cost of the project: \$660,000
Funding: Support Services - Parking Services
Estimated completion date: August 1992
 - f. Agricultural Chemical Storage Building, St. Paul Campus
Estimated cost of the project: \$900,600
Funding: Agricultural Experiment Station Investment Income; Maintenance and Operations Appropriation - Academic Affairs Sequestered Reserves; Maintenance and Operations Appropriation - Program Accommodations Remodeling; Indirect Cost recoveries; and Special State Appropriation for General Agricultural Research
Estimated completion date: March 1992
- d) Approval of the following projects approved in the Capital Request and funded by Legislative Appropriation as follows:
- a. Walter Library Renovation, Twin Cities Campus
Estimated cost of the project: \$36,430,000
Funding: 1989 Legislative Appropriation with the balance to be requested from the legislature
Debt Financing Sources: Tuition Revenues and Indirect Cost Recoveries
Estimated completion: May 1996
 - b. Machine Storage/Field Crops Laboratory
North Central Experiment Station, Grand Rapids
Estimated cost of the project: \$375,000
Funding: 1990 Legislative Appropriation
Debt Financing Sources: Station Capital Improvement Account funded from miscellaneous station sales and revenues
Estimated completion: July 1992

e) Approval of the following land transaction:

- a. Land Lease (10 year) to the City of Minneapolis, Rosemount Research Center, 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 execute a lease covering the use of 32.28 acres at the Rosemount Research Center by the Minneapolis and St. Paul Police Department Bomb Squads for a period of ten years.

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

Chair Wynia reported that the committee delayed action on the Natural Resources Research Institute - Phase V remodeling project on the Duluth campus pending until the December meeting. She also reported that the committee reviewed two projects for information:

- a. Central Library (St. Paul), Remodel Basement and Second Floor, Twin Cities Campus
- b. 11 Oak Street Garage Area Reconfiguration, Twin Cities Campus

REPORT OF THE FINANCE & LEGISLATIVE COMMITTEE

Regent Rosha, Acting 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 Regents' Policy revision: Delegation of Authority, General Delegations, as follows:

DELEGATION OF AUTHORITY

General Delegations

RESOLVED, that the Regents of the University of Minnesota hereby delegate the following authority to the corporate officers and officers and employees of the University of Minnesota as hereinafter listed:

Corporate Officers

The president, or chair or vice chair, and the secretary, or the treasurer of the Regents of the University of Minnesota are hereby authorized and empowered to execute all contracts, deeds, powers of attorney, releases, assignments, satisfactions of mortgages, and all other documents and instruments relating to real and personal property transactions and certificates of indebtedness, and all other

transactions or duties customarily devolving upon said officers of the corporation.

President, Senior Vice President for Finance and Operations, Treasurer, or Controller

The president, the senior vice president for finance and operations, the treasurer, or the controller are each hereby authorized and empowered, on behalf of the Regents of the University of Minnesota, to:

1. Execute all contracts, agreements, and all other documents and instruments relating to research, training and public service programs with the Government of the United States, or its agencies or subdivisions, and with nonfederal sponsors.
 - a) This authority is also extended to: the associate vice president of the Office of Research and Technology Transfer Administration; the director of patents and licensing, and the assistant directors, of the Office of Research and Technology Transfer Administration.
2. Submit proposals for research, development, service and training contracts, subcontracts, and grants and execute same.
 - a) This authority is also extended to: the associate vice president of the Office of Research and Technology Transfer Administration; the director of patents and licensing; the assistant directors of the Office of Research & Technology Transfer Administration; and the chancellor, vice chancellor for finance and operations, assistant to the vice chancellor for finance and operations, and director of the Business Office, vice chancellor for academic administration, and associate vice chancellor for academic administration of the University of Minnesota, Duluth.
3. Accept gifts offered without unusual conditions or restrictions.
4. Accept low bids, within available funds, for the construction of University facilities.
 - a) This authority is also extended to the associate vice president for physical planning.
5. Negotiate and consummate real estate transactions within policies established by the Board of Regents.
6. Designate and commission architects, engineers, and consultants as needed for University purposes.
 - a) This authority is also extended to the associate vice president for physical planning.

- b) The authority to retain consultants other than architects and engineers for University services is extended to the director of business services.
 - c) The authority to retain consultants other than architects and engineers for University of Minnesota Hospital and Clinic services is extended to the general director and senior associate director of the University of Minnesota Hospital and Clinic.
 - d) The authority to retain consultants other than architects and engineers for University services not exceeding \$25,000 is extended to the chancellors and the provost of the Twin Cities campus, the director of the University of Minnesota Hospital and Clinic, and the associate vice president of the Office of Research & Technology Transfer Administration.
 - e) The authority to retain consultants other than architects and engineers for University services not exceeding \$2,000 is extended to the deans of all University colleges and equivalent administrative officers.
7. Execute contracts, agreements, and all other instruments relating to:
- a) New building construction, building and equipment alterations, and improvements.
 - 1) This authority is also extended to the associate vice president for physical planning.
 - b) Purchase, sale and lease of supplies, goods, furniture, fixtures and equipment.
 - 1) The authority to purchase equipment and supplies is also extended to the director of business services.
 - c) Trusts, gifts, grants, bequests and donations and the correct assignments of such.
 - d) Intercollegiate athletics.
 - e) Lease and rental of equipment and facilities for University purposes.
 - 1) The authority to lease and rent equipment for University purposes is also extended to the director of business services.
 - f) Fringe benefit program for University employees. The authority to execute administrative

documents required for the operation of the fringe benefit programs is extended to the assistant director for employee benefits, the employee benefits operations manager, and the employee benefits program manager.

- g) Corporate liability and property insurance.
- h) Patents, trademarks, service marks, copyrights and other means of protection as provided for in the Regents' Patent and Technology Transfer Policy and applications therefore; licenses, assignments and transfers of patents, service marks, trademarks, copyrights and other means of protection as provided for in the Regents' Patent and Technology Transfer Policy and payment of legal services relating thereto.
 - 1) This authority is also extended to: the associate vice president of the Office of Research and Technology Transfer Administration; and the director of patents and licensing.
 - i) Student teaching and school survey agreements.
 - j) Institutional memberships.
 - k) Health sciences affiliation agreements.
 - l) The performance of experimental, developmental, or research work without formal advertising or solicitation of competitive bids - all such agreements to be reported to the Board of Regents.
- m) Real estate lease for periods not exceeding three years.
 - 1) This authority is also extended to the University attorney, the general counsel and the associate vice president for physical planning.

Senior Vice President for Finance and Operations
Treasurer, or Controller

- 1. Adjustments of the level of deposits among the various banks from time to time to meet the need of the operations of the University, with the understanding that no bank depository heretofore established by the regents will be closed without specific action of the Board.
- 2. Approval of payment of small claims against the University.
 - a) This authority is also extended to the chancellors and provost of the Twin Cities campus.

- b) This authority with respect to small claims arising out of the University of Minnesota Hospital and Clinic is extended to the general director and senior associate directors, the University of Minnesota Hospital and Clinic.
3. The correct assignment and transfer of gift funds made to the University of Minnesota to the appropriate foundation or group so that the intended purpose of the donor is achieved.

Senior Vice President for Finance and
Operations and his/her designee

1. Solely responsible for the acquisition of property, casualty, and liability insurance coverages for the University of Minnesota, and approval to obtain insurance to augment the University's insurance be granted only if the acquisition of such coverage is in the best interests of the University.

Secretary

The secretary to the Regents of the University of Minnesota is hereby authorized and empowered to:

1. Accept legal service on behalf of the corporation and of the University.
 - a) This authority is also extended to the University attorney and the general counsel.
2. Certify to any action of the board or its committees, the identity, appointment, and authority of the officers of the corporation or of the University, and the provisions of the corporation's Bylaws and policies and excerpts from the minutes of the Board of Regents.

This policy supersedes the following Delegation of Authority policies: Approval of Late Payrolls, Travel & Small Claims, adopted April 11, 1975; Account Deposit Flexibility, adopted April 10, 1970; Administrative Officers; adopted March 9, 1973; Transfer of University Funds to Foundations, Alumni Association or Other Similar Organizations, adopted March 12, 1976; and the Delegation of Authority, adopted August 9, 1979.

- c) Approval of resolution re Insurance/Risk Management Program, as follows:

RESOLVED, that RUMINCO, Ltd.'s retained earnings be maintained at a minimum of 50 percent of the total of current year's expected losses and reserves for prior year's claims.

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

Regent Rosha reported that the committee also reviewed a proposed modification to the reserve spending plan, a resolution regarding approved depositories 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 action:

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

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

Chair Craig reported that the committee also received a report on the status of the Undergraduate Initiative/Liberal Education requirements.

REPORT OF THE AUDIT COMMITTEE

Regent M. Page, Chair of the committee, reported that there was no report this month.

The meeting adjourned at 11:50 a.m.

Barbara Muesing
BARBARA MUESING
Executive Director &
Corporate Secretary