

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**MINUTES**

**BOARD OF REGENTS MEETING**

**AND**

**COMMITTEE MEETINGS**

**July 13-14, 2000**

**Office of the Board of Regents**

**600 McNamara Alumni Center  
University Gateway**

**UNIVERSITY OF MINNESOTA****BOARD OF REGENTS****Minutes of the Board of Regents Meetings  
and Committee Meetings****July 13-14, 2000**

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**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Facilities Committee**

**July 13, 2000**

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, July 13, 2000, at 1:45 p.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: Jessica Phillips, presiding; Robert Bergland, David Metzen, and Maureen Reed.

Staff present: President Mark Yudof, Chancellors Kathryn Martin and Samuel Schuman, Vice President Eric Kruse, Executive Director Ann Cieslak, Associate Vice Presidents Daniel Hambrock, Clinton Hewitt, and Richard Pfutzenreuter.

Student Representatives present: Kristen Berning and Michael Miller.

**CAPITAL BUDGET AMENDMENT  
Hockey/Tennis Facility, Twin Cities Campus**

**Review/Action**

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

The FY01 Capital Budget is increased by \$6,800,000 to increase funding for the Hockey/Tennis Facility to \$20,000,000. The facility will be located on the Twin Cities campus, East Bank.

Vice President Kruse presented the proposed \$6,800,000 increase to the budget for the Hockey/Tennis facility, as found in the docket materials. Kruse explained that the design is the same one approved by the Board in September 1998, and stated that there have been two changes to the scope of the project: (1) an addition of \$300,000 for weight room equipment to serve all programs in women's athletics, and (2) an addition of \$250,000 to increase the number of tennis courts from eight to twelve. Kruse added that the construction contingency has been increased to ten percent. The project will be sent out to bid in Fall 2000, and work will start in Spring 2001 with completion expected in Fall 2002.

In response to questions from Regents Bergland and Reed regarding fundraising, Women's Athletics Director Chris Voelz stated that a considerable amount of money had been raised in a short timeframe. Kruse explained that \$1.5 million dollars had been raised originally, and that men's and women's athletics have raised the additional \$1.4 million dollars needed to cover the first five years of debt service on the amount of the budget increase. Kruse added that President Yudof has charged the athletics programs with finding funding for the debt service beyond the first five years, and that he is confident they will come up with necessary funding.

Regents Metzen and Reed both expressed concern over the delays and additional costs, stating that they did not expect to be approached for any more funding. In response to Regent Phillips' question about a financial plan being in place starting after the initial five-year period, Kruse stated he would need to consult with the athletics departments and Vice President Brown. Phillips stated she would take the responsibility for incorporating this item into the Committee Workplan for the next year.

The committee voted unanimously to recommend approval of the amendment to the FY01 Capital Budget.

**SCHEMATIC PLANS UPDATE  
Art Teaching and Research Facility, Twin Cities Campus**

**Discussion**

Vice President Kruse presented an update to the schematic plans for the Art Teaching and Research Facility, as found in the docket materials. He explained that the legislature funded \$2.5 million dollars less than had been proposed, and stated that the building infrastructure is being adjusted where possible to lower the project cost. Kruse noted that Art Department faculty will donate several of their own works to meet the public art requirement for the project, thereby reducing the budget, and added that the University is seeking equipment donations from vendors as well.

Garth Rockcastle of the architectural firm of Meyer, Scherer & Rockcastle, Ltd., presented the schematic plan update, which incorporated many of the committee's suggestions from the last presentation. Regents Metzen and Reed urged Rockcastle to work on two issues: (1) redesigning smokestack placement; and (2) ensuring sufficient greenspace.

**SCHEMATIC PLANS  
Les Bolstad Golf Course Maintenance & Shelter Facility,  
Les Bolstad Golf Course, Twin Cities/St. Paul Campus**

**Review/Action**

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

The schematic plans for the Les Bolstad Golf Course Maintenance & Shelter Facility are approved and the appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

Vice President Kruse introduced Brian Larson of Larson Brenner Architects, who presented the schematic plans for the proposed Les Bolstad Golf Course Maintenance & Shelter Facility on for the Les Bolstad Golf Course, St. Paul campus, as found in the docket materials. Larson stated that the focal point is the Clubhouse, and that other buildings will echo the same architectural elements. Regent Metzen expressed concern that the facility design be flexible enough to be able to serve other purposes in the future, if necessary.

The committee voted unanimously to recommend approval of the schematic plans.

## **REAL ESTATE TRANSACTION**

### **Amendment of Lease for Psychiatry Department at Fairview-University Medical Center, Riverside Campus 2450 Riverside Avenue, Minneapolis, MN**

#### **Review**

Associate Vice President Pfutzenreuter introduced Real Estate Director Susan Weinberg, who presented for review the proposed amendment to a lease at Fairview-University Medical Center, 2450 Riverside Avenue, as found in the docket materials. The amendment would increase the Department of Psychiatry office space by 2,192 gross square feet. Weinberg stated that the cost of the buildout for this space has already been included in 2001 Capital Budget.

## **STUDENT HOUSING FIRE PROTECTION SYSTEM, SYSTEM-WIDE Discussion**

Vice President Kruse presented information on the status of the fire protection systems in University residence halls on the Twin Cities, Duluth, Morris, and Crookston campuses. Kruse reviewed the results of the study conducted to document and analyze the current fire protection systems and presented recommendations for the installation of new systems and the upgrading of existing systems, as found in the amended docket materials.

Kruse explained that the cost estimate in today's dollars to bring all existing residence halls system-wide into compliance with current new-construction code regulations by the end of 2005 is slightly over \$12.8 million dollars. The cost of the system upgrades for each campus would be covered by a housing surcharge that would be different for each campus, so that each campus was responsible for its costs. Kruse added that he is working with the administration to seek assistance for the Morris campus, which bears the highest costs.

Regent Phillips expressed concern about the large increase in housing costs for the outstate campuses, where there are fewer students to share the costs as compared to the Twin Cities campus.

In response to questions from Regents Bergland and Reed, Kruse clarified that all residence halls were in compliance with the code that existed when the buildings were constructed, and that the buildings are required to come up to current code standards only when other remodeling work is done. Regent Reed further questioned whether there would be a significant enough difference in actual safety levels, not merely peace of mind, to offset the extra costs to students and families.

## **UTILITY MASTER PLAN Chilled Water Plan, Twin Cities Campus**

#### **Discussion**

Vice President Kruse stated that this is the first in a series of reports on existing utility infrastructure needs. These reports will be done as part of the development of an updated Twin Cities campus utility master plan.

Associate Vice President Hambrock reported on the current status of the chilled water machines on the Twin Cities campus and presented the three-phase plan for

improvement or replacement of existing machinery, as found in the docket materials.

Hambrock explained that the plan showed that the University could achieve energy savings by having a larger chiller unit supply several buildings, rather than placing a smaller unit in each building. He stated that one proposal that is being explored for the St. Paul campus is a third-party partnership in which the partner would come up with the money to build and install the needed piping and machinery, then the operation would be run like a utility.

In response to questions from Regent Reed, Hambrock stated that the proposed new chillers would be able to provide humidity control as well as temperature control, and should be able to accommodate all research requirements except cold room freezing needs.

Regent Phillips emphasized the importance of being prepared before the University returns to the legislature with its funding request, especially since the Higher Education Asset Preservation and Replacement (HEAPR) funds have been cut over the last few years.

#### **EXTERIOR DESIGN STANDARDS, TWIN CITIES CAMPUS** **Discussion**

Associate Vice President Hambrock provided information on the development of Exterior Design Standards for the Twin Cities campus, as found in the docket materials.

Hambrock stated that the goal is to unify and enhance campus environments, while providing an efficient maintenance and operations system, as well as a signage system that easily guides people to the locations they wish to reach.

In response to a question from Regent Phillips, Hambrock stated that the Duluth campus is starting a similar process with the development of the new music complex.

#### **STRATEGIC PLAN: UNIVERSITY OF MINNESOTA POLICE DEPARTMENT** **Discussion**

Vice President Kruse introduced George Aylward, Chief of the University of Minnesota Police Department, who presented the Five-Year Strategic Community Policing Plan, as found in the docket materials and on file in the Board Office.

Aylward stated that the goal of the strategic plan is to provide a supportive and safe environment for the increasing student population on campus and for the increasing biogenetic research efforts.

In order to accomplish this, Aylward emphasized that it is important to change from a reactive department to a collaborative, community-based department that is able to identify and solve problems before they escalate. The campus will be divided into zones and officers will be assigned to the same zones all the time so that the officer and the people in that zone can develop a helpful relationship. Aylward stated that he is ready to start the plan under the current funding and staffing levels in the Fall 2000, and that he would do a survey after one year to check on progress and report back to the Board.

In response to questions from Regent Reed, Aylward stated that a community task force is often the best source of information on what may be most effective in a given area. Aylward added that although he is a member of several national

organizations, every locality is unique and community support is needed for any system to work. Aylward noted that the department had 65 officers in 1972, which was a reflection of the situation in the country at that time. The current staffing level of 35 officers makes it difficult to do more than be a reactive department. Aylward added that through effective use of mounted officers and bicycle patrol officers, he hopes to be able to make better use of existing staffing levels.

#### **INFORMATION ITEMS**

Vice President Kruse stated that the summary of the Unitree Program, a community-based tree planting program funded by Foster Wheeler Twin Cities, Inc., found in the docket materials would have to be postponed to the September meeting due to time constraints.

Kruse corrected the figures given last month regarding the cost of the Riverbend Commons development. The cost per bed for Wilkins Hall in 1996 dollars was \$70,500; the cost for Riverbend Commons is \$71,000 per bed. He also mentioned that construction on the Riverbend Commons project starts on Monday, July 17, 2000.

The meeting adjourned at 3:52 p.m.



**ANN D. CIESLAK  
Executive Director and  
Corporate Secretary**

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

**July 13, 2000**

A meeting of the Faculty, Staff, and Student Affairs Committee of the Board of Regents was held on Thursday, July 13, 2000, at 1:53 p.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: William Hogan, presiding; Dallas Bohnsack, Warren Larson, H. Bryan Neel, Michael O'Keefe, and Patricia Spence.

Staff present: Executive Vice President and Provost Robert Bruininks; Chancellors Kathryn Martin, Donald Sargeant, and Samuel Schuman; Vice President Carol Carrier; Interim Vice President Robert Jones; Executive Director Ann Cieslak; and Associate Vice President Robert Kvavik.

Student Representatives present: Heidi Frederickson and Lakeesha Ransom.

**COORDINATE CAMPUS POLICY ISSUES DISCUSSION**

The chancellors of the University's three coordinate campuses presented information regarding regional economic development in their respective areas of the state. Chancellor Schuman, University of Minnesota, Morris, (UMM) discussed the economic impact the UMM campus has on the surrounding community, noting that UMM is the largest employer in the six-county area. He observed that among the challenges facing rural west central Minnesota is a decline in the number of high school graduates from area schools, as well as changes in the nature of the area's rural economy. A copy of his presentation is on file in the Board Office.

Schuman introduced Morris Mayor Carol Wilcox, who expressed gratitude for the positive impact that UMM has on the city. She highlighted the following: that student enrollment adds to the town's state and federal financial assistance, and that the presence of UMM helps local companies recruit employees. She also cited the Regional Fitness Center on the Morris campus as a facility that has helped to build trust between UMM and the community.

Chancellor Sargeant, University of Minnesota, Crookston, (UMC) presented information from *Atlas of Minnesota*, a publication of the Center for Rural Policy Development, detailing a number of areas of concern for UMC, including changes in population, average annual personal income, and the median sale prices of homes. A copy of this information is on file in the Board Office.

Sargeant stated that over the next five to six years UMC must plan to have 25% fewer students from the Crookston area. Currently about half of UMC's students come from communities where the population is decreasing. Most of UMC's growth in enrollment is coming from the Twin Cities and out of state. Sargeant also stated that UMC faces competition from the MnSCU system.

As a result of these challenges, UMC must consider a number of questions, including whether to build additional residence halls, how to change the curriculum to

reflect changes in the economy and technology, and how to attract more out-of-state students. The current policy of state tuition for all UMC students, whether residents or not, is key to recruiting students from outside Minnesota.

Sargeant reported that there is a strong demand by local businesses for UMC graduates, as well as for additional employee training and expanded research and development opportunities. He also stated that faculty need to have more connections with the business community, but the current faculty teaching loads are a barrier.

Chancellor Martin, University of Minnesota, Duluth, (UMD), stated that UMD is the economic engine in Duluth and Northern Minnesota. She noted, in particular, the financial impact that students and retired faculty have on the local economy. She also highlighted the Center for Economic Development, which supports small and medium-sized businesses.

Martin indicated that a key challenge for UMD is the failure of state support to keep up with enrollment. Other challenges facing UMD include shortages of student housing, office space, and classrooms.

In response to questions and comments from several regents, the discussion included faculty hiring, marketing, and legislative support.

Regent Hogan requested a summary be prepared contrasting the top three issues facing the coordinate campuses and the tuition policies that would best support the outreach and growth of each campus.

Regent O'Keefe suggested that long-term demographic changes occurring in the state, and the different strategies needed to address them, particularly as it relates to the coordinate campuses, be discussed at a future meeting.

Regent Larson proposed that the Board discuss the impact of state policies, such as open enrollment and the post-secondary education option on the coordinate campuses. Sargeant added that the impact of private and home schooling on enrollment should be discussed.

#### **BOARD OF REGENTS POLICY: FACULTY EMERITI**

Executive Vice President and Provost Bruininks presented the amended Board of Regents Policy: *Faculty Emeriti*, as found in the docket materials. A motion was made, seconded, and the committee voted unanimously to approve the amended Board of Regents Policy: *Faculty Emeriti*.

#### **HUMAN RESOURCES AND THE NEW SERVICE CULTURE**

Vice President Carrier and Associate Vice President Kvavik discussed the need for a new service culture at the University to take advantage of the technological advances provided by PeopleSoft which would improve the service offered to students, staff, faculty, and the community. A copy of the presentation is on file in the Board Office.

As described by Carrier and Kvavik, the new service culture is one that is customer-oriented, provides training and education for those providing the service, holds business units accountable, and develops generalists rather than specialists. The shift to a new service culture requires the University to combat the silo structures of some service units. In addition, the University must address a number of risk management, organizational, personnel, and policy issues. Among the policy issues

that may need to be addressed by the Board are related to intellectual property and privacy.

Kvavik noted that there are a number of potential outcomes of the new service culture, including increasing the number of clients using self-service functions, a reduction in paper transactions, and improved customer and employee satisfaction. Carrier reported that service outcomes are now a part of the compact process.

Executive Vice President and Provost Bruininks provided examples of how the technological improvements have and will change the University.

In response to a question from Regent Spence, Carrier stated that the way to get all University students, staff, and faculty to buy into the new service culture is to have a number of early successes or "quick wins."

In response to a question from Regent Neel, Carrier stated it is difficult to assess the capacity of students, staff, and faculty to access the new technology, but she estimated that about 50% of staff and faculty have the computer literacy required to use it. She acknowledged that some employees do not have access to computers due to the nature of their job duties, and estimated it would take less than a few hours of training to enable staff and faculty to access some of the advances provided by PeopleSoft. Kvavik added that the ability of faculty to use technology in the classroom is a critical issue due to increasing expectations of students who have been raised in a more "computer rich" environment.

In response to a question from Regent Larson, Kvavik stated that the successful implementation of a pilot project with the federal government to provide a paperless financial aid process would be an example of a "quick win." Kvavik also noted that a holistic strategy is needed whereby the University invests in the necessary technology to upgrade classrooms, provides training for faculty and staff, as well as helplines for those seeking assistance. Bruininks agreed and stated that, in some regards, the University is not organized in such a way as to support the desired service improvements.

Regent Hogan requested that the performance measures for service improvements be discussed at a future meeting, as well as related policy issues, the need for additional resources, and how the University can change its culture.

Student Representative Ransom expressed her support for the University's plan to address service issues. Student Representative Frederickson observed that service improvements would reduce the confusion that is often felt by University students.

#### **COLLECTIVE BARGAINING AGREEMENT WITH I.B.E.W., LOCAL 292**

Vice President Carrier and Director of Employee Relations John Erickson presented a resolution relating to an addendum to a collective bargaining unit agreement between the University of Minnesota and the International Brotherhood of Electrical Workers, Local 292 on behalf of Radio and Television Broadcast Technicians, as found in the docket materials. Erickson stated that this was the second to last contract agreement in the current round of bargaining and that this contract was within the University's budget standards.

Regent Hogan acknowledged the quality work performed by Erickson and other staff to successfully negotiate the University's various collective bargaining agreements.

A motion was made, seconded, and the committee voted unanimously to recommend approval of the resolution relating to a collective bargaining unit agreement, as found in the docket materials.

#### **CONSENT REPORT**

A motion was made, seconded, and the committee voted unanimously to recommend approval of the Consent Report, as found in the docket materials:

##### **Approval of Appointments:**

- Dr. James Riehl to the position of Dean, College of Science and Engineering, University of Minnesota, Duluth, retroactive to July 1, 2000.

#### **COMMITTEE WORKPLAN, 2000-01**

Regent Hogan led the discussion regarding the committee's workplan, noting the progress in efforts to address policy issues. He highlighted that the draft workplan integrates the coordinate campuses, and includes both policy issues and issues from previous meetings for follow-up. He pointed out that the draft proposes nine committee meetings rather than ten, and asked for comment on this issue.

In response to a question from Regent Spence, Executive Vice President and Provost Bruininks stated that the April 2000 Educational Policy and Planning committee meeting was omitted to allow staff to focus on legislative concerns. He also indicated that discussing fewer topics enables the committee to have more intense discussions and provide the staff with more time to prepare. Regent Spence commented that she would support having one less meeting if it would assist staff. It was agreed that a final decision on this matter would be made in September.

Regent O'Keefe stated that it will be important to pay attention to the subjects with inherent critical policy issues, allowing those to "rise to the top" and allowing less policy-focused issues to "fall off the list" in order to allow time for in-depth discussion of the important issues.

A lengthy discussion followed, addressing committee priorities, the number of issues that the committee could reasonably address in a year, community input, and whether specific items should be on the committee or Board workplans.

Regent Neel requested regular reports on the University of Minnesota, Rochester, especially in the areas of demographics, healthcare, and economics. Regent Hogan encouraged the committee to submit revisions or suggestions before the September meeting.

The meeting adjourned at 4:02 p.m.

*Ann D. Cieslak*  
**ANN D. CIESLAK**  
**Executive Director and**  
**Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Educational Planning & Policy Committee**

**July 13, 2000**

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, July 13, 2000, at 8:30 a.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Michael O'Keefe, presiding; Anthony Baraga, Dallas Bohnsack, Warren Larson, Jessica Phillips, and Patricia Spence.

Staff present: Executive Vice President and Provost Robert Bruininks; Chancellors Kathryn Martin, Donald Sargeant, and Sam Schuman; Interim Vice President Robert Jones; and Executive Director Ann Cieslak.

Student Representatives present: Irene Kao and Mike Miller.

**COORDINATE CAMPUS REVIEW: CROOKSTON**

Executive Vice President and Provost Bruininks introduced Chancellor Sargeant, who led the discussion of the Crookston campus. Sargeant briefly reviewed the history of the Crookston campus, from its donation to the University in 1895 to its designation as a four-year baccalaureate institution in 1992.

In 1992, Crookston's goals were to (1) become an exemplary polytechnic institution focusing on applied career baccalaureate programs; (2) use workplaces in the region as an extension of the campus learning environment; and (3) create a unique learning and living environment for a diverse student body. Crookston adopted three strategies to accomplish these goals: (1) meet student and employer expectations; (2) embrace technology in all programs and services; and (3) actively seek collaborations with other institutions.

Sargeant reported that Crookston has implemented the first two strategies. Surveys on and off campus indicate the institution is meeting student and employer expectations and the campus has embraced technology in all its programs and services. The campus has realized less success toward the third strategy, primarily because faculty have not been trained to teach collaboratively.

In response to a question from Regent Baraga, Sargeant emphasized that enrollment declines in two-year degree programs were not the result of reduced associate degree offerings because two-year programs were discontinued only after enrollments declined. In fact, where two-year and four-year degree programs were offered concurrently, students were choosing the four-year programs.

In response to a question from Regent Larson, Sargeant agreed that some students switching to a four-year program had been motivated by success in the two-year programs, especially during the initial years of the baccalaureate offerings. In

2000, though, Sargeant believes students and parents are more convinced about the benefits of a four-year degree.

Regent O'Keefe noted that there will be a number of important policy issues facing the Crookston campus in the future. One will be whether Crookston should maintain some modest level of associate degree programs or whether all two-year programs should be eliminated. Sargeant agreed that the future of associate degree programs will be very important, along with decisions about how future growth will be funded and how to plan for learning that may occur outside traditional classroom (seat-based) settings.

In response to a question from O'Keefe, Sargent observed that by 2010 enrollment could rise from the current 1,000 students to 1,500 students if educational processes change so that students spend less time in the classroom. An increase in enrollment of this magnitude, though, would require funding to increase human resources on the campus (e.g., teaching design and faculty training).

Sargeant summarized efforts on the Crookston campus to connect mission with vision. He believes they have succeeded in important ways. One of Crookston's successes has been in meeting the expectations of employers in the region. In 1992 employers said baccalaureate graduates could not enter the workforce able to make a contribution. Today, employers seek out Crookston graduates. A second success has been outreach, with Crookston serving as a regional resource in terms of the use of technology and education for company revitalization.

Sargeant identified three challenges facing the Crookston campus:

- (1) an increase in the number of students shared with other institutions (i.e., high schools, technical schools, other state institutions, out-of-state institutions, and webschoolers);
- (2) the loss of talented faculty to other institutions; and
- (3) finding a niche in global markets and distance education.

O'Keefe congratulated Sargeant on the accomplishments at Crookston over the past few years, and suggested that Crookston's pioneering work could be a model for the University in general in addressing issues of flexibility, outreach, and relationships with employers.

Bruininks acknowledged that the Crookston campus has contributed to all of the University's campuses in a number of ways, including the academic partnership model. He added that the University benefits from the contributions of all its campuses. Therefore, the more that common tools are shared, the more successful the University will be. He cautioned, though, that the children of the baby boom are driving the enrollment increases projected for higher education. Consequently, the University must plan carefully and nurture partnerships in order to meet the need for lifelong learning across the state.

#### **COMMITTEE WORKPLAN, 2000-01**

Regent O'Keefe led the discussion of the Educational Planning and Policy Committee's workplan for 2000-01, noting that, with the exception of outreach, the committee already has had successful policy discussions on a number of the topic areas listed in the docket materials.

Regent Larson urged that the workplan include monitoring proposals from the special Academic Health Center (AHC) Committee. He suggested that decisions about the AHC are a major responsibility of the Board, and include policy issues, funding issues, and setting new directions for the AHC. He added that the committee's role should be one of ongoing support, challenging the administration to implement needed cultural changes.

Regent Spence noted that from the beginning, Educational Planning and Policy was considered the logical committee to review proposals from the AHC Committee. Furthermore, this committee's oversight of proposals for the AHC would support a substantial part of President Yudof's workplan for the coming year. O'Keefe agreed that the AHC should be a high priority, and that the committee should be prepared to refigure the workplan in order to provide a forum for discussing these important policy issues.

Student Representative Miller urged the committee to include all campuses of the University when the issue of advising is discussed. Particularly important will be strategies to motivate professors to take their advising roles seriously so that the task of advising students is not left to a small number of faculty.

Spence asked that a discussion of international education and study abroad be added to the workplan because a relatively small proportion of University students study abroad. In response to a question from Regent Phillips, Bruininks explained that study abroad and pressures to graduate in four or five years are not incompatible. On the contrary, a well-designed study abroad program that fulfills academic requirements can encourage students to graduate on time.

In response to a question from O'Keefe, Bruininks reported on the status of the metropolitan educational strategy. The level of cooperation and integration across systems is not what it should be, but the institutions involved have made some progress, including:

- (1) agreements on transfer curriculums across campuses statewide;
- (2) improvements in technology that allow students to track transcripts and transferred credits;
- (3) agreements on admissions programs with metro area community colleges; and
- (4) the creation of a University of Minnesota-MnSCU committee that meets regularly to discuss issues of access and opportunity in post-secondary education.

Bruininks acknowledged there was substantial progress yet to be made in the areas of the K-12 system, with private colleges, and with the private sector.

O'Keefe suggested that the best way to guarantee a productive conversation with the MnSCU Board was to prepare carefully in advance. Especially important will be the identification of areas in which agreement is needed on the values and criteria of the two systems and a mutual understanding of how the two systems can work together.

In response to a question from Spence, O'Keefe stated that joint meetings with MnSCU's Educational Policy Committee were yet to be determined because their Board is under new leadership. Spence recommended that K-12 preparation be a focus of the joint meeting since that is one of the biggest issues to be resolved. O'Keefe agreed, noting that each system would bring a different viewpoint to the discussion, but it is a common topic of concern.

Bruininks cautioned the committee about a proposal before the MnSCU Board that would allow their four-year campuses to provide doctoral and advanced

professional degrees. Because this proposal is inconsistent with current state law, it is likely to be an issue in the upcoming legislative session.

Larson proposed that the joint meeting with MnSCU include a discussion of how the two systems might work together to help rural areas benefit from some of the research that is generated in larger metropolitan areas. Because MnSCU institutions are located in many rural areas of the state, this could be the impetus behind proposals to change the MnSCU mission.

Spence suggested that a good starting point with the MnSCU Board would be to come to an understanding about our respective missions. O'Keefe agreed, indicating that there are forces at work that discourage differentiation between the missions of the University system and MnSCU.

#### **CONSENT REPORT**

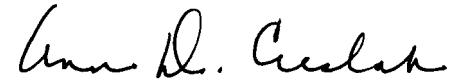
A motion was made and seconded, and the committee voted unanimously to recommend approval of the Consent Report, as found in the docket materials:

- 1) New degree program within the College of Education and Human Development:
  - B.S. in Foundations of Early Childhood.
- 2) New minor:
  - Minor in Music, University of Minnesota, Crookston.

#### **INFORMATION ITEMS**

Executive Vice President and Provost Bruininks referred the committee members to the docket materials.

The meeting adjourned at 9:50 a.m.



**ANN D. CIESLAK**  
**Executive Director and**  
**Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Finance & Operations Committee**

**July 13, 2000**

A meeting of the Finance & Operations Committee of the Board of Regents was held on Thursday, July 13, 2000 at 8:30 a.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: H. Bryan Neel, presiding; Robert Bergland, William Hogan, David Metzen, and Maureen Reed.

Staff present: Vice President Eric Kruse; Executive Director Ann Cieslak; Associate Vice Presidents Jane Canney, Stephen Cawley, Robert Kvavik and Richard Pfutzenreuter.

Student Representative present: Venora M. Hung and Aaron Schultz.

**CONSENT REPORT**  
**Review/Action**

Vice President Pfutzenreuter informed the Committee of a \$21,859 payment to the Internal Revenue Service, the remaining deficit from a comprehensive IRS audit. He noted that this is a new item listed in the General Contingency Report. Interim Controller Volna presented the Consent Report, as found in the docket materials. He reported the following purchases of goods and services over \$250,000:

- A \$144,000 increase to the Arthur Andersen, LLP contract for the period of June 30, 2000 through August 31, 2000 to continue implementation of the new Sponsored Projects Management Model.
- \$783,613 to Computer Associates for mainframe computer software licenses and support of its proprietary software for the period of July 1, 2000 through June 30, 2003 for Central Computing Operations, replacing the 1-year agreement approved by the Board in June, 2000.
- \$500,000 to Expressway Ford for the purchase of Ford vehicles as needed for the period of August 1, 2000 through July 31, 2001 for the Fleet Services department.
- An \$87,000 increase to the Hollstadt Associates contract for consultation on the Grants Management Project through December 31, 2000.
- An estimated \$2,246,400 to IBM to lease approximately 1200 notebook computers for students at the Crookston campus from August 1, 2000 through July 31, 2001.

- A contract, estimated to exceed over \$250,000, to KBL Cablesystems of Minneapolis, Inc., to provide installation and maintenance of cable television service in the University of Minnesota's Minneapolis residence halls for the period of July 2000 to July 2010.
- \$321,026 to MSI Systems Integrators to provide IBM mainframe computer and hardware support to Central Computing Operations from July 1, 2000 through June 30, 2003.
- \$320,880 to PE Biosystems to purchase a model 3700 Sequencing DNA Analyzer and a bioassurance agreement for the DNA Analyzer for the new AHC Biomedical Genomics Center.
- \$3,400,000 to PeopleSoft, Inc., Softlink, Inc., Employer Management Solutions, Inc., Tri-Com Technical Services, Digi Tera, Signature, Metamor and Andersen Consulting for continuing business functional analyses, testing, and technical programming help to maintain and install mandatory upgrades to the University's PeopleSoft Human Resources and Student Administration Systems.
- An estimated \$3,800,000 to Reliance National Insurance Company to provide indemnification of the risk portion of the Student Health Insurance Plan for Boynton Health Service from August 24, 2000 to August 23, 2001.
- An estimated \$400,000 to Tracy Tripp Fuel, a Division of Midwest Fuels, for the purchase of fuel for University vehicles from July 1, 2000 through June 30, 2001.

In response to questions from Regents Reed and Bergland regarding the KBL Cablesystems item, Housing and Residential Life Director Mary Ann Ryan explained that students will pay the same rate for cable that Minneapolis residents pay, which is \$20-\$30 per month, to be split between two students; any future rate increase will be capped at 5%. Ryan stated that KBL provided assurances that there would be no specific marketing campaign directed at students, and that representatives would be in the dormitories at the beginning of each semester to facilitate students' signing up for the service.

In response to a question from Regent Neel regarding the payment to PeopleSoft and the projected need for such consulting services on an ongoing basis, Associate Vice President Cawley informed the committee that there are several open searches for people to fill key internal positions. He stated that if these positions are filled quickly enough to provide a three-month training and transition period, there would be no need for additional funding requests to pay for consultants. In response to a question from Regent Bergland, Cawley added that hardware replacement and related costs are built into the current operating budget for the Enterprise System.

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

## **INVESTMENT AND DEBT MANAGEMENT ADVISORY COMMITTEES**

### **Discussion**

Regent Neel and Associate Vice President Pfutzenreuter presented status updates for the Investment Advisory and Debt Management Advisory Committees, as found in the docket materials.

Neel stated that the Investment Advisory Committee, which he chairs, is beginning preliminary discussions with outside advisors and that a Request For Proposals is going out this month for investment managers. Neel added that the Investment Advisory Committee will continue to meet on a quarterly basis, and will bring items to the Board as appropriate.

Regent Bergland stated that the members of the Debt Management Advisory Committee, which he chairs, have been chosen and that the first quarterly meeting is scheduled in September.

Neel noted that the advisory committees were appointed by the President, and he expects they will provide significant value to the Board and the University.

## **CENTRAL RESERVES STRATEGY**

### **Discussion**

In response to a request from the Committee at a previous meeting, Associate Vice President Pfutzenreuter reported on the status of the University's Central Reserves fund and presented for discussion strategies for determining the appropriate required balance. A copy of the report is found in the docket materials.

Pfutzenreuter noted that the Central Reserves projected balance at the beginning of FY00-01 is \$32,180,000 and the projected balance at the end of FY00-01 is expected to be approximately \$15,991,000. Pfutzenreuter stated that the Board of Regents Policy: *Central Reserves Management* sets a "reasonable standard" for central reserves of \$40,000,000.

He explained that Central Reserves funds, which are available for immediate expenditure by the senior management of the University, fall into three categories: (1) funds to protect ongoing programs from sudden severe revenue shortfalls; (2) contingency funds to cover unanticipated expenses; and (3) endowment funds which generate annual income for one-time projects and budgetary flexibility. Pfutzenreuter added that he sees Central Reserves as a source for handling unexpected problems or events that are institution-wide in scope.

Pfutzenreuter recommended that the amount of money in Central Reserves stays within 3%-6% of centrally allocated resources rather than be set at a specific dollar figure. He stated that the amount currently in Central Reserves is less than 3%, which he believes is inadequate. In response to a question from Regent Reed, Pfutzenreuter stated that the University has not been in financial trouble because of inadequate Central Reserves, but added that the University has been fortunate.

Regents Metzen and Bergland stated that they agree that specific dollar amounts are impractical. Bergland added that he believed the percentage range mentioned by Pfutzenreuter would be better, while Metzen recommended setting a specific minimum percentage goal, such as 4%, for Central Reserves.

In response to a question from Regent Reed, Pfutzenreuter explained that it is hard to come up with a mathematical formula to profile risk factors for either the University or for individual units because much of what is needed is experienced

judgment. Neel added that three areas of institution-wide concern in the future are information technology, legal issues, and state and national economic fluctuations.

Pfutzenreuter stated that he would come back to the committee at a future meeting with recommendations on revisions to the Regents Policy: *Central Reserves Management*, after which he will work on a plan for rebuilding the Central Reserves at a 6% funding level.

### **U-PASS IMPLEMENTATION RESOLUTION Review/Action**

Pfutzenreuter stated that the U-Pass program had been discussed in May as part of the Parking and Transportation Strategic Plan, and explained that the federal government requires of a certified resolution from the governing body of the University before awarding the \$5.5 million dollar grant for the two-year pilot program.

A motion was made and seconded to recommend approval of the following resolution relating to the implementation of the U-Pass Program, as found in the materials on file in the Board Office.

#### **REGENTS OF THE UNIVERSITY OF MINNESOTA RESOLUTION RELATING TO THE APPROVAL OF IMPLEMENTING THE U-PASS PROGRAM**

**WHEREAS**, the Transportation Equity Act for the 21<sup>st</sup> Century passed by congress provided funding for the Congestion Mitigation Air Quality Program;

**WHEREAS**, the University Administration is continually seeking ways to reduce carbon monoxide emissions, reduce vehicle miles traveled, reduce single occupancy vehicle use, and increase hourly person throughput on University-area travel corridors; it developed the U-Pass Transit Program;

**WHEREAS**, in September 1999, the University Administration submitted a "Congestion Mitigation Air Quality Program Application" to the Metropolitan Council, Transportation Advisory Board for \$5,500,000 to fund a two-year demonstration of the U-Pass Transit Program;

**WHEREAS**, the "Congestion Mitigation Air Quality Program Application" requires the University to fund \$1,375,000 or 20% of the project cost as matching funds, the University proposed to fund its local matching share with student fees and the Metro Transit operating budget.

**WHEREAS**, in April 2000, the Metropolitan Council received notification from the Minnesota Department of Transportation that the University of Minnesota Congestion Mitigation Air Quality Program Application in the amount of \$5,500,000 for the U-Pass Transit Program was to be funded from the Twin Cities 2000 - 2002 Transportation Improvement Program;

**WHEREAS**, the University Administration is now in the process of submitting the cash reimbursement application to the Minnesota Department of Transportation;

**WHEREAS**, the Federal Transit Administration requires that the reimbursement application include a certified resolution from the recipient governing body (1) authorizing the submission of the application for financial assistance and subsequent execution of a contract with the Minnesota Department of Transportation, (2) attesting to the availability of local funds to provide a percentage of the total cost of the project, and (3) designating an individual or individuals who have the authority to execute the contract on behalf of the recipient organization, sign requests for reimbursements, and represent the recipient during the contract period.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Regents of the University of Minnesota authorize its administration to enter into an Agreement with the Minnesota Department of Transportation for the Distribution of Federal Transit Administration Section 5307 Urbanized Area Formula Grant Program to fund the U-Pass Transit Program.

**BE IT FURTHER RESOLVED**, that the Board of Regents of the University of Minnesota agree to provide 20 percent of the total cost of the program from local funds.

**BE IT FURTHER RESOLVED**, that the authorization to execute the aforementioned Agreement and any amendments thereto and represent the Board of Regents of the University of Minnesota during the contract period is hereby given to Eric Kruse, Vice President for University Services or Bob Baker, Director, Parking and Transportation Services.

**BE IT FURTHER RESOLVED**, that Eric Kruse, Vice President for University Services or Bob Baker, Director, Parking and Transportation Services is hereby authorized by the Board of Regents of the University of Minnesota to execute requests for reimbursement to the Minnesota Department of Transportation.

In response to questions from Regent Neel, Pfutzenreuter clarified that the 20% local share (\$1,375,000) to be funded jointly by the University and Metro Transit is for the two-year demonstration period, and added that the resolution had undergone legal review.

In response to further questions from Regent Bergland and Student Representative Hung, Vice President Kruse stated that the U-Pass program is expected to increase transit use at the University by 40%, and will have different marketing plans each group of potential users. Kruse added that the U-Pass program would be included in the new student information packets.

Hung stated that the U-Pass had been discussed at Student Representative meetings, and that students hope this program will help solve some of the parking problems at the University.

The resolution was approved unanimously.

**INFORMATION ITEM**  
**Discussion**

Associate Vice President Pfutzenreuter introduced Susan Weinberg, Director of Real Estate, who presented information on the mortgage refinancing of the Radisson Hotel Metrodome and explained the consequent amendments to the land lease, as found in the docket materials.

In response to several questions, Weinberg stated that some of the money will be used to remodel the Radisson to bring it back to first-rate hotel status, adding that the hotel is current in all payments to the University. Weinberg added that the tunnels connecting the hotel to the McNamara Alumni Center are under construction, and that work on the skyway should begin next year.

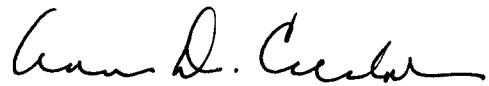
**COMMITTEE WORKPLAN, 2000-01**

Associate Vice President Pfutzenreuter presented the Committee Workplan, which is an outline of agenda items scheduled to be presented during the coming fiscal year, as found in the docket materials.

Pfutzenreuter explained that he has focused the workplan on the three main areas of committee work -- investment oversight, debt oversight, and budget oversight. Neel added that the committee has been following the workplan for the current year, which has worked well.

In response to comments from Regents Neel and Reed, Pfutzenreuter stated that he will identify policies that need updating as well as policies that may be affected by recommendations from the Debt Management and Investment Advisory Committees. Pfutzenreuter added that the workplan discussion will continue at the September meeting.

The meeting adjourned at 9:50 a.m.



**ANN D. CIESLAK**  
**Executive Director and**  
**Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**July 13, 2000**

A meeting of the Board of Regents was held on Thursday, July 13, 2000 at 4:06 p.m. in the Board Office Conference Room, 600 McNamara Alumni Center.

Regents present: Patricia Spence, presiding; Robert Bergland, Dallas Bohnsack, William Hogan, Warren Larson, David Metzen, H. Bryan Neel, Michael O'Keefe, Jessica Phillips, Maureen Reed.

Staff present: President Mark Yudof; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; and Associate Vice President Richard Pfutzenreuter.

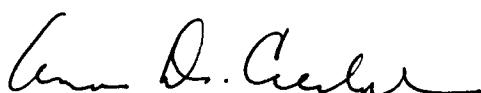
Others present: William Donohue and Jeffrey Vigil.

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

RESOLVED, that on the recommendation of the President and as provided by Minnesota State Statute 471.705, Subd. 1d, a non-public meeting of the Board of Regents be held on Thursday, July 13, 2000, in 600 McNamara Alumni Center, Conference Room, for the purpose of discussing attorney-client privileged matters.

The Board of Regents voted unanimously to approve the resolution.

The meeting adjourned at 4:07 p.m.



**ANN D. CIESLAK  
Executive Director and  
Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**July 14, 2000**

A meeting of the Board of Regents of the University of Minnesota was held on Friday, July 14, 2000 at 9:00 a.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Patricia Spence, presiding; Robert Bergland, Dallas Bohnsack, William Hogan, Warren Larson, David Metzen, H. Bryan Neel, Michael O'Keefe, Jessica Phillips, and Maureen Reed.

Staff present: President Mark Yudof; Chancellor Samuel Schuman; Executive Vice President and Provost Robert Bruininks; Senior Vice President Frank Cerra; Vice Presidents Carol Carrier, Sandra Gardebring, Eric Kruse, and Christine Maziar; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; Associate Vice Presidents Terry Bock, Steven Cawley, Gerald Fischer, and Robert Kvavik.

**APPROVAL OF MINUTES**

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

Audit Committee – June 8, 2000  
Facilities Committee – June 8, 2000  
Faculty, Staff & Student Affairs Committee – June 8, 2000  
Educational Planning & Policy Committee – June 8, 2000  
Finance & Operations Committee – June 8, 2000  
Board of Regents Annual Meeting – June 9, 2000  
Board of Regents – June 9, 2000

**REPORT OF THE PRESIDENT**

President Yudof reported briefly on the University's recent delegation to China, noting that the trip was very productive. A number of educational issues were explored in the areas of law, agriculture and agriculture technology and exchange agreements were signed with several universities.

Yudof commented that the Riverbend Commons project is underway and provided a short update on progress to date.

Regarding the upcoming summit on Minnesota's economy, Yudof expressed appreciation to Vice President Muscoplat and Larry Perlman, co-chairs of the summit for their efforts in planning this event. It is hoped that the issues explored during the summit will provide valuable input that will lead to an economic development plan for the State of Minnesota.

Yudof also noted the passing of Mr. Robert Ridder, a long-time supporter of the University of Minnesota.

## **REPORT OF THE CHAIR**

Chair Spence reported on the China delegation noting that President Yudof received a number of distinguished awards and recognitions during the trip including receiving the key to the city of Xi'an and receiving honorary professorships from four universities. Issues discussed related to development of the western province of China, the possibility of a panda loan to Minnesota, and a possible future exhibit of precious artwork. The delegation also met with over 500 alumni during the trip. Spence thanked everyone involved for the effort in making the trip successful.

Chair Spence reported that a copy of the President's workplan for 2000-2001 is available for public review. The workplan lays out continuing projects and major efforts for the President during the coming year. The Board of Regents has reviewed the plan and accepts it.

She also reported that the President's employment agreement was before the Board for approval. Highlights of the agreement are:

- Extension of the contract for one year to 2003.
- A salary increase of 3 percent for a total of \$335,000 for 2000-01.
- A one-time lump sum bonus of \$15,000 for his extraordinary efforts during the past year on the capital campaign, legislative support, and the basketball investigation.
- Deferred compensation changes:
  - a) To increase the September 2001 payment by \$25,000;
  - b) To add a deferred compensation payment of \$100,000 for the 2001-02 work year to be paid in September 2002; and
  - c) To allow vesting of the \$43,333 payment for the 1997-98 work year.

A motion was made and seconded and the Board of Regents voted unanimously to approve the President's employment agreement for 2000-2001.

Chair Spence announced that in recognition of Judy Yudof's untiring support and work on behalf of the University, and as allowed by administrative policy, she has authorized that her title be changed from Associate to the President to Associate to the President for Outreach.

## **UPDATE: SUMMIT ON MINNESOTA'S ECONOMY**

President Yudof introduced Vice President Muscoplat and Lawrence Perlman, who presented information about the Summit on Minnesota's Economy, hosted by the University of Minnesota and scheduled for September 20, 2000 at the RiverCentre in St. Paul. Muscoplat and Perlman, co-chairs of the summit reported that the purpose of the summit is to enable leaders from across the state to assess Minnesota's place in the high-technology economy. The gathering will provide a neutral forum for representatives from all sectors to lay out major policy issues and to chart a course for addressing them.

Muscoplat talked about the proposed agenda for the summit. Issues for discussion include:

- How Minnesota is doing relative to other states and regions.
- Key factors that influence business development.
- How to ensure geographic equity and statewide participation.
- What Minnesota must do to create and support an environment for future economic growth.

There will be a panel discussion regarding three aspects of Minnesota's economy: 1) demographics and trends; 2) the challenge of technology; and 3) trade and

regional growth. A second panel discussion will address critical relationships among human, physical and financial capital.

It is anticipated that the summit will provide an avenue to identify the critical factors that should drive future state investments and policymaking to ensure continued growth for the state.

Perlman stated that follow up is essential to the success of the summit. While the economy is strong now, it is vital that the summit result in important public policy initiatives to ensure that a strong state economy continues for the next five to ten years. He stated that the timing of this summit is appropriate as there has been significant growth in public/private partnerships occurring across the country and increased support of research universities by states and private industry.

Regent Bergland complimented the co-chairs of the summit and agreed that the conference will provide an avenue to focus on the critical economic issues necessary for Minnesota to thrive in the future.

### **CONCEPTUAL FRAMEWORK FOR UNIVERSITY BIENNIAL BUDGET REQUEST**

President Yudof presented the conceptual framework for the University of Minnesota's 2002-2003 Biennial Budget proposal. The framework represents progress along a continuum of initiatives established by the Board of Regents and the administration. It builds upon the accomplishments of prior biennial and supplemental budget proposals in the areas of:

- competitive compensation;
- improvement in the undergraduate experience;
- advancement of interdisciplinary academic initiatives;
- stabilization of funding and work force needs in health professional education;
- support for the core infrastructure of the institution; and
- continued investments in the outreach mission of the University.

Yudof stressed the importance of the University having priorities that remain consistent and show progress, in order to build trust in the University. Trust is beneficial when requesting funding from the state. He believes this framework shows both continuity and progress.

Yudof addressed the areas cited above providing a status report on each initiative and the goals to be accomplished in 2002-2003.

He concluded his presentation by indicating that during the next legislative session, elected officials will have to make decisions regarding the future of the University of Minnesota. The University is currently ranked in the top 20 universities in the nation. It has fallen behind in the area of compensation for its faculty and staff. If the University is to maintain its ranking and compete for top faculty, it will need additional significant additions to its core funding in 2002-2003. If the University is to remain competitive, additional funding will also be required above its core funding for future investments.

Chair Spence commented that it is evident that "status quo" funding from the legislature will not be adequate if the University of Minnesota is to compete with other institutions in the nation. She stated that the University will need the lobbying efforts of its external and internal constituencies during the next session of the legislature to increase the level of funding received from the state.

Regent Bergland reiterated Spence's comments indicating that it will require a concentrated lobbying effort from all concerned to procure additional funding from the legislature. Efforts should be doubled to ensure that the public is aware of the added costs the University is facing.

## **COMMITTEE ON THE ACADEMIC HEALTH CENTER - REPORT/RESOLUTION**

A motion was made and seconded to approve the following resolution relating to a strategic vision for the Academic Health Center:

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Regents approves the strategic vision for the Academic Health Center, entitled "Shaping and Sustaining Minnesota's Health: A New Covenant to Guide Health Education, Research, and Outreach," and

**BE IT FURTHER RESOLVED**, that upon the recommendation of the President, the Senior Vice President for the Academic Health Center shall proceed with the development of a strategic plan and workplan.

Regent Reed, Senior Vice President Cerra, Associate Vice President Bock, and Professor Marvin Dworkin presented the report from the Committee on the Academic Health Center.

Reed reported that the special Committee on the Academic Health Center (AHC) was appointed in November 1999 for the purpose of assisting the AHC in identifying policy issues to develop its strategic plan. The committee was composed of Regents Maureen Reed, chair, and Regents Baraga, Larson, and Neel. A number of meetings were held and the committee received input relating to the research, outreach, and teaching missions of the AHC from faculty, legislative and state health leaders, health providers, health community representatives, and others active in health issues.

Cerra provided information on the strategic vision, indicating that it was developed in a comprehensive, consultative process by the faculty of the AHC and reviewed by the Committee on the Academic Health Center. The principal elements of the vision are to:

- Create and prepare the new health professionals for Minnesota;
- Sustain the vitality and excellence of Minnesota's health research;
- Expedite the dissemination and application of new knowledge into the promotion of health and health care delivery;
- develop and provide new models of health promotion and care;
- reduce health disparities and address the needs of the state's diverse populations;
- Use technology to transform AHC education, research, and service; and,
- Build a culture of service and accountability to Minnesota.

Cerra reviewed the process by which the vision was developed and stated that the strategic vision will provide the direction for a detailed strategic plan and an operational workplan for the AHC. To accomplish the vision, a new agreement on the funding of health professional education and research must be established. He stressed that absent a new covenant among the state, federal, private, and health care sectors for funding health professional education and research, the AHC will be unable to capture the remarkable advances in health sciences and the present system of health professional education will deteriorate.

Next steps necessary to ensure success of the vision will be to translate the vision into a strategic plan. The strategic plan will then be prioritized and implemented with the goal of developing a new covenant between the AHC and state, federal, private and health care sectors to provide a sustaining financial base and partnership.

The Executive Summary of the AHC strategic vision is included in the docket materials.

Regent Larson stressed the importance of this issue and requested that regular updates on the progress of this issue be presented to the Board to ensure that the plan is developed and implemented.

Regent Neel stated that this is a very difficult time for the health field and that strong support from the Board of Regents is vital to ensure the future for the AHC.

President Yudof indicated that his message to the faculty of the AHC is that nothing is more critical to the University than its Academic Health Center. It has strong support from the Board of Regents and administration and funding will be sought from the state, federal, and private sectors. However, because the health care arena is changing so rapidly, hard choices will still need to be made in terms of the vision.

Regent O'Keefe stated that the vision is an excellent first step. He added that the rising cost of health care is a serious issue important to the State of Minnesota. The state's Health Policy Council is reviewing critical health care issues and is aware that the AHC's role in health care for the State of Minnesota is central to their concerns. It is hoped that the efforts of the state and the University can be unified in addressing the needs and concerns.

The Board of Regents voted unanimously to approve the resolution relating to a strategic vision for the Academic Health Center.

#### **LAND USE DESIGNATION OF A PARK PLAZA**

Chair Spence presented the following resolution relating to the designation of land for use as a park plaza adjacent to the McNamara Alumni Center.

WHEREAS, the Board of Regents has had a strong commitment for many years to increase sections of the University campuses that are devoted to green spaces, parks, and plazas that will benefit student life and help build a heightened sense of community among all parts of the University and its surrounding neighborhoods; and

WHEREAS, the University President has pursued, with approval of the Board of Regents, a plan to beautify the Twin Cities campus, including the area along Washington Avenue; and

WHEREAS, the University has had a productive, mutually beneficial relationship with The University Gateway Corporation ("UGC"), which constructed and is operating the McNamara Alumni Center on University property leased to the Gateway Corporation; and

WHEREAS, the UGC has offered to work collaboratively with the University in the design and construction of a park plaza to be funded with private gifts with several distinctive features—which could include attractive gathering places, trees, gardens and other landscaping, a water pool, a fountain, a veterans memorial, a carillon tower, statues, sculptures and other artistic features—on the land immediately south of the McNamara Alumni Center; and

WHEREAS, a parking ramp is expected to be completed in spring 2001 at Walnut Street and University Avenue, the capacity of which will more than offset any loss of parking on the surface lot now occupying the area immediately south of the McNamara Alumni Center, and

WHEREAS, fundraising efforts seeking gifts for such a plaza would be assisted by a declaration of the Board of Regents intention regarding the designation of use of this plat of land as a park plaza;

NOW, THEREFORE, BE IT RESOLVED that, upon the recommendation of the University President, the Board of Regents hereby states its intention to designate the land immediately to the south

of the McNamara Alumni Center, east of Walnut Street, north of Washington Avenue, and west of Oak Street to be developed as a park plaza for the long term; and

BE IT FURTHER RESOLVED, that upon recommendation of the President, Antoine Predock, in collaboration with a Minnesota architect to be subsequently determined, will be retained to design the space for the park plaza at UGC expense and present the schematic design to the Board of Regents for its approval; and

BE IT FURTHER RESOLVED, that University staff work collaboratively with UGC to develop an ongoing operating and maintenance plan that will be submitted to the Board of Regents for its approval; and

BE IT FURTHER RESOLVED, that University staff and UGC shall plan for construction to begin following the end of the spring semester, 2001 and that the usual University design and construction standards shall be followed and that the University's owner representative shall manage the design and construction process in consultation with representatives of the UGC; and

BE IT FINALLY RESOLVED, that the University of Minnesota Foundation and the Minnesota Medical Foundation are authorized to undertake fundraising efforts for the park plaza project described in this resolution.

President Yudof spoke in favor of the resolution, indicating that the McNamara Alumni Center is complete and fully occupied. It is a splendid facility and heavily used by alumni and a numerous constituencies. He believes that it would be appropriate to designate the land adjacent to the building as green space which would also provide a gateway to the University that would be pleasing and be distinguished to the surrounding urban areas. He noted that the resolution sets forth the Board's intent but is not a legally-binding resolution.

The Board of Regents voted unanimously to approve the resolution relating to the land use designation of a park plaza.

#### **ENTERPRISE PROJECT - UPDATE**

Associate Vice Presidents Kvavik and Cawley presented an update on progress of the Enterprise Project to date as contained in the docket materials. Highlights from the report indicate that the Enterprise project is complete. All human resource and student system modules needed and contracted for with PeopleSoft to support the University's core business functions have been successfully installed and are working.

On July 1, 2000, transition was made from a project implementation mode to an ongoing operations mode. The challenges now are not only to maintain the system in its current state, but also to improve and enhance the functionality and performance of the modules. A management group has been established to assume responsibility for the new challenges.

As of May 31, 2000, the project had spent \$57,823,165. The final cost of the Enterprise project is not expected to exceed the Board's approved amount of \$60 million.

Kvavik reported that University staff should be complimented on their performance and commitment to this project to ensure that it was successfully completed as planned.

Kristen Berning, Chair of the Student Representatives, stated that the student representatives are excited about the exceptional benefits that the Enterprise Project offers students. She noted, however, that some students, especially students with special needs, may still prefer to seek personal assistance instead of using a computer. The students urge the administration to offer adequate and friendly services for students and staff to access important information. Berning provided the following examples: longer computer lab hours; extended hours of operation and adequate staffing for computer and financial aid hotlines; and tighter security measures to ensure that private information remains protected from access by unauthorized users.

Board members congratulated the administration on the successful completion of the project.

Regent Larson asked if the University will bear additional costs beyond the budget to maintain and upgrade the system. Kvavik responded that some of the upgrades will be provided by PeopleSoft and costs will be minimal. An enhancement budget will also be developed for future costs.

#### **GIFTS**

Associate Vice President Gerald 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 through May 31, 2000 as listed in the docket material and on file in the Board Office.

A motion was made, and seconded, and the Board of Regents voted unanimously to approve the receipt of gifts as presented.

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

Regent O'Keefe, Vice Chair of the committee, reported that the committee voted unanimously to recommend:

- a) Approval of the Consent Report for the Educational Planning and Policy Committee as presented to the committee and described in the July 13, 2000 committee minutes.

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

O'Keefe reported that the committee engaged in a discussion regarding key challenges facing the University of Minnesota, Crookston; reviewed the 2000-01 workplan of the Educational Planning & Policy Committee; and reviewed a number of information items.

#### **REPORT OF THE FINANCE & OPERATIONS COMMITTEE**

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

- a) Approval of the Consent Report for the Finance & Operations Committee as presented to the committee and described in the July 13, 2000 committee minutes.
- b) Approval of a resolution relating to the U-Pass Transit Program, as follows:

WHEREAS, the Transportation Equity Act for the 21<sup>st</sup> Century passed by congress provided funding for the Congestion Mitigation Air Quality Program;

WHEREAS, the University Administration is continually seeking ways to reduce carbon monoxide emissions, reduce vehicle miles traveled, reduce single occupancy vehicle use, and increase hourly person throughput on University-area travel corridors; it developed the U-Pass Transit Program;

WHEREAS, in September 1999, the University Administration submitted a "Congestion Mitigation Air Quality Program Application" to the Metropolitan Council, Transportation Advisory Board for \$5,500,000 to fund a two-year demonstration of the U-Pass Transit Program;

WHEREAS, the "Congestion Mitigation Air Quality Program Application" requires the University to fund \$1,375,000 or 20% of the project cost as matching funds, the University proposed to fund its local matching share with student fees and the Metro Transit operating budget.

WHEREAS, in April 2000, the Metropolitan Council received notification from the Minnesota Department of Transportation that the University of Minnesota Congestion Mitigation Air Quality Program Application in the amount of \$5,500,000 for the U-Pass Transit Program was to be funded from the Twin Cities 2000 - 2002 Transportation Improvement Program;

WHEREAS, the University Administration is now in the process of submitting the cash reimbursement application to the Minnesota Department of Transportation;

WHEREAS, the Federal Transit Administration requires that the reimbursement application include a certified resolution from the recipient governing body (1) authorizing the submission of the application for financial assistance and subsequent execution of a contract with the Minnesota Department of Transportation, (2) attesting to the availability of local funds to provide a percentage of the total cost of the project, and (3) designating an individual or individuals who have the authority to execute the contract on behalf of the recipient organization, sign requests for reimbursements, and represent the recipient during the contract period.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents of the University of Minnesota authorize its administration to enter into an Agreement with the Minnesota Department of Transportation for the Distribution of Federal Transit Administration Section 5307 Urbanized Area Formula Grant Program to fund the U-Pass Transit Program.

BE IT FURTHER RESOLVED, that the Board of Regents of the University of Minnesota agree to provide 20 percent of the total cost of the program from local funds.

BE IT FURTHER RESOLVED, that the authorization to execute the aforementioned Agreement and any amendments thereto and represent the Board of Regents of the University of Minnesota during the contract period is hereby given to Eric

Kruse, Vice President for University Services or Bob Baker, Director, Parking and Transportation Services.

BE IT FURTHER RESOLVED, that Eric Kruse, Vice President for University Services or Bob Baker, Director, Parking and Transportation Services is hereby authorized by the Board of Regents of the University of Minnesota to execute requests for reimbursement to the Minnesota Department of Transportation.

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

Neel reported that the committee discussed the current status of the Investment Advisory and the Debt Management Advisory Committees; engaged in a discussion relating to the strategy for determining the appropriate required balance in the University's Central Reserves; reviewed the committee's 2000-01 workplan; and reviewed a number of information items.

#### **REPORT OF THE FACILITIES COMMITTEE**

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

- a) Approval of a recommendation of the President that the FY99 Capital Budget be amended by \$6,800,000 to increase funding for the Hockey/Tennis Facility to \$20,000,000.
- b) Approval of Les Bolstad Schematic plans.

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

Phillips reported that the committee also reviewed schematic plans for the Art Teaching and Researching Facility; reviewed an amendment to the lease for Psychiatry at the Fairview-University Medical Center; discussed a proposed sprinkler system for student housing; and reviewed the segment in the utility master plan relating to chilled water. The committee also reviewed exterior design standards for the Twin Cities campus and received a presentation on the strategic plan for the University of Minnesota Police Department. A number of information items were also reviewed.

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

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

- a) Approval of the Consent Report for the Faculty, Staff, and Student Affairs Committee as presented to the committee in the docket materials with highlights listed below:
  - Appointment of Dr. James Riehl as Dean of the University of Minnesota Duluth College of Science and Engineering effective July 1, 2000.
- b) Adoption of amended Board of Regents Policy: *Faculty Emeriti*, as follows:

## **FACULTY EMERITI**

### **SECTION I. DEFINITIONS.**

**Subd. 1. Faculty Emeritus.** "Faculty emeritus" or "emeritus" means a tenured faculty member who has retired from the University under any circumstances, including a terminal agreement or completion of a phased retirement, after at least five years of employment at the University and at an age where retirement is allowable under University policy. This term does not include a faculty member who was terminated for cause.

**Subd. 2. Unit.** "Unit" means a department, college, campus, or other division within the University.

### **SECTION II. ADMINISTRATIVE PROCEDURES.**

The president, in consultation with the Faculty Senate, shall develop administrative procedures to implement this policy.

### **SECTION III. FACULTY EMERITUS TITLE.**

**Subd. 1. Title** In recognition of years of valued service and contribution to the University, the title "emeritus" shall be awarded to a faculty member who meets the standards of a faculty emeritus defined in section I, subdivision 1. Faculty who are terminated for cause are not eligible to hold the title of emeritus. The emeritus title will be of the rank held by the faculty member at the time of retirement.

**Subd. 2. Special Circumstances.** Under special circumstances and on the recommendation of the president, the Board of Regents may award the title of emeritus to a faculty member not meeting the definition or make a promotion in the emeritus rank.

### **SECTION IV. UNIVERSITY PRIVILEGES AND SERVICES.**

**Subd. 1. Members of the University Community.** Conferment of the faculty emeritus title does not confer any employment status or rights on a retired faculty member. Faculty emeritus shall have the opportunity to continue as an active member of the University community either as a volunteer or contractual employee as provided in section VI or by other arrangement.

**Subd. 2. University Services.** The University shall provide the following privileges and services to a faculty emeritus equal to those provided to regular faculty:

- (1) email accounts;
- (2) library privileges;
- (3) listing in the University directory;
- (4) some faculty discounts offered by the University as identified in the administrative procedures; and
- (5) other services of a cost and nature similar to those listed above and as identified in the administrative procedures.

**Subd. 3. Health Insurance.** The University shall extend access to the University's health and dental insurance plans to a faculty emeritus who meets criteria established in the administrative procedures. The emeritus is responsible for the full cost of any such benefits.

## **SECTION V. ACADEMIC UNIT PRIVILEGES AND SERVICES.**

**Subd. 1. Academic Unit Services.** Subject to cost and availability, academic units may provide to an active faculty emeritus privileges, services, and facilities as warranted by the nature of the relationship with the University but not to exceed those provided to regular faculty.

## **SECTION VI. CONTINUED RELATIONSHIP WITH THE UNIVERSITY.**

**Subd. 1. Contractual Agreements.** A unit may contract with a faculty emeritus to provide compensated work services. The terms of such a relationship are governed by the terms of the contractual agreement and any applicable laws, rules, and policies.

**Subd. 2. Volunteer Agreements.** A unit may authorize a faculty emeritus to provide volunteer services related to the University's programs and activities. Faculty emeriti who perform such volunteer services shall be provided:

- (1) the facilities and services deemed necessary to perform their volunteer services as determined by the unit in consultation with the volunteer;
- (2) legal indemnification and defense pursuant to the Board of Regents policy, "Legal Defense and Indemnification of Employees;" and
- (3) academic freedom.

## **SECTION VII. INFORMAL DISPUTE RESOLUTION.**

The administrative procedures shall include an informal dispute resolution process to address disputes rising from this policy.

- c) Approval of a resolution related to the Labor Agreement with the International Brotherhood of Electrical Workers, Local 292 – Radio and Broadcast Technicians, as follows:

WHEREAS, the parties have met and negotiated over the course of the past few months and have reached agreement regarding terms and conditions of employment regarding the employees of this bargaining unit (a complete copy of which is available in the Board of Regents Office); and

WHEREAS, the I.B.E.W., Local 292 has ratified acceptance of the agreement; and

WHEREAS, according to the Board of Regents Policy: *Board Operation and Agenda Guidelines*, regental approval of labor agreements is required;

NOW, THEREFORE, BE IT RESOLVED, that on the recommendation of the President and the Executive Vice President and Provost for Academic Affairs, the Board of Regents approves this labor agreement as outlined in the docket for July 13, 2000.

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

Bohnsack reported that the committee also engaged in a discussion on coordinate campus policy issues; reviewed information on Human Resources and the New Service Culture; and reviewed the committee's 2000-01 workplan.

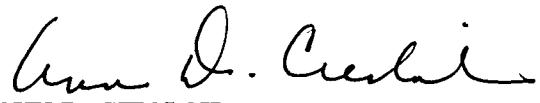
#### **REPORT OF THE AUDIT COMMITTEE**

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

#### **REPORT OF THE LITIGATION REVIEW COMMITTEE**

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

The meeting adjourned at 11:40 a.m.



**ANN D. CIESLAK**  
**Executive Director and**  
**Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**MINUTES**

**BOARD OF REGENTS MEETINGS**

**AND**

**COMMITTEE MEETINGS**

**August 22, 2000;  
September 6-8, 2000**

**Office of the Board of Regents**

**600 McNamara Alumni Center  
University Gateway**

## UNIVERSITY OF MINNESOTA

## BOARD OF REGENTS

**Minutes of the Board of Regents Meetings  
and Committee Meetings****August 22, 2000;  
September 6-8, 2000**

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**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**September 6, 2000**

A meeting of the Board of Regents was held on Wednesday, September 6, 2000 at 8:10 p.m. in the Cougar Room, Prairie Inn, Morris, Minnesota.

Regents present: Patricia Spence, presiding; Anthony Baraga, Robert Bergland, Dallas Bohnsack, William Hogan, Warren Larson, David Metzen, H. Bryan Neel, Jessica Phillips, and Maureen Reed. Regent William Peterson participated via telephone.

Staff present: President Mark Yudof; General Counsel Mark Rotenberg; and Executive Director Ann Cieslak.

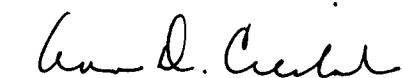
Others present: Laurie Gildea and Thomas Schumacher..

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

**RESOLVED**, that on the recommendation of the President and as provided by Minnesota State Statute 471.705, Subd. 1d, a non-public meeting of the Board of Regents be held on Wednesday, September 6, 2000, in the Cougar Room, Prairie Inn, Morris, Minnesota, for the purpose of discussing attorney-client privileged matters.

The Board of Regents voted unanimously to approve the resolution.

The meeting adjourned at 8:12 p.m.



**ANN D. CIESLAK  
Executive Director and  
Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Litigation Review Committee**

**August 22, 2000**

A meeting of the Litigation Review Committee of the Board of Regents was held on Tuesday, August 22, 2000, at 11:04 a.m. in Room 300, Morrill Hall.

Regents present: William Peterson, presiding; David Metzen and Patricia Spence.

Staff present: President Yudof; General Counsel Mark Rotenberg; and Executive Director Ann Cieslak.

Others present: William Donohue, Laurie Gildea, Saundra Martell, and Thomas Schumacher..

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

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

RESOLVED, that on the recommendation of the President and as provided by Minnesota State Statute 471.705, Subd. 1d, a special non-public meeting of the Board of Regents Litigation Review Committee be held on Tuesday, August 22, 2000 in Room 300, Morrill Hall, for the purpose of discussing attorney-client privileged matters.

The committee voted unanimously to approve the resolution.

The public portion of the meeting adjourned at 11:05 a.m. and the non-public portion of the meeting adjourned at 12:04 p.m.

*Ann D. Cieslak*  
**ANN D. CIESLAK**  
**Executive Director and**  
**Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Facilities Committee**

**September 7, 2000**

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, September 7, 2000, at 1:30 p.m., in the Recital Hall, 160 Humanities Fine Arts Center, University of Minnesota, Morris campus.

Regents present: Jessica Phillips, presiding; Anthony Baraga, Robert Bergland, David Metzen, and Maureen Reed.

Staff present: Chancellor Kathryn Martin, Chancellor Samuel Schuman, Senior Vice President Frank Cerra, Vice President Tonya Moten Brown, Vice President Sandra Gardebring, Vice President Eric Kruse, Interim Vice President Robert Jones, Executive Director Ann Cieslak, Associate Vice Presidents Daniel Hambrock, Clinton Hewitt, and Richard Pfutzenreuter.

Student Representatives present: Kristen Berning and Michael Miller.

**STRATEGIC FACILITIES ISSUES  
Morris Campus**

**Discussion**

Chancellor Schuman and Associate Vice Chancellor Lowell Rasmussen provided information on the strategic facilities issues on the Morris campus, as found in the docket materials.

Schuman informed the committee that approximately half the Morris students live on-campus, with another 35 percent within walking distance. The hope is to increase the on-campus portion to two-thirds. However, it is less expensive for students to rent off-campus rooms, Schuman stated, and expressed concern regarding future large increases in on-campus housing costs in order to finance a residence hall sprinkler system. Schuman added that a future direction may be a public/private venture to create more housing and increase the number of upper-class students living on campus.

In response to a question from Regent Metzen regarding accessibility, Schuman reported that some of the residence halls have on-grade access and facilities for handicapped students, but that it will take years to renovate all residence halls.

Vice Chancellor Rasmussen explained that the campus master plan includes building rehabilitation, to save the character and façade of the buildings, while making sure that the infrastructure is able to support current technology. Rasmussen noted that the oldest building on campus was built in 1899 and is on the National Register for Historic Preservation.

Rasmussen stressed that one of the greatest facilities concerns is the vulnerability of the campus to increasing energy costs caused by market volatility in natural gas and fuel oil prices.

**CAPITAL BUDGET AMENDMENT**  
**Bierman Field Athletic Building Addition & Remodeling, Twin Cities Campus**

**Review/Action**

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

The FY01 Capital Budget is increased by \$283,000 to increase funding for the Bierman Field Athletic Building Addition & Remodeling Project to \$7,283,000. The facility will be located on the Twin Cities campus, East Bank.

Vice President Kruse presented the proposed \$283,000 increase to the budget for the Bierman Field Athletic Building Addition & Remodeling Project, as found in the docket materials. Kruse explained that the increase is primarily to fund the relocation of the staff so that the remodeling can be done in the most efficient and cost-effective manner.

In response to a question from Regent Reed, Vice President Brown stated that the proposed addition and remodeling is sufficient to meet gender equity concerns and requirements.

The committee voted unanimously to recommend approval of the amendment to the FY01 Capital Budget.

**SCHEMATIC PLANS**  
**Bierman Field Athletic Building Addition & Remodeling, Twin Cities Campus**

**Review/Action**

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

The schematic plans for the Bierman Field Athletic Building Addition & Remodeling Project are approved and the appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

Vice President Kruse introduced Project Architect Linda McCracken-Hunt of Studio Five Architects, who presented the schematic plans for the proposed Bierman Field Athletic Building Addition & Remodeling Project, Twin Cities campus, as found in the docket materials.

In response to a question from Regent Reed regarding the increase in operating costs for a relatively small addition, McCracken-Hunt explained that many systems are being upgraded in the existing building as part of the project and that the increase in operating costs is for the whole building, not just the addition. Regent Phillips asked that the committee receive additional information on this topic. Vice President Brown clarified that the Departments of Men's and Women's Intercollegiate Athletics will deal with the increased cost as part of their regular operating budgets.

The committee voted unanimously to recommend approval of the schematic plans.

**SCHEMATIC PLANS**  
**Middlebrook Hall Student Housing Addition, Twin Cities Campus**

**Review/Action**

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

The schematic plans for the Middlebrook Hall Student Housing Addition Project are approved and the appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

Vice President Kruse noted that the current cost estimate of the project is \$9,000,000, which is under the approved cap of \$12,000,000, and occupancy is anticipated for fall semester 2001. Kruse introduced Project Architect David Graham of Elness Swenson Graham Architects, Inc., who presented the schematic plans for the Middlebrook Hall Student Housing Addition, as found in the docket materials.

In response to a question from Regent Metzen, Housing Director Mary Ann Ryan informed the committee that the cost of the police substation to be located in Middlebrook Hall would be covered by rent paid by the police department.

Student Representative Berning expressed concern regarding the effect the construction noise would have on students. Ryan stated that the University is working with residence halls and contractors to deal with the issue.

The committee voted unanimously to recommend approval of the schematic plans.

**SCHEMATIC PLANS**  
**Frontier Hall Student Housing Addition & Remodeling, Twin Cities Campus**

**Review/Action**

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

The schematic plans for the Frontier Hall Student Housing Addition & Remodeling Project are approved and the appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

Vice President Kruse introduced Project Architect Lee Seppings of Symmes Maini & McKee Associates, who presented the schematic plans for the proposed Frontier Hall Student Housing Addition & Remodeling Project, Twin Cities campus, as found in the docket materials.

Regents Baraga and Reed noted with appreciation that the cost estimates for the Middlebrook Hall and the Frontier Hall additions are less than anticipated in the capital budget.

The committee voted unanimously to recommend approval of the schematic plans.

**DESIGN GUIDELINES**  
**Griggs Hall Addition, Duluth Campus**

**Discussion**

Chancellor Martin introduced University Architect John Grundtner, who presented the design guidelines for the proposed Griggs Hall Addition on the Duluth campus, as found in the docket materials. Grundtner stated that the proposed addition would provide an extra 220 beds for on-campus student housing, with anticipated occupancy no later than fall semester 2002.

In response to questions from Regents Metzen and Reed regarding the possibility of more on-campus housing aside from the proposed Griggs Hall addition, Joseph Michela, Director of Auxiliary Services, University of Minnesota Duluth, explained that with this proposed addition the dining facilities for the campus will be at capacity. Expanded dining facilities would need to be funded and built before more on-campus housing could be completed.

Regent Reed asked that the possibility of a larger Griggs Hall addition be reevaluated. Regent Metzen requested information on the progress of a current proposal for near-campus housing from a private developer.

**REAL ESTATE TRANSACTION**

**Amendment of Lease for Psychiatry Department at  
Fairview-University Medical Center, Riverside Campus  
2450 Riverside Avenue, Minneapolis, MN**

**Action**

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

The appropriate administrative officers are authorized to execute the appropriate documents to amend the lease with Fairview Hospital and Healthcare Services for the Academic Health Center, Medical School, Department of Psychiatry, at 2450 Riverside Avenue, Minneapolis, to increase the leased premises by 2,192 gross square feet, to 21,141 gross square feet, which lease will continue through April 30, 2009.

Real Estate Director Susan Weinberg presented for action the proposed amendment of the lease at Fairview-University Medical Center, 2450 Riverside Avenue, as found in the docket materials.

The committee voted unanimously to recommend approval of the transaction.

**REGENTS TRAFFIC REGULATION ORDINANCES:  
Language Amendments and Resolution to Establish Hearing Date**

**Review/Action**

Vice President Kruse presented the materials relating to the proposed resolution, as found in the docket materials. The proposed resolution establishes the following: the date, time, and location of the public hearing where the amendments to Regents Traffic Regulation Ordinances can be heard; the list of periodicals in which the notice of the public hearing will be published; and the proposed language for the Regents Traffic Regulation Ordinances.

A motion was made and seconded to recommend approval of the proposed resolution, as follows:

**RESOLUTION RELATING TO THE APPROVAL OF LANGUAGE AND THE  
SETTING OF A DATE FOR A PUBLIC HEARING ON AMENDMENTS TO  
REGENTS OF THE UNIVERSITY OF MINNESOTA  
TRAFFIC REGULATION ORDINANCES**

WHEREAS, in accordance with Minnesota Statutes 1979, Chapter 169.965 and Chapter 137.12 the Regents of the University of Minnesota adopted Traffic Regulation Ordinances; and

WHEREAS, the Regents of the University of Minnesota reserve the right to amend and update the Traffic Regulation Ordinances from time to time as recommended by the administration; and

WHEREAS, the administration is in the process of updating the Twin Cities Campus Parking and Transportation Policies which requires the Traffic Regulation Ordinances to be amended accordingly; and

WHEREAS, amending the Regents Traffic Regulation Ordinances requires a public hearing on the proposed amendments;

NOW, THEREFORE, BE IT RESOLVED, that the Regents of the University of Minnesota shall conduct a public hearing on the proposed amendments to the Regents of the University of Minnesota Traffic Regulation Ordinances on the 12th day of October, 2000, at 9:45 o'clock a.m., in the West Committee Room, on the 6th floor of the McNamara Alumni Center, located at 200 Oak Street Southeast, Minneapolis, Minnesota.

BE IT FURTHER RESOLVED, that the notice of said hearing shall be published in the *Norwood Young America Times*, Norwood Young America, Carver County, Minnesota; the *Rosemount Town Pages*, Farmington, Dakota County, Minnesota; *Finance and Commerce*, Minneapolis, Hennepin County, Minnesota; *The Thirteen Towns*, Fosston, Polk County, Minnesota; the *St. Paul Legal Ledger*, St. Paul, Ramsey County, Minnesota; the *Mesabi Daily News*, Virginia, St. Louis County, Minnesota; and the *Morris Sun and Tribune*, Morris, Stevens County, Minnesota.

BE IT FURTHER RESOLVED, that said notice shall read as follows:

**NOTICE OF HEARING:**

The Regents of the University of Minnesota does hereby give notice to the public that on the 12<sup>th</sup> day of October, 2000, at 9:45 o'clock a.m., in the West Committee Room, on the 6th floor of the McNamara Alumni Center located at 200 Oak Street Southeast, Minneapolis, Minnesota on the University of Minnesota Twin Cities/Minneapolis/East Bank campus it will conduct a public hearing on the proposed amendments to Regents of the University of Minnesota Traffic Regulation Ordinances. The proposed amendments to the Regents of the University of Minnesota

Traffic Regulation Ordinances are as presented to the Board of Regents Facilities Committee meeting on September 7, 2000, and on file in the Board Office.

The committee voted unanimously to approve the resolution.

**COMMITTEE WORKPLAN, 2000-01**  
**Discussion**

Regent Phillips and Vice President Kruse presented for discussion the FY01 committee workplan, as found in the docket materials.

Kruse stated that a progress report on the workplan would be presented in December. At that time, the committee will discuss additional items that may need to be added.

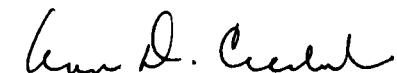
The following suggestions were made for additions to the workplan:

- issues relating to the Board of Regents Policy: *Delegations of Authority*, currently under review; and
- athletics facilities.

**INFORMATION ITEMS**

Vice President Kruse presented information on a number of items, as found in the materials on file in the Board office.

The meeting adjourned at 3:38 p.m.



**ANN D. CIESLAK**  
**Executive Director and**  
**Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Faculty, Staff and Student Affairs Committee**

**September 7, 2000**

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, September 7, 2000, at 1:35 p.m. in 120 Humanities Fine Arts Center, Black Box Theater, University of Minnesota, Morris campus.

Regents present: William Hogan, presiding; Dallas Bohnsack, Warren Larson, H. Bryan Neel, Michael O'Keefe, and Patricia Spence.

Staff present: Executive Vice President and Provost Robert Bruininks; Chancellors Kathryn Martin and Donald Sargeant; Senior Vice President Frank Cerra; Vice Presidents Carol Carrier and Christine Maziar; Interim Vice President Robert Jones; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; and Associate Vice President Rusty Barcelo.

Student Representatives present: Heidi Frederickson and Lakeesha Ransom.

**UNDERGRADUATE DEMOGRAPHIC PROFILES:  
UNIVERSITY OF MINNESOTA AND PEER INSTITUTIONS**

Director J. Peter Zetterberg reviewed systemwide demographic information about undergraduates at the University and compared each campus to peer institutions. Zetterberg also discussed several state population trends that may affect the University. A copy of the presentation is on file in the Board Office.

According to Zetterberg, the plurality of students on the Twin Cities, Duluth, and Morris campus come from Hennepin County. Several other counties send a higher percentage of their high school students to University campuses. This is a fact that may interest taxpayers who believe financial support for the University primarily benefits students from the Twin Cities.

Zetterberg noted that on most indices the four campuses of the University compare favorably with peer institutions. However, while the percentage of Twin Cities campus freshmen in the top 10, 25, or 50 percent of their high school graduating class is comparable to that of most other Big Ten public schools, the campus compares less favorably with many of the nation's other highly-rated public research institutions. Zetterberg attributes this to several factors, including a smaller population base that does not allow the University to be as selective as public universities in states like California. He noted that reciprocity agreements with adjacent states and Manitoba, Canada partially compensate for Minnesota's smaller population, by enabling the University to recruit more high ability students.

In response to a question from Regent Hogan, Zetterberg indicated that the ability of the coordinate campuses to recruit high-ability students is not affected by the state's smaller population. For example, the University of Minnesota, Duluth (UMD) heavily recruits high ability students from the Twin Cities, while the University of

Minnesota, Crookston (UMC) benefits from a single tuition rate for residents and non-residents. Both campuses benefit as well from reciprocity agreements.

Zetterberg observed that the Twin Cities campus has a percentage of students who live off-campus similar to that of other Big Ten institutions who do not self-identify as commuter campuses, as the Twin Cities campus does. He also suggested that the high percentage of part-time degree-seeking students may contribute to low four- and five-year graduation rates for the Twin Cities campus. He indicated that the University's graduation rate cannot increase significantly if the number of part-time students is not reduced.

Regent O'Keefe requested additional information about the University's graduation rate and the possible causes for the large number of degree-seeking part-time students on the Twin Cities campus.

Chancellor Sargeant, UMC, stated that his student body is growing, due in part to the elimination of out-of-state tuition and to the campus's national reputation. One of UMC's goals is to increase enrollment over the next few years to 1,500 degree-seeking students, which will place additional demands on faculty and housing. He also added that UMC wants to recruit higher ability students in order to improve the academic success of students.

Vice Chancellor Vincent Magnuson, UMD, reported that his campus has experienced record growth in applications and enrollment, with a large percentage of students coming from the Twin Cities metro area. A key challenge for UMD is assisting metro area students of color to afford housing in Duluth.

Associate Vice Chancellor John Printz, University of Minnesota, Morris (UMM), commented that UMM's mission to become the best liberal arts college in the country required a conscious decision to limit enrollment to 2,000 students. A key challenge is maintaining their share of the market among high school seniors, especially given the population decline in the Morris area.

In response to a question from Regent Hogan, Sargeant identified as key issues maintaining recruitment levels and ensuring a quality academic experience for students. Magnuson added that UMD's priorities include increasing the graduation rate and exploring factors that affect student retention. He also indicated that replacing retiring faculty and recruiting more faculty of color are priorities for all the coordinate campuses.

In response to a question from Regent Hogan, Zetterberg credited the effectiveness of the University's various admissions offices with increases in enrollment in the face of a declining population.

#### **COMMITTEE WORKPLAN, 2000-01**

Regent Hogan led the discussion regarding the proposed committee workplan and noted that the committee would meet 10 times during 2000-01, rather than nine as had been suggested during the July committee meeting. Executive Vice President and Provost Bruininks stressed that a conscious effort had been made to limit the number of agenda items at each committee meeting to facilitate in-depth discussions of key issues. He also highlighted the inclusion of coordinate campus issues and issues that had been raised at the Board of Regents retreat, as well as a number of key policy issues, including health care benefits and academic appointments.

The committee agreed to the workplan as presented in the docket materials.

## **INFORMATION ITEMS**

Executive Vice President and Provost Bruininks noted that the docket materials contained an update on several administrative reorganizations that have been previously discussed with the committee. He added that additional issues related to the Office for Student Development will come to the committee at a later date for discussion.

### **PROFESSIONAL & ADMINISTRATIVE EMPLOYEES: ANALYSIS AND ISSUES**

Vice President Carrier and Julie Sweitzer, Director of Equal Opportunity and Affirmative Action discussed a number of issues facing Professional and Academic (P&A) employees. The P&A classification was originally created in 1981 by the Board of Regents to cover a small number of employees, but has since grown to include approximately 3,000 individuals; 3,700 if part-time employees are included. Many of these employees are actively engaged in various aspects of the University's mission, including teaching and research.

Sweitzer noted the following: the University appears to compare well with peer institutions with regard to gender and ethnic diversity among P&A staff; the number of staff of color has steadily increased in recent years; the majority of P&A staff are Asian; African-Americans comprise the largest group of "executive" P&A employees of color and there are no American Indians within the "executive" P&A group. Sweitzer also mentioned that an increasing number of units are performing exit interviews to improve the climate for P&A women and staff of color.

In response to a question from Regent Hogan, Carrier indicated that P&A staff are covered by a number of the same policies and have the same medical and insurance plan as tenured faculty, but a different policy governs professional development for P&A staff.

Carrier explained that the administration is working with the Academic Staff Advisory Committee (ASAC), the major representational body for P&A employees, on a number of policy issues and will return with recommendations in December. These issues include the need to amend the Board of Regents policy: *Academic Staff Professional and Administrative*, as well as addressing issues related to vacation, health care benefits, academic appointments, and professional development and promotion opportunities. Carrier briefly mentioned a new initiative that will identify and develop leaders among P&A staff. She will discuss this initiative with the committee at a later date.

Two P&A employees who are also members of ASAC, Vicki Glasgow, a University librarian, and Randall Croche, an employee in the Carlson School of Management presented information on the role of P&A staff in teaching, research, and service. They noted recent efforts to transform ASAC into a more representative body for P&A employees, including creating a formal constitution and bylaws. Croche stated that the role of P&A employees in policy implementation requires that they be part of the policy development process. He noted that the President agreed to refer major University policies to ASAC for comment.

In response to a question from Regent Hogan, Glasgow commented that the lack of job security for P&A staff, compared to faculty and civil service employees, is a key issue, because the majority of P&A staff are on annual appointments. Glasgow also expressed concern about the shifting of teaching loads to P&A employees who are on annual appointments, but are often not involved in decisions made regarding

curriculum and teaching. She suggested that the administration examine how different policies and benefits affect P&A class equivalents at other institutions in the Big Ten and highlighted inequities between librarians on the Twin Cities campus and those at UMM with regard to the use of continuous appointments.

In response to a question from Regent Larson, Croche indicated that the working relationships among faculty, P&A employees, and other staff differs across units and campuses. For example, P&A employees are included as part of the governing structure on some campuses and not on others. Carrier noted that the various employee classes are working together on the health insurance task force, as well as other issues.

The meeting adjourned at 3:30 p.m.



**ANN D. CIESLAK**  
**Executive Director and**  
**Corporate Secretary**

**UNIVERSITY OF MINNESOTA**  
**BOARD OF REGENTS**  
**Educational Planning & Policy Committee**  
**September 7, 2000**

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, September 7, 2000, at 9:35 a.m. in 120 Humanities Fine Arts Center, Black Box Theater, University of Minnesota, Morris campus.

Regents present: Michael O'Keefe, presiding; Anthony Baraga, Dallas Bohnsack; Warren Larson, Jessica Phillips, and Patricia Spence.

Staff present: President Mark Yudof; Chancellors Kathryn Martin, Donald Sargeant, and Samuel Schuman; Executive Vice President and Provost Robert Bruininks; Senior Vice President Frank Cerra; Vice Presidents Carol Carrier and Eric Kruse; Interim Vice President Robert Jones; Executive Director Ann Cieslak; and Associate Vice President Robert Kvavik.

Student Representatives present: Kyle Althoff and Michael Miller.

Regent O'Keefe welcomed those in attendance and introduced Dr. Wilbert Ahern, professor of history, University of Minnesota Morris, the new chair of the Faculty Senate's Committee on Educational Policy.

**CLASSROOM INVESTMENT STRATEGY**

Executive Vice President and Provost Bruininks introduced Associate Vice President Kvavik and Steve Fitzgerald, Director of Classroom Management, who led the discussion.

Kvavik reviewed the current status of the University's classroom management plan, providing details about the plan's progress since a 1995 classroom survey. Kvavik noted that about half of the classrooms on the Twin Cities campus have been totally refurbished. The current challenge is to upgrade classroom technology to meet the rising expectations of faculty and incoming students.

Fitzgerald noted that 65 percent of Twin Cities classrooms currently lack data or video projection capability and 62 percent lack Internet connectivity for the instructor. To address these deficiencies, both a short-term practical plan and a longer-term strategic plan have been developed.

The short-term practical plan focuses on improving classroom tools available to faculty between the present and June 2004. This plan includes installing hardware and supporting faculty as they integrate technology into their courses. The longer-term strategic plan focuses on the technology available to each student in the classroom. This phase will begin in 2003 and is scheduled for completion by the end of 2006.

The overall cost of the short- and long-term plans is a one-time expenditure of \$7 million for upgrading 230 rooms. Recurring costs are the life cycle, maintenance, and support costs for the equipment.

In response to questions from Regent Larson, Fitzgerald explained that, in the longer-term strategic plan, "wireless" refers to a classroom in which students and faculty use wireless technology. Wires would still be required to the building and from the building to the classroom.

Fitzgerald further clarified that the very nature of adjacent classrooms filled with students poses technological problems to the creation of wireless buildings because of the potential for mutual interference. This problem eventually may be solved by technological advances, but for now it is more productive to provide effective technology within the classroom.

In response to a question from Regent Phillips, Kvavik explained that the biennial request includes funding to cover recurring costs, while the capital plan includes funding for some of the construction costs that may be involved. Discussions are also underway with the University of Minnesota Foundation to identify potential private sector and alumni donors. Phillips believes the plan is aggressive and necessary, but she urged a timeline for completion that is sooner rather than later.

In response to a question from Regent Baraga, Fitzgerald suggested that it is more cost effective to upgrade all classrooms because the resulting efficiencies in scheduling will increase classroom utilization rates.

In response to a question from O'Keefe, Kvavik reiterated that the one-time expenditure of \$7 million and the \$1.5 million in ongoing expenditures are for the Twin Cities campus only. However, the capital request and the biennial request will include resources for all the campuses in accordance with the individual campus plans.

Chancellor Martin reported that only about half of the 64 classrooms at the University of Minnesota Duluth are at the basic level. Three classrooms are totally equipped, and about five classrooms are upgraded annually. In the interim, faculty can ask to use fully-equipped and staffed carts in the classroom. Because classrooms in Duluth are newer than classrooms in the Twin Cities, the renovation required is neither as costly nor of the same magnitude. Continuing issues are preparing faculty, adapting curriculum to the advanced level of technology, and providing the most cutting-edge technology when required.

Chancellor Sargeant reviewed the status of classroom technology at the University of Minnesota Crookston. All campus classrooms have Internet access and fully-equipped teaching stations. Achieving this level of technology has been an eight-year effort. He attributed their success to the high technology access fee approved for the Crookston campus and the decision to devote all year-end fund balances to this initiative.

Regent Spence applauded efforts to upgrade classroom technology. She also expressed the hope that this will continue to be a priority and that an effort will be made to think creatively about sources of revenue beyond legislative appropriations.

O'Keefe stressed that technology investments must be accompanied by investments in training and development for the faculty. He requested that the committee receive a report describing a strategy for complementary training investments. Bruininks reported that a comprehensive assessment is underway to ensure that investments in technology are balanced with investments in training.

Regent Baraga suggested that a periodic update to the committee would be helpful, considering the critical importance of this issue. O'Keefe agreed, asking that Bruininks establish an appropriate timetable for updates.

In response to a question from O'Keefe, Fitzgerald explained that the basic infrastructure and interface have been carefully developed to ensure compatibility with future technological improvements.

Larson commented that the University should be ready to take advantage of any new opportunities that may arise.

#### **ACADEMIC INTERDISCIPLINARY INITIATIVES: PROGRESS REPORT & NEXT STEPS**

Executive Vice President and Provost Bruininks reviewed the academic interdisciplinary initiatives launched with President Yudof's 1998 academic supplementary request. Approximately \$40 million has been invested to strengthen five major interdisciplinary areas in research, education, and outreach at the University.

Bruininks noted that funding reallocations and leveraging were critical to the success of the initiatives. The efforts of campuses and colleges to reallocate their resources and energy boosted the initial \$18.6 million to about \$28 million, an amount that improved the University's competitive position in procuring private donations, in competing for federal grants and contracts, and in developing public-private partnerships. In short, a major investment by the State of Minnesota and the University is beginning to pay long-term dividends by not only enriching and improving education, research, and outreach, but also by contributing to the state's economy and quality of life.

Bruininks added that the interdisciplinary initiatives described in the docket materials are likely of special interest because many have come before this committee for approval. These initiatives have improved the quality of education and educational opportunity for students.

In response to a question from Regent Spence, President Yudof explained that new ideas and interdisciplinary initiatives arise in a number of ways. Some are related to the University's strengths, such as information technology, while others are of critical importance to Minnesota, such as agriculture. He acknowledged the invaluable role faculty members play in choosing niches that play to the University's strengths and relate, where possible, to employment in Minnesota.

In response to a question from Regent Phillips, Bruininks cited three incentives that encourage faculty to engage in interdisciplinary and outreach initiatives. One is the faculty's need to seek new knowledge and to share that knowledge with students and the broader community. A second incentive is the compact process, which provides an arena for deans to have conversations about interdisciplinary issues. A third incentive is centers, institutes, and consortiums that encourage an exchange of ideas.

In response to a question from Phillips, Bruininks noted that in any organization there is resistance to change, which may stem from very parochial academic loyalties. However, in a university environment, the intellectual curiosity of faculty, staff, and students ultimately will determine what happens.

Yudof added that the faculty is already very interdisciplinary as are National Institutes of Health and National Science Foundation. The real barriers are sometimes institutional because an initiative might involve different departments, different deans,

and different sources of money. The administration's job is to break down these barriers so that motivated faculty can work together.

### **COMMITTEE WORKPLAN, 2000-01**

Regent O'Keefe led the discussion of the committee's workplan for 2000-01. He asked that the following items be restored to the workplan: a joint meeting with the Board Committee of the Minnesota State Colleges and Universities System (MnSCU) and a discussion of the Metropolitan Higher Education Strategy.

Regent Spence expressed her support for the workplan and the inclusion of topics discussed during the Board's retreat in August. She also urged the committee to consider how the Metropolitan Higher Education Strategy discussion could be framed to include issues that might be relevant in other parts of Minnesota. Regent Larson agreed, noting the need to show potentially positive effects outstate and to rural legislators.

The committee agreed to accept the workplan for 2000-01.

### **CONSENT REPORT**

A motion was made and seconded, and the committee voted unanimously to recommend approval of the Consent Report, as found in the docket materials:

- 1) New minor and certificate:
  - Applied Ethics, University of Minnesota Crookston.
- 2) Merging and renaming of pharmacy graduate programs:
  - M.S. and Ph.D. degree program in "Social and Administrative Pharmacy" with the M.S. degree program in Hospital Pharmacy to create a single program in Social, Administrative, and Clinical Pharmacy with separate degree tracks for Social & Administrative Pharmacy and Experimental & Clinical Pharmacology.

In response to a question from Regent Baraga, Executive Vice President and Provost Bruininks explained that the creation of the degree program in Social and Administrative Pharmacy would not affect the number of graduating pharmacists. These changes are intended to capture efficiencies and improve monitoring.

### **INFORMATION ITEMS**

Executive Vice President and Provost Bruininks referred the committee members to the docket materials.

The meeting adjourned at 11:25 a.m.



**ANN D. CIESLAK**  
**Executive Director and**  
**Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Finance & Operations Committee**

**September 7, 2000**

A meeting of the Finance & Operations Committee of the Board of Regents was held on Thursday, September 7, 2000, at 9:30 a.m., in the Recital Hall, 160 Humanities Fine Arts Center, University of Minnesota, Morris campus.

Regents present: H. Bryan Neel, presiding; Robert Bergland, William Hogan, David Metzen, and Maureen Reed.

Staff present: Senior Vice President Frank Cerra; Vice President Eric Kruse; Interim Vice President Robert Jones; Executive Director Ann Cieslak; Associate Vice President Richard Pfutzenreuter.

Student Representatives present: Venora M. Hung and Aaron Schultz.

**CONSENT REPORT**  
**Review/Action**

Associate Vice President Pfutzenreuter reported that there were no general contingency items and introduced Interim Controller Michael Volna to present the Consent Report to the committee. Volna noted the following additional item:

- \$170,400 to Arthur Andersen LLP to extend the consulting contract between the firm and the Sponsored Projects Administration from August 31, 2000, through February 28, 2001, to provide continued implementation assistance for the Sponsored Projects Management Model.

Volna reported the following purchases of goods and services over \$250,000, as found in the docket materials:

- An estimated \$300,000 to Australian Scientific Instruments Pty Ltd for Paterson high-pressure high-temperature testing apparatus for research projects in the Department of Geology and Geophysics.
- \$641,760 to PE Biosystems for purchase of two Model 3700 Sequencing DNA Analyzers and bioassurance agreements for the DNA Analyzers for the new AHC Biomedical Genomics Center.
- \$519,783 to Welsh Company for building operating expenses to include maintenance and custodial services for the West Bank Office Building for the period September 1, 2000 through August 31, 2001.

In response to a question from Regent Reed regarding the Arthur Andersen contract, Pfutzenreuter stated that he expected that one more contract extension may need committee approval before the University completes hiring and training new employees to assume these functions.

In response to a question from Regent Metzen regarding the Welsh Company contract, Denis Larson of Facilities Management Purchasing stated that this is the fifth and final year of the existing contract and that Facilities Management plans to provide services for the building after the contract period is over.

Regents Bergland, Hogan, and Reed expressed concern regarding the number of exceptions being requested for the purchase of high-tech equipment compatible with equipment already owned by the University. Larson stated that the Purchasing Department will keep track of the requests for exceptions, then will compare the costs to government pricing standards. Reed suggested that the purchasing policy may need to be changed to acknowledge similar situations.

Pfutzenreuter introduced Sheila Warness, Director of Asset Management, who detailed changes to four existing endowment funds as proposed in the Consent Report. Warness explained that the proposals reflect both changes in academic focus at the University and a new philosophy of endowment management. Warness added that the proposals have been reviewed for legal issues and that affected departments and provostal areas have been consulted. In response to a concern from Hogan regarding the terms of bequests, Pfutzenreuter stated that the University of Minnesota Foundation has a review process it uses before accepting new bequests.

A motion was made, seconded, and the committee voted unanimously to recommend approval of the Consent Report as presented in the docket materials and as amended to include the Arthur Andersen LLP contract extension.

### **COMMITTEE WORKPLAN, 2000-01** **Discussion**

Regent Neel and Associate Vice President Pfutzenreuter presented for discussion the FY01 committee workplan, as found in the docket materials.

Regents Bergland and Neel stressed the importance of allotting enough time to discuss substantive issues, and the importance of combining input from the University's outside investment advisors and investment managers with that of the University's internal investment team.

In response to a question from Regent Reed regarding how the proposed Delegations of Authority policy revisions will impact the workplan, Pfutzenreuter stated that the policy revisions will be brought before the committee for review throughout the year, and that less important agenda items may have to be postponed to ensure sufficient time to focus on these changes.

### **QUARTERLY PURCHASING REPORT** **Discussion**

Associate Vice President Pfutzenreuter and Acting Controller Volna presented the quarterly purchasing report, as found in the docket materials.

Volna informed the committee that during the past year, there has been a 21% increase in purchases and a 39% increase in approved exceptions. In response to questions from Regents Bergland and Metzen regarding violations of purchasing policy,

Volna explained that most of the violations occur with contracts for services. To reduce violations, departments involved are receiving training in purchasing procedures. In response to a question from Regent Neel, Pfutzenreuter and Volna stated that the University has a violation rate of .07%, which is lower than many other universities.

### **QUARTERLY COMMUNITY ECONOMIC DEVELOPMENT REPORT**

#### **Discussion**

Julie Sweitzer, Director of the Office of Equal Opportunity and Affirmative Action, and D. Craig Taylor, Director of the Office of Community Economic Development, presented the quarterly community economic development report, as found in the docket materials.

In response to the concern expressed by several committee members that much of the growth in the small business program initiatives and the use of minority-owned firms has been the result of the University's current construction contracts, Vice President Pfutzenreuter agreed that the University needs to focus increased efforts in the area of non-construction-related goods and services. Taylor added that he spends considerable time informing University departments and small businesses about the initiative. In response to a question from Regent Metzen regarding the low numbers of Hispanic firms, Taylor stated he would contact leaders in the Hispanic community to make sure they are aware of the program.

In response to a question from Regent Reed regarding safeguards to ensure that the intent of the policy is followed, Taylor explained that the University subscribes to ratings services that certify the ownership of companies.

In response to a question from Student Representative Hung regarding how a firm is counted if it fulfills more than one category, Taylor clarified that it is only counted in one category.

### **REVISION OF BOARD OF REGENTS POLICY: ENDOWMENT FUND**

#### **Review**

Associate Vice President Pfutzenreuter and Sheila Warness, Director of Asset Management, presented for review the recommended changes to the Board of Regents Policy: *Endowment Fund*, as found in the docket materials.

Director Warness stated that Cambridge & Associates, the University's investment advisor firm, had recommended that the allocation percentages contained in the policy be changed every 3-4 years. It was last done in 1996. Warness informed the committee that the proposed changes involve the asset allocation percentages and changes in terminology to specifically include private equity, timberland, hedge funds and commodities as potential investment vehicles.

Regents Bergland and Hogan expressed concern regarding the risk factor and volatility involved in commodities, urging extreme caution. Warness explained that timberland and commodities, such as oil and gas, always have real value and are often more stable than stocks and bonds, helping to minimize long-term risk. Warness added that the language could be reworded and brought back to the committee. Regent Metzen suggested eliminating "commodities" from the revised language, adding that the committee needs to think long-term when setting policy. Regent Reed articulated her view that the definition is permissive language, but that within the policy are guidelines and protections that will constrain the activity and limit the risk.

In response to Hogan's question whether the intent of the new policy is a higher rate of return with more risk, Neel stated that his understanding was an improved rate of return with less risk. Warness clarified that the return would be improved significantly, while the risk level would be raised only slightly.

Metzen and Neel stressed the importance of being more cautious with public long-term funds than with corporate or personal allocations. Warness explained that the proposed changes were in response to the concern that, over the long term, it is very difficult to keep the rate of investment return higher than the rate of inflation without some degree of risk.

After further discussion, Neel suggested bringing the item back to the committee in October. Hogan requested that the committee receive further explanation of the proposed language, definitions, and reasoning behind the proposals.

**FINANCIAL UPDATE: CAPITAL FINANCING & DEBT MANAGEMENT**  
**Discussion**

Associate Vice President Pfutzenreuter stated that due to time constraints this item would be postponed to a future meeting. He informed the committee that the Debt Management Advisory Committee is scheduled to meet in late September, and that he would report the results of that meeting.

The meeting adjourned at 11:35 a.m.

*Ann D. Cieslak*  
**ANN D. CIESLAK**  
**Executive Director and**  
**Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**September 8, 2000**

A meeting of the Board of Regents of the University of Minnesota was held on Friday, September 9, 2000 at 9:00 a.m. in Oyate Hall on the University of Minnesota, Morris campus.

Regents present: Patricia Spence, presiding; Anthony Baraga, Robert Bergland, Dallas Bohnsack, William Hogan II, Warren Larson, David Metzen, H. Bryan Neel III, Michael O'Keefe, Jessica Phillips, and Maureen Reed.

Staff present: President Mark Yudof; Chancellors Donald Sargeant and Samuel Schuman; Executive Vice President and Provost Robert Bruininks; Senior Vice President Frank Cerra; Vice Presidents Tonya Brown, Carol Carrier, Sandra Gardebring, Eric Kruse, and Christine Maziar; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; Associate Vice Presidents Robert Jones, Donna Peterson, and Richard Pfutzenreuter.

**APPROVAL OF MINUTES**

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

Facilities Committee - July 13, 2000  
Faculty, Staff & Student Affairs Committee - July 13, 2000  
Educational Planning & Policy Committee - July 13, 2000  
Finance & Operations Committee - July 13, 2000  
Board of Regents - July 13, 2000  
Board of Regents - July 14, 2000  
Litigation Review Committee - August 22, 2000

**REPORT OF THE PRESIDENT**

President Yudof called on Vice President Maziar to provide a brief report on the University's sponsored research for 2000. Maziar reported that the University of Minnesota posted record increases in sponsored research program expenditures, awards and proposals for fiscal year 2000. University faculty and researchers submitted 3,212 research proposals requesting over \$1.18 billion funding, which was an increase of nearly 30 percent over fiscal year 1999 and marks the first time the University has passed the billion-dollar mark. Researchers effectively competed for over \$455 million in research and sponsored program awards, a new record for the University. Maziar stated that the magnitude of these increases across federal agencies is a positive indicator that research activity of the University of Minnesota is attracting broad support across many academic disciplines. It is a testament to the excellence of the University's faculty, staff, and students in a highly competitive sponsored research environment. In addition, the faculty is to be commended for achieving these results in a year when the University was undertaking semester conversion. The University is grateful to all the government, corporate, and foundation sponsors who make its research efforts possible.

President Yudof continued his report. He noted that the University would be hosting a summit on Minnesota's Economy, September 20, 2000 at the RiverCentre in St. Paul. It is a one-day event designed to bring together Minnesotans with local and national experts to discuss the state's economy. He encouraged all Board members to attend if their schedules permit.

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

Chair Spence expressed appreciation to Chancellor Schuman and the faculty, staff, and students at the University of Minnesota Morris for their hospitality and hard work in hosting the Board of Regents meetings.

She reported that the Board of Regents participated in a retreat in August. The discussion focused on internal and external communication. A copy of the retreat summary was distributed and is on file in the Board office.

#### **RECEIVE AND FILE REPORTS**

Chair Spence noted the receipt and filing of the Quarterly Report of Grant and Contract Activity and the Annual Progress Report on Conformance with Campus Master Plans.

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

Regent O'Keefe, Chair of the committee, reported that the committee voted unanimously to recommend:

- a) Approval of the Consent Report for the Educational Planning and Policy Committee as presented to the committee and described in the September 7, 2000 committee minutes.

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

O'Keefe reported that the committee received a progress report relating to the academic interdisciplinary initiatives; received a presentation on classroom investment strategy; discussed the committee's 2000-01 committee workplan and reviewed a number of information items described in the committee minutes.

#### **REPORT OF THE FINANCE & OPERATIONS COMMITTEE**

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

- a) Approval of the Consent Report for the Finance & Operations Committee as presented to the committee and described in the September 7, 2000 committee minutes.

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

Neel reported that the committee discussed the committee workplan for 2000-01; reviewed the Quarterly Purchasing Report and the Quarterly Community Economic Development Report; and reviewed proposed revisions to the Board of Regents

Policy: *Endowment Fund*. He reported that the financial update on capital financing and debt management was delayed due to time constraints.

#### **REPORT OF THE FACILITIES COMMITTEE**

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

- a) Approval of a recommendation of the President that the FY01 capital budget be amended by:
  - 1. \$283,000 to increase funding for the Bierman Field Athletic Building Addition and Remodeling Project to \$7,283,000.
- b) Approval of a recommendation of the President that the schematic plans for the Middlebrook Hall Student Housing Addition Project be approved and the appropriate administrative officers be authorized to proceed with the award of contracts and the development of construction documents and construction.
- c) Approval of a recommendation of the President that the schematic plans for the Frontier Hall Student Housing Addition and Remodeling Project be approved and the appropriate administrative officers be authorized to proceed with the award of contracts and the development of construction documents and construction
- d) Approval of a recommendation of the President that the schematic plans for the Bierman Field Athletic Building Addition and Remodeling Project be approved and the appropriate administrative officers be authorized to proceed with the award of contracts and the development of construction documents and construction
- e) Approval of a recommendation of the President that the appropriate administrative officers receive authorization to execute the appropriate documents providing for the following real estate transaction:
  - 1. Amendment of lease for Psychiatry at Fairview-University Medical Center, Riverside campus, 2450 Riverside Avenue, Minneapolis.
- f) Approval of the following resolution relating to the approval of language and the setting of a date for a public hearing on amendments to Regents Traffic Regulation Ordinances:

WHEREAS, in accordance with Minnesota Statutes 1979, Chapter 169.965 and Chapter 137.12 the Regents of the University of Minnesota adopted Traffic Regulation Ordinances; and

WHEREAS, the Regents of the University of Minnesota reserve the right to amend and update the Traffic Regulation Ordinances from time to time as recommended by the administration; and

WHEREAS, the administration is in the process of updating the Twin Cities Campus Parking and Transportation Policies which requires the Traffic Regulation Ordinances to be amended accordingly; and

WHEREAS, amending the Regents Traffic Regulation Ordinances requires a public hearing on the proposed amendments;

NOW, THEREFORE, BE IT RESOLVED, that the Regents of the University of Minnesota shall conduct a public hearing on the proposed amendments to the Regents of the University of Minnesota Traffic Regulation Ordinances on the 12th day of October, 2000, at 9:45 o'clock a.m., in the West Committee Room, on the 6th floor of the McNamara Alumni Center, located at 200 Oak Street Southeast, Minneapolis, Minnesota.

BE IT FURTHER RESOLVED, that the notice of said hearing shall be published in the *Norwood Young America Times*, Norwood Young America, Carver County, Minnesota; the *Rosemount Town Pages*, Farmington, Dakota County, Minnesota; *Finance and Commerce*, Minneapolis, Hennepin County, Minnesota; *The Thirteen Towns*, Fosston, Polk County, Minnesota; the *St. Paul Legal Ledger*, St. Paul, Ramsey County, Minnesota; the *Mesabi Daily News*, Virginia, St. Louis County, Minnesota; and the *Morris Sun and Tribune*, Morris, Stevens County, Minnesota.

BE IT FURTHER RESOLVED, that said notice shall read as follows:

**NOTICE OF HEARING:**

The Regents of the University of Minnesota does hereby give notice to the public that on the 12<sup>th</sup> day of October, 2000, at 9:45 o'clock a.m., in the West Committee Room, on the 6th floor of the McNamara Alumni Center located at 200 Oak Street Southeast, Minneapolis, Minnesota on the University of Minnesota Twin Cities/Minneapolis/East Bank campus it will conduct a public hearing on the proposed amendments to Regents of the University of Minnesota Traffic Regulation Ordinances. The proposed amendments to the Regents of the University of Minnesota Traffic Regulation Ordinances are as presented to the Board of Regents Facilities Committee meeting on September 7, 2000, and on file in the Board Office.

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

Phillips reported that the committee reviewed design guidelines for the Griggs Hall addition on the University of Minnesota Duluth campus; discussed strategic facilities issues relating to the University of Minnesota Morris campus; discussed the Facilities Committee workplan for 2000-01; and reviewed a number of information items described in the committee minutes.

**REPORT OF THE FACULTY, STAFF, AND STUDENT AFFAIRS COMMITTEE**

Regent Hogan, Chair of the committee, reported that the committee reviewed critical issues relating to the Professional and Administrative employment classification at the University of Minnesota; received a presentation on undergraduate demographic profiles for the University of Minnesota and peer institutions; discussed the committee's workplan for 2000-01; and reviewed a number of information items described in the committee minutes.

Kristen Berning, Chair of the Student Representatives, addressed the Board regarding the agenda item relating to demographic profiles for the University of Minnesota and the discussion at the committee about graduation rates. She reported

that students are concerned about the low four-and five-year graduation rates. They hope that when the administration discusses graduation rates, undergraduate advising would be reviewed. They believe that improved student advising is an effective means for students to understand and focus their academic careers.

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

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

#### **REPORT OF THE LITIGATION REVIEW COMMITTEE**

Regent Metzen, Vice Chair of the committee reported that the committee met on August 22, 2000 to discuss attorney-client privileged matters and there were no actions taken at the meeting.

#### **HONORS COMMITTEE**

President Yudof reported that the Report of the All-University Honors Committee was forwarded to the Board on August 23, 2000 and recommended its approval.

A motion was made and seconded and the Board of Regents voted unanimously to approve the Report of the All-University Honors Committee.

#### **QUARTERLY SUMMARY OF EXPENDITURES**

Regent Spence presented the Quarterly Summary of Expenditures for the Office of the Board of Regents, the President's Office, and Eastcliff Operations, for twelve months ending June 30, 2000 as contained in the docket materials.

A motion was made and seconded and the Board of Regents voted unanimously to approve the Summary of Expenditures for the period ending June 30, 2000.

#### **REPORT OF THE FACULTY CONSULTATIVE COMMITTEE**

Professor Fred Morrison, Chair of the Faculty Consultative Committee (FCC), presented the Faculty Consultative Committee quarterly report. Morrison reported that issues of concern that will be addressed this year by the FCC include: the University's budget, adequate compensation for all University employees, maintenance of health care and other benefits, stabilizing the finances of the Academic Health Center, academic integrity, and non-faculty instructional personnel. A copy of the report was included in the docket materials.

#### **ENROLLMENT GROWTH IN SELECTED ACADEMIC AREAS**

Executive Vice President & Provost Bruininks and Senior Vice President Cerra led the discussion on enrollment growth in selected academic areas as contained in the docket materials.

Bruininks reported that the purpose of the presentation was to provide the Board with information about two critical academic investments for the University of Minnesota, which are included in the proposed biennial budget request. Projections

indicate that, in the near future, the state will face serious shortages of trained individuals in the fields of health science and computer and information technology. These two fields are considered critical to the state's economic future and its quality of life.

Regarding the needed investments in information technology, Bruininks reported that over the past ten years, in response to the explosive growth in technology fields, the University of Minnesota has experienced dramatic increases in numbers of students enrolled in these disciplines. However, to meet the student and industry needs, it has become apparent that the University must further strengthen the education and research programs in digital and information technology on all University campuses. Bruininks reviewed the key policy issues regarding this investment, provided information on marketplace trends, reviewed the University's enrollment history, and reflected on the University's current and long-term investment strategies.

Cerra provided information on future health professional workforce needs. Recent projections indicate that Minnesota is facing critical shortages of health professionals in pharmacy, nursing, medical technology, and dentistry, particularly in greater Minnesota. He explained why the critical shortages exist, described the proposed enrollment plans, and provided the rationale in support of the plans.

Chair Spence thanked the vice presidents for their presentations and requested that questions be held until the President completed his presentation on the University's biennial budget proposal.

#### **UNIVERSITY BIENNIAL BUDGET REQUEST**

President Yudof presented his recommended 2002-2003 Biennial Budget proposal. The proposed budget, totalling \$228.9 million, represents progress the initiatives approved by the Board of Regents two years ago. It was designed to both strengthen the University's foundation and to build upon the core with targeted investments in the following areas that are considered critical for Minnesota's future:

- Competitive compensation;
- Undergraduate experience;
- Interdisciplinary academic initiatives;
- Health professional education;
- Investment in the outreach mission of the University; and
- Support of the University's facilities, libraries, and technical infrastructure.

Yudof reported that the two-part budget strategy designates \$160.1 million for strengthening the University's foundation and \$68.8 for investing in the University's future. He provided detailed rationale for the six areas listed above and indicated that the University's goals are to:

1. Ensure that the salaries and benefits for all employee groups enable the University to recruit and retain the best faculty and staff;
2. Improve the educational experience for its undergraduate students;
3. Invest in targeted interdisciplinary academic areas critical for Minnesota's future;
4. Address significant issues in the financing of medical education and the delivery of health services to Greater Minnesota;
5. Advance the priorities of the land-grant mission to strengthen Minnesota economy, health, and quality of life; and,
6. Support the facility, information services, and technology needs of the institution.

Regent Reed commented that the proposal for the Academic Health Center (AHC) is a positive step. She complimented Dr. Cerra for moving toward "high end" health professional education, and for proposing to refocus health professional education in areas other than the Twin Cities campus. Building capacity for education outside the Twin Cities and the resulting economic impact supports the University's outreach mission.

Regent Bergland expressed concern about the declining interest in health care fields. Cerra responded that this is a national problem. However, there are still ten applicants for each opening in the University's medical schools and the quality of student applicants is high. To ensure interest in health care fields for the future, the University and others need to educate younger students about the importance of these fields. Recruitment should begin in the grade schools.

Regent Metzen stated that it will be a challenge for the University to present the budget so it is viewed as an investment for the State of Minnesota. It is important to gather support for the budget before the legislature convenes in January. Yudof agreed with Metzen, commenting that the University will have to work hard to spread its message and will need many partners to support the request at the legislature. Cerra added that the AHC will embark shortly on a statewide grassroots education program about the proposed request.

In response to a question from Regent Hogan, Vice President Maziar reported that it is anticipated that additional resources from royalties will come to the Office of the Vice President for Research & Dean of the Graduate School. These resources will be used for investing in additional capability for technology commercialization through a fund designed to support graduate fellowships in a matching fashion.

#### **GIFTS**

Assistant Vice President Judy Kirk presented the monthly list of gifts to the University of Minnesota, the University of Minnesota Foundation, the Arboretum Foundation, and the Minnesota Medical Foundation through June 30, 2000 and for the first month of the fiscal year ending July 31, 2000 as listed in the docket material and on file in the Board Office.

A motion was made, seconded, and the Board of Regents voted unanimously to approve the receipt of gifts as presented.

The meeting adjourned at 12:10 p.m.



**ANN D. CIESLAK**  
**Executive Director and**  
**Corporate Secretary**

**CORRECTED COPY**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**MINUTES**

**BOARD OF REGENTS MEETINGS**

**AND**

**COMMITTEE MEETINGS**

**October 12-13, 2000;  
October 25, 2000**

**Office of the Board of Regents**

**600 McNamara Alumni Center  
University Gateway**

## UNIVERSITY OF MINNESOTA

## BOARD OF REGENTS

**Minutes of the Board of Regents Meetings  
and Committee Meetings****October 12-13, 2000  
October 25, 2000**

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**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Audit Committee**

**October 12, 2000**

A meeting of the Audit Committee of the Board of Regents was held on Thursday, October 12, 2000 at 8:35 a.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Robert Bergland, presiding; Michael O'Keefe, Jessica Phillips, and Maureen Reed.

Staff present: President Mark Yudof; Chancellor Kathryn Martin; Chancellor Samuel Schuman; Executive Vice President and Provost Robert Bruininks; Senior Vice President Frank Cerra; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; and Associate Vice President Gail Klatt.

Student Representatives present: Kristin Berning and Venora Hung.

**INTERNAL AUDIT UPDATE**

Associate Vice President Klatt presented the quarterly Internal Audit Update, as found in the docket materials. Klatt updated the committee on recent audit activities relating to the following items:

- *Evaluation of the Athletics Compliance Program as required by the NCAA Athletic Certification Program for Men's Intercollegiate Athletics:*  
Klatt informed the committee that the Athletics Compliance Program audit would be completed well before the January 2001 deadline.
- *Submission of the University report to National Institutes of Health (NIH) evaluating the completion of corrective measures by the University necessary for full removal of NIH "conditional" status designation:*  
Klatt reported that the results of the evaluation requested by NIH of the University's completion of corrective actions necessary for full removal of the University's "conditional" status has been submitted. Klatt added that she expects a positive response from the NIH.
- *Deloitte & Touche LLP initiation of audit of FY 2000 financial statement and compliance audit for A-133 federal funds, both of which involve PeopleSoft as the support for much of the financial transaction processing:*  
Klatt stated that this will be the first time PeopleSoft is being used as the primary processing system for an annual audit, and that implementation is still ongoing in certain areas. This may affect the schedule of the audit, but everyone will work with the external auditors to meet the deadlines. In response to concerns raised by Regent Bergland, Executive Vice President and Provost Bruininks explained that implementation problems with existing secondary systems are being addressed. Bruininks added that regulatory changes in financial aid require changes in the software, but that the departments are working with the external auditors to stay on target.

Klatt updated the committee on the status of outstanding audits, noting improvement since last quarter in implementing "essential" recommendations. In response to concerns raised by Regent O'Keefe about departments that do not meet their implementation deadlines, Klatt explained that there are three main reasons for the delays at the departmental level:

- Waiting for something to occur that is outside the department's control, such as the PeopleSoft implementation;
- Necessary coordination of efforts with other departments; and
- Issues being more complex and taking longer to fix than first anticipated.

Klatt added that the Audit Department intends to help coordinate efforts among units, so that changes can be made more quickly.

In response to O'Keefe's question relating to departments failing to meet audit standards, and whether the standards are too high, Klatt responded that Human Resources is developing a program to improve the training of employees in leadership positions to ensure understanding in these areas. She explained that audits are purposely directed toward units that are more high-risk or where the standards and policies have recently changed to make sure there is compliance with the changes. In addition, administrators request audits of certain problem areas to find out if improvements are needed.

In response to Regent Reed's questions on the proper role of the Audits Department and its optimal role after the audit findings have been issued, Klatt explained that the corrective action must be owned by the leadership of the department audited. The Audit Department serves as a resource for ideas and strategies that have been successful for other units.

### **SEMI-ANNUAL CONTROLLER'S REPORT**

Interim Controller Michael Volna presented the Semi-Annual Controller's Report, as found in the docket materials. Volna briefed the committee on the following topics:

- Transition in Controller's organization;
- Implementation of higher dollar threshold for marking and tracking capital equipment and the related decrease in volume of items requiring accounting and tracking;
- Electronic transaction processing as a result of Financial FormsNirvana;
- Deletion of inactive vendors from Central University Financial System (CUFS);
- Streamlined processing of workers' compensation claims and new communications/service initiative; and
- Evaluation of sponsored and non-sponsored accounts receivable reporting and proposed changes.

Volna stated that all initiatives have gone well; systems are streamlined and methods are more efficient. Volna noted that it may be more cost-effective to train University employees to handle the sponsored and non-sponsored accounts receivable reporting rather than hire an outside firm through the Request For Proposals process.

Regent Reed requested a written summary describing the function of the Controller's Office at the University, and explaining the correlation to the same function in private industry and other public organizations.

## **INVESTIGATIVE AUDIT PROCESS OVERVIEW**

As requested in the committee's workplan, General Counsel Rotenberg and Associate Vice President Klatt presented an overview of the investigative audit process used when dealing with allegations of financial or operational misconduct, as found in the docket materials. Rotenberg clarified the following items for the committee:

- The process used to decide quickly whether the audit needed to be conducted under the attorney/client privilege because of potential litigation;
- The process used to assess the most cost-effective way to utilize outside counsel or other professional resources when necessary, making sure internal counsel and auditors will be used to the greatest extent possible;
- The process used balance the privacy right of University employees and the public accountability of the University;
- The process used to inform the appropriate University officials, including the Board of Regents; and
- The process used to notify governmental officials and agencies of the University's internal investigation into the allegations.

Klatt stated that the University wants an easy process for employees to report concerns, so that issues can be addressed in a timely fashion. Employees can contact the Audit Department through many different channels to relay information, and a strict and disciplined process is in place to protect the privacy both of the individual bringing the allegations and the individual against whom the allegations are brought. Klatt added that an important step in this process is the immediate assigning of a Human Resources manager to the employee.

The meeting adjourned at 9:40 a.m.



**ANN D. CIESLAK  
Executive Director and  
Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Facilities Committee**

**October 12, 2000**

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, October 12, 2000, at 9:45 a.m., in the West Committee Room, 600 McNamara Alumni Center.

Regents present: Jessica Phillips, presiding; Anthony Baraga, Robert Bergland, and Maureen Reed.

Staff present: Chancellor Donald Sargeant, Vice President Eric Kruse, Executive Director Ann Cieslak, Associate Vice President Daniel Hambrock.

Student Representatives present: Kristen Berning and Michael Miller.

**REGENTS TRAFFIC REGULATION ORDINANCES AMENDMENTS  
PUBLIC HEARING**

Regent Phillips opened the public hearing on the proposed amendments to the Regents of the University of Minnesota Traffic Regulation Ordinances. Phillips explained that comments received in the Board of Regents Office by mail, telephone, and electronic mail were distributed to the committee members both prior to and at the public hearing. Phillips introduced Vice President Kruse to summarize the proposed changes to the Traffic Regulation Ordinances.

Kruse summarized the proposed amendments to the University of Minnesota Traffic Regulation Ordinances, as found in the docket materials. Kruse explained that the original ordinances #1, #2, #3, and #4 applied to the St. Paul campus. The proposed amended Regents Traffic Regulation Ordinances will repeal the original ordinances #1, #2, #3, and #4 and amend and restate the remaining ordinances as follows:

- New ordinance #1 states that the University is authorized to employ peace officers and indicates that they have the power of arrest;
- New ordinance #2 applies to the regulation of traffic and parking, including a new provision dealing with abandoned vehicles;
- New ordinance #3 applies to the regulation of bicycles and bicycle traffic and parking;
- New ordinance #4, which applies to the regulation of skateboarding and roller-skating, includes new language to ensure this ordinance will apply to both motorized and non-motorized scooters;
- New ordinance #5 applies to the regulation of traffic and parking on the University Transitway.

The amendments also extend the application of new ordinances #1, #2, #3, and #4 to all properties owned, leased or occupied by the Regents of the University of Minnesota.

Phillips presented the procedures for the public hearing:

- Each person wishing to speak should go to the presenters' table to complete a sign-in sheet which requests a printed name, and whether the person is a student, faculty member, staff member, or member of the general public;
- Each speaker should start by clearly stating his or her name;
- Each speaker will be given three minutes for comments;
- All who wish to comment will be heard before the committee calls on administrators to clarify issues or answer questions.

Phillips requested that all those who wished to comment at the public hearing raise their hands. The following two people spoke at the hearing:

- Douglas Olson – faculty member, regarding bicycle lanes and safety; and
- Mary Galen O'Connor – citizen, regarding language added to the ordinances describing the University's legal status.

A motion was made and seconded to close the public hearing. The motion was approved unanimously, and the public hearing was closed at 10:00 a.m.

#### **REGENTS TRAFFIC REGULATION ORDINANCES AMENDMENTS**

##### **Review/Action**

Vice President Kruse presented the following resolution relating to the adoption of the amendments to the Regents of the University of Minnesota Traffic Regulation Ordinances:

##### **RESOLUTION RELATING TO THE ADOPTION OF THE AMENDMENTS TO THE REGENTS OF THE UNIVERSITY OF MINNESOTA TRAFFIC REGULATION ORDINANCES**

**WHEREAS**, in accordance with Minnesota Statutes 1979, Chapter 169.965 and Chapter 137.12, the Regents of the University of Minnesota adopted Traffic Regulation Ordinances; and

**WHEREAS**, the Regents of the University of Minnesota reserve the right to amend and update the Traffic Regulation Ordinances from time to time as recommended by the administration; and

**WHEREAS**, the administration is in the process of updating the Twin Cities Campus Parking and Transportation Policies, which requires the Traffic Regulation Ordinances to be amended accordingly; and

**WHEREAS**, the Board of Regents reviewed the proposed amendments to the Regents Traffic Regulation Ordinances at their meeting in September 2000; and

**WHEREAS**, having published the required public notices, the Regents of the University of Minnesota conducted a public hearing on the proposed amendments to the University of Minnesota Traffic Regulation Ordinances on the 12<sup>th</sup> day of October, 2000, at 9:45 o'clock a.m., in the West Committee Room, on the 6<sup>th</sup> floor of the McNamara Alumni Center, located at 200 Oak Street Southeast, Minneapolis, Minnesota.

**NOW, THEREFORE, BE IT RESOLVED**, that as recommended by the administration, having informed the affected communities and conducted the public hearing, the amendments to the Regents of the University of Minnesota Traffic Regulation Ordinances are approved.

A motion was made and seconded to recommend approval of the proposed resolution.

Robert Baker, Director of Parking and Transportation Services, addressed concerns raised regarding bicycle lanes at the University. Baker explained that a committee of students and faculty meets regularly to look at specific geographical areas and recommends ways to improve conditions and locations for bicycle lanes. He added that his department publishes a pamphlet showing current bicycle lanes on campus and indicating the construction of new lanes next spring.

Regent Phillips requested that Baker present an update on bicycle lanes as part of the alternative transportation update next fall.

In response to concerns expressed by Student Representative Berning relating to the enforcement of the ordinance relating to bicycle traffic, Chief of Police George Aylward stated that the language remains as it has been since 1979. He noted that the officers issue many more warnings than actual citations because they focus on safety.

In response to a question raised by Regent Bergland relating to in-line skates, Baker stated that in-line skates are to be used in a prudent and careful manner, but are permitted to operate on the sidewalk.

Donald Amundson, Associate General Counsel, explained that the phrase "Regents of the University of Minnesota, a constitutional educational corporation", is the legal name of the entity that is the University. This addition makes the reference to the University in the ordinances consistent with other legal documents involving the University.

The committee voted unanimously to recommend approval of the resolution.

## **CAPITAL BUDGET AMENDMENTS**

### **Review/Action**

Vice President Kruse reported that the following amendments to the FY01 Capital Budget are before the committee for review and action, as found in the docket materials:

#### **Riverbend Commons, East River Road Improvements, Twin Cities**

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

The FY01 Capital Budget is amended by \$2,000,000 to incorporate funding for the Riverbend Commons, East River Road Improvements Project located on the Twin Cities campus, East Bank.

Kruse stated that the proposed improvements have been designed in collaboration with the Minneapolis Park Board, and would be undertaken in conjunction with the Riverbend Commons parking garage, student housing, and public improvements projects currently underway along East River Road. Kruse explained that since the plans for this joint project with the Park Board were not final at the time the capital budget was approved, the project could not be included in the capital budget. Kruse added that the projected cost was used in determining the amount of anticipated

University debt service, noting that the Park Board will own the road and be responsible for all maintenance and associated costs once the project is completed.

The committee voted unanimously to recommend approval of the amendment to the FY01 Capital Budget.

#### **Networking and Telecommunications Services Building Renovation, Twin Cities**

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

The FY01 Capital Budget is amended by \$841,000 to increase funding for the Networking and Telecommunications Services Building Renovation Project to \$4,438,000. The project is located on the Twin Cities campus, East Bank.

Kruse reported that additional funding for the project is required to address unexpected environmental contamination levels.

In response to questions from Regents Bergland and Reed, Kruse replied that the University's policies and procedures dealing with the purchase of contaminated land have been updated in order to avoid this problem in the future.

The committee voted unanimously to recommend approval of the amendment to the FY01 Capital Budget.

#### **Eastcliff Carriage House Renovation**

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

The FY01 Capital Budget is amended by \$342,000 to incorporate funding for the Eastcliff Carriage House Renovation Project. The Eastcliff Carriage House is located at 176 North Mississippi Boulevard, St. Paul, Minnesota.

Kruse stated that the renovation of the Eastcliff Carriage House is needed to correct code deficiencies and to repair and renew the roof, siding, windows, and doors. Kruse noted that the Brooks family, the donors of Eastcliff, has provided the funding for the renovation.

In response to a question raised by Regent Baraga, Kruse replied that the carriage house would only be used for extra storage and as a garage, and that no one would be living or working in the building.

The committee voted unanimously to recommend approval of the amendment to the FY01 Capital Budget.

#### **Bierman Field Athletic Building Addition and Remodeling, Twin Cities**

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

The FY01 Capital Budget is amended by \$210,000 to increase funding for the Bierman Field Athletic Building Addition and Remodeling Project to \$7,493,000. The project is located on the Twin Cities campus, East Bank.

Kruse stated that the additional amount is needed to install a therapeutic pool as part of the project, adding that it would be funded completely by gifts and donations. He explained that the pool would be used by both the Men's and Women's Intercollegiate Athletics Programs.

In response to Regent Reed's concern that this was the second budget increase for the facility, Kruse noted that this increase was due to a program change, not a cost overrun. No more changes were expected in the project.

The committee voted unanimously to recommend approval of the amendment to the FY01 Capital Budget.

#### **Snyder Building Air Conditioning, Minnesota Landscape Arboretum**

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

The FY01 Capital Budget is amended by \$600,000 to incorporate funding for the Snyder Building Air Conditioning Project located at the Minnesota Landscape Arboretum, Chanhassen, Minnesota.

Kruse stated that air conditioning is desired to improve the comfort and quality of the interior spaces. Kruse added that funding has been provided by a private gift, and the estimated completion date is July 2001.

The committee voted unanimously to recommend approval of the amendment to the FY01 Capital Budget.

#### **SCHEMATIC PLANS**

#### **Riverbend Commons, East River Road Improvements, Twin Cities Campus**

##### **Review/Action**

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

The schematic plans for the Riverbend Commons, East River Road Improvements Project are approved and the appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

Vice President Kruse introduced the project designer, Rick Brown of SRF Consulting Group, who presented the schematic plans for the Riverbend Commons, East River Road Improvements Project, as found in the docket materials.

Brown explained that the design for the East River Road improvement creates a parkway with boulevard, sidewalks, and bicycle paths adjacent to Riverbend Commons. Two separate one-way roadways incorporate traffic calming and enhanced pedestrian safety. Construction begins April 2001. The roadway will be closed to through traffic until Fall 2001.

In response to concerns raised by Regent Reed regarding the coordination of the various construction projects in that area, Brown explained that the parkway would be built to handle heavier tonnage so that the roadway could withstand continuing construction traffic without damage.

The committee voted unanimously to recommend approval of the schematic plans.

**SCHEMATIC PLANS**  
**Social Sciences Building Fire & Life Safety Improvements, Twin Cities Campus**

**Review/Action**

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

The schematic plans for the Social Sciences Building Fire & Life Safety Improvements Project are approved and the appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

Vice President Kruse presented the schematic plans for the proposed Social Sciences Building Fire & Life Safety Improvements Project, Twin Cities campus, as found in the docket materials. Kruse explained that the improvements were necessary to eliminate life safety, accessibility, and building code deficiencies.

Kruse noted that current Higher Education Asset Preservation and Replacement (HEAPR) funds would be used to start the project, and that more HEAPR funding to complete the project would be included in the 2002 Budget Request. The legislature is expected to fund the project because it is a high-rise building with outdated fire containment.

The committee voted unanimously to recommend approval of the schematic plans.

**REAL ESTATE TRANSACTIONS**  
**Action**

**Sale of Rishmiller Trust Property, Crow Wing County, MN**

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

The appropriate administrative officers are authorized to execute the appropriate documents to sell the Rishmiller Trust Property consisting of 1,520 acres located in Timothy Township, Crow Wing County, Minnesota, to the Board of Commissioners, Crow Wing County, for \$611,883.

Real Estate Director Susan Weinberg presented information about the proposed sale of the Rishmiller Trust Property, as found in the docket materials. Weinberg explained that the 1,520 acres are comprised of parcels of non-contiguous vacant land, and that the Crow Wing County Commissioners want to keep the property in its natural state as part of the public domain, to be used as parkland and wildlife habitats. Proceeds of the sale go to the Rishmiller Scholarship and Loan Fund.

The committee voted unanimously to recommend approval of the transaction.

**Sale of 4555 University Avenue Northeast, Columbia Heights, MN**

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

The appropriate representatives of University Associated Clinics, Inc., a Minnesota non-profit corporation ultimately controlled by Regents of the University of Minnesota, receive authorization to execute the appropriate documents for the sale of property at 4555

University Avenue Northeast, Columbia Heights, to Landmark Restaurant Equipment and Design for \$229,000.

Real Estate Director Susan Weinberg presented information about the proposed sale of the property at 4555 University Avenue NE, as found in the docket materials. Weinberg explained that the property had been used as a medical clinic until 1997, but was not part of the 1997 merger with the Fairview Hospital System. It has not been in use since September 1997. The proceeds of the sale would be used to repay a portion of an internal University loan for the Academic Health Center/University Associated Clinics.

The committee voted unanimously to recommend approval of the transaction.

#### **REAL ESTATE TRANSACTIONS Review**

##### **Acquisition of 2525 - 4<sup>th</sup> Street Southeast, Minneapolis, MN**

Real Estate Director Susan Weinberg presented for review the proposed acquisition of 2525 - 4<sup>th</sup> Street SE, as found in the docket materials. Weinberg explained that the property is located adjacent to the intercampus Transitway. She added that a substantial portion of the acquisition cost is a donation from the owner.

Regents Baraga and Reed both stressed the importance of thorough due diligence and environmental investigations so that the University knows the exact conditions of the land and building before agreeing to the purchase.

##### **Lease for Surface Building, Tower/Soudan State Park, Soudan, MN**

Real Estate Director Susan Weinberg presented information on the proposed lease of space in the Breitung Surface Building, located at 41 First Avenue, Breitung Township, MN, as found in the docket materials. Weinberg explained that the Physics Department would use the space for offices and storage as part of its ongoing Main Injector Neutrino Oscillation Search (MINOS) Research Project. Money from the MINOS research grant would be used to pay for the rent and associated operating costs.

#### **STRATEGIC FACILITIES ISSUES Crookston Campus**

##### **Discussion**

Chancellor Sargeant and Vice President Kruse provided information on the strategic facilities issues on the Crookston campus, as found in the docket materials and on file in the Board office. Sargeant provided an overview of campus size, facilities, enrollment, and staffing levels.

Housing continues to be an issue on the Crookston campus, with the challenge being to provide more on-campus housing at a reasonable price for the area. In response to a question from Regent Phillips regarding the feasibility of a public/private partnership, Sargeant replied that there has not been any interest expressed by private parties in such a partnership because the campus is more than a mile outside of town.

Sargeant reported on utility infrastructure issues and environmental concerns, indicating that the needs in these two areas will be addressed in the Higher Education Asset Preservation and Replacement (HEAPR) request for next year.

Sargeant stated that the five-year deferred maintenance plan reflects the same funding problem experienced system-wide; the amount of the annual repair and replacement appropriation does not match the projected needs.

In response to a question from Regent Bergland, Sargeant stated that two campus buildings are on the National Register of Historic Places: Bede Hall and the Kiehle building.

In response to a concerns expressed by Regent Phillips over accessibility issues, Sargeant explained that they have been able to make great progress in that area through the use of connecting links, lifts, elevators, and curb cuts.

#### **QUARTERLY CAPITAL IMPROVEMENT PLAN REPORT (4<sup>th</sup> Quarter, FY00)**

##### **Discussion**

Vice President Kruse presented the Quarterly Capital Improvement Plan Report (4<sup>th</sup> Quarter, FY00) and the Project Schedule Variance Report for discussion, as found in the docket materials and on file in the Board office.

Kruse stated that the design/build system for construction has proven successful by ensuring the quality of the work and enabling some projects to finish ahead of schedule.

In response to a question from Regent Phillips, Kruse stated that he would report back to the committee regarding factors that affect project completion rates.

In response to a concern from Student Representative Miller, Kruse explained that funding is not available at this time for a Bulldog Sports Arena on the Duluth campus. Regent Baraga added that the Duluth Entertainment and Convention Center (DECC) plans to update its facility to better accommodate the hockey games.

#### **INFORMATION ITEMS**

Vice President Kruse discussed the outcomes from Beautiful U Days 2000, as found in the docket materials. He noted the following highlights:

- Nicollet Island: Tree planting near the original site of the University will help with a research study of how trees grow in an urban setting;
- Sarita Wetlands on the St. Paul campus: Cleaned trash out of the water and spread woodchips to create paths for use by University students to study the effects of an urban environment on a wetland;
- Collected 25 tons of discarded electronic equipment for proper disposal as environmentally hazardous material.

Kruse also informed the committee that an insurance settlement for the fire on the Showboat is pending.

The meeting adjourned at 11:45 a.m.



**ANN D. CIESLAK  
Executive Director and  
Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Faculty, Staff and Student Affairs Committee**

**October 12, 2000**

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, October 12, 2000, at 9:45 a.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: William Hogan, presiding; Dallas Bohnsack, Michael O'Keefe, and Patricia Spence. Maureen Reed joined the meeting during the Employee Health Care Cost Increases agenda item.

Staff present: President Mark Yudof; Executive Vice President and Provost Robert Bruininks; Chancellors Kathryn Martin and Samuel Schuman; Vice Presidents Tonya Brown and Carol Carrier; Interim Vice President Robert Jones; General Counsel Mark Rotenberg, Executive Director Ann Cieslak; Associate Vice President Richard Pfutzenreuter.

Student Representatives present: Heidi Frederickson and Lakeesha Ransom

Chair Hogan introduced Professor Richard Goldstein who will represent the Faculty Consultative Committee at the meetings of this committee

**STUDENT ATHLETES: ACADEMIC PROGRESS REPORT**

Vice President Tonya Brown introduced Vice Provost Craig Swan; Professor Laura Koch, Interim Director, Academic Counseling and Student Services; Professors Richard Weinberg and Linda Brady, members of the Advisory Committee on Athletics; Professor Sara Evans, Chair of the Faculty Academic Oversight Committee on Intercollegiate Athletics; Chris Voelz, Director of Women's Intercollegiate Athletics (WICA); and Tom Moe, Interim Director of Men's Intercollegiate Athletics (MICA) in order to emphasize the shared responsibility that exists at the University for athletics. Brown acknowledged the changes that have been made in faculty and administrative oversight of athletics in the past year.

Swan presented the annual report on student athletes' grades and graduation rates for the 1998-99 academic year. A copy of the report is on file in the Board Office. Swan prefaced his discussion by noting the following: the statistics in the report comply with National Collegiate Athletic Association (NCAA) reporting rules, which do not require information about the graduation and academic achievement of student athletes who transfer to the University or walk-ons (those who join a team, but were not initially recruited as a student athlete). He commented that relatively small numbers of student athletes in each cohort can result in dramatic shifts in graduation rates from year to year and that student athletes who transfer to other universities are included in the University's graduation rates.

Swan highlighted the following:

- the six-year graduation rate for student athletes who entered the University during the 1993-94 academic year has increased when compared to the rate for student athletes who entered the University during the 1992-93 academic year;
- the graduation rate increase was greater for female student athletes than for males;
- the six-year graduation rate for all student athletes exceeds the graduation rate for all Twin Cities undergraduates;
- the term GPA of female student athletes is higher than the average for all Twin Cities undergraduates and male student athletes, but equal to that of female undergraduates; and,
- the average term GPA for male student athletes is lower than the average for all undergraduate males, but has increased steadily in recent years.

Swan observed that it is not clear whether student athletes should be expected to equal or exceed the academic achievement of the rest of the undergraduate population and cautioned that the University needs to maintain a careful balance between the number of at-risk student athletes admitted and those with a better chance for academic success.

Voelz summarized the steps WICA takes to ensure the academic success of student athletes, and described the use of incentives for academic success. Voelz stated that academic success and athletic success are not mutually exclusive. The department's intention is to maintain above-average graduation rates for female student athletes, but it is uncertain whether the rate will continue to increase.

Moe noted that while the general trend for male student athletes' academic progress is positive, it but could be better. Incentives and support provided to student athletes should result in significantly higher graduation rates than for the general student body. Moe stressed the importance of coaches who are committed to academic success. The department expects the graduation rates of men's hockey and basketball to increase as a result of the commitment of their new coaches. Moe also stated that a strong athletics program enables the University to recruit more academically prepared student athletes.

In response to Regent Spence, Moe agreed that MICA should consider and adopt some of the tools used by WICA to achieve academic success.

Student Representative Frederickson commented on the national academic ranking of several University of Minnesota, Morris athletic teams and supported the inclusion of coordinate campus student athletes in future reports. Swan indicated that in the future reports would include transfer and walk-on student athletes. The addition of student athletes from all campuses is being examined.

Regent O'Keefe highlighted the importance of a climate where academic success among student athletes is encouraged. He identified as a key policy issue the manner in which the University chooses among student athletes with varying degrees of academic and athletic potential. He also noted that the University must clarify for itself and the public whether its intention is to have successful athletic teams, academically successful student athletes, or a combination. He also suggested that it is important to assess the degree to which the University has a positive effect on the academic performance of its student athletes.

Regent Hogan recommended the academic achievement of student athletes at the University be conveyed to the public in a more effective manner.

President Yudof suggested that there would be merit in trying to assess how student athletes perform academically relative to what would be predicted using various criteria.

Brown reported that a group of faculty and administrators will review the Board of Regents Policy: *Intercollegiate Athletics Philosophy: Twin Cities Campus* and suggest revisions for presentation to the committee in spring 2001.

### **EMPLOYEE HEALTH CARE COST INCREASES**

Vice President Carrier was joined by Associate Vice President Pfutzenreuter; Robert Fahnhorst, Acting Director, Employee Benefits; and Professor Richard McGeehee, Chair, Health Plan Task Force (HPTF) during her presentation. This presentation is background in advance of the December 2000 Board meeting when the recommendations of the HPTF and the administration's response will be discussed. A copy of the presentation is on file in the Board Office. Carrier reported that the University is rethinking its approach to health insurance coverage in response to escalating costs. Employees are concerned about cost, choice, and continuity, while the University's goal is to offer the best possible package that is appropriate given the University's resources.

Carrier highlighted the following:

- the University has no official role in negotiating the plan design for insurance plans purchased through the state;
- approximately half of the 15,000 covered employees select family coverage;
- the majority of each employee group selects the low cost plan;
- most Big Ten universities provide smaller subsidies for employee and family health insurance than the University; and,
- insurance premiums have increased at least 19 percent in each of the past two years.

Carrier identified as a key issue the lack of equitable coverage for same-sex domestic partners in the University's current insurance plan. If the state continues to prevent the inclusion of benefits for domestic partners in its insurance plan, the University will examine ways to enrich the benefits that it offers to domestic partners.

Pfutzenreuter explained that the health care component of the fringe benefit rate has increased dramatically in recent years and is expected to continue to do so. Fahnhorst cited reasons for the recent increases in health insurance premiums, including the high cost of prescription drugs.

Regent Reed commented that the increase in health insurance premiums is an issue for private and public employers alike. She also noted the University's unique role as a purchaser of health care, a producer of health care professionals, and a producer of medical technology, some of which may contribute to increased health care costs.

In response to a question from Regent Hogan, Fahnhorst presented some of the cost containment strategies the University could consider. He commented that many would require the University to shift more of the cost for health insurance to the employee. The University could save an estimated \$8-10 million a year if it adopted all of the cost containment strategies cited in the presentation, excluding the defined contribution and the comprehensive wellness and prevention program options.

McGehee stated the University must decide whether to continue purchasing insurance through the state or attempt to purchase insurance on its own. He believes the University could stay with the state and reduce costs.

In response to a question from Regent O'Keefe about whether the task force report will include recommendations regarding some of the proposed cost containment strategies, McGehee explained that the task force has examined the issue of health insurance from the perspective of employees and is not necessarily focused on ways to reduce costs or benefits.

Regent O'Keefe commented that the increase in health insurance costs is a problem for both the University and its employees. He observed that if the University must cover increased costs there might be tradeoffs with salaries or other benefits. He proposed that the Health Plan Task Force consider ways to achieve a better balance between the University and its employees with respect to the sharing of health insurance costs.

Regent Reed summarized the discussion by noting the University has four choices to make in response to pending increases in health insurance costs: whether to be fully-insured or self-insured; whether to continue to purchase insurance through the state; what benefits to offer employees; and what is the appropriate amount of cost sharing between the University and its employees with regard to health insurance. She added that the last choice is a strategic one that can impact the decisions employees make about their use of health care.

In response to a question from Regent Hogan, Carrier indicated that the committee has considered how rising health care costs might affect the working poor. One mitigating strategy would be to tie benefits to salary levels.

#### **LEADERSHIP DEVELOPMENT: FACULTY & STAFF**

Due to time constraints, this issue was postponed until November.

#### **CONSENT REPORT**

A motion was made, seconded, and the committee voted unanimously to recommend approval of the Consent Report, as found in the docket materials:

- Reappointment of Priscilla Brewster to the Minnesota Landscape Arboretum Foundation Board of Trustees to a one-year term.

The meeting adjourned at 11:30 am.



**ANN D. CIESLAK**  
**Executive Director and**  
**Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Educational Planning & Policy Committee**

**October 12, 2000**

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, October 12, 2000, at 1:30 p.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: Michael O'Keefe, presiding; Anthony Baraga, Dallas Bohnsack, Jessica Phillips, and Patricia Spence.

Staff present: President Mark Yudof; Chancellors Donald Sargeant and Samuel Schuman; Executive Vice President and Provost Robert Bruininks; Senior Vice President Frank Cerra; Vice Presidents Tonya Brown, Sandra Gardebring, and Christine Maziar; Interim Vice President Robert Jones; Executive Director Ann Cieslak; and Associate Vice President Robert Kvavik.

Student Representatives present: Irene Kao and Michael Miller.

Regent O'Keefe introduced Professor Gordon Hirsch, Department of English, Vice Chair of the Faculty Senate Committee on Educational Policy, attending the meeting on behalf of that committee. O'Keefe also recognized Professor Judith Martin.

**INTEGRATION OF COMPACT PROCESS &  
OTHER UNIVERSITY REPORTS**

Executive Vice President & Provost Bruininks, Senior Vice President Cerra, Vice President Kvavik, and Director Peter Zetterberg, Office of Institutional Research and Reporting, led the discussion of the proposed integration of the annual compact review, the academic plan (also called the University plan), and the annual performance report as described in the docket materials. He explained that the combined report would align critical planning, analysis, and evaluation activities in a single, University planning and progress report. The report also could become a comprehensive source of information to guide and inform the Board's decision making.

Bruininks identified the following seven areas the combined report would address: challenges facing the University; programmatic priorities; resource investment; accomplishments; progress relative to established goals and policies; critical measures of status and progress; and informed decision making.

In response to a question from O'Keefe, Bruininks indicated that the primary audience for a combined report would be senior management and policy makers within the University, including the Board of Regents, chancellors, deans, and senior administrators. Other interested parties might be the general public and the broader University community, such as University Relations staff who might use this information in conversations with legislators.

Zetterberg cited two potential pitfalls of a combined report. First is the difficulty in striking a balance between a report that is too general and one that is too specific. A second is the tendency to focus on new initiatives at the expense of ongoing operations. Consequently, it is important to identify the intended audience, which will determine the level of detail required.

President Yudof identified three factors critical to the success of a combined report:

1. It must be a mechanism for reporting and accountability that allows users to access information at the institutional, campus, college, and department levels;
2. It must be a report that is data-driven because data often identify(ies) areas requiring additional investigation; and
3. It must allow comparisons between goals and the compacts to ensure the compacts support established goals.

Regent Spence would welcome a combined report, but she reminded the committee that other critical measures, such as diversity and graduation rates, should be included.

In response to a question from Regent Baraga, Yudof observed that data about graduation rates is fairly sound, but that it is difficult to incorporate more subjective data, such as national rankings of departments or teaching quality. He emphasized, though, that outcomes must be measured or the University could become a culture in which no one is held accountable.

In response to a comment by O'Keefe, Bruininks assured the committee that the proposed combined report would not only maintain current accountability, but it also would describe common themes and trends that would help the Board fulfill its governance responsibilities.

Chancellors Sargeant and Schuman and Provost David Carl, University of Minnesota, Rochester, commented on the value of a report that can communicate University priorities to the public and the importance of linking budgeting with mission and planning.

Bruininks agreed to prepare a draft resolution and a working outline for the combined report. O'Keefe requested that future discussions include an explicit identification of intended audiences to ensure that the report's outline facilitates planning and administration.

#### **ACADEMIC INTEGRITY: PROPOSED POLICIES & PRACTICES**

Executive Vice President and Provost Bruininks explained that the academic integrity discussion is designed to inform the committee about recent initiatives and to encourage a dialogue on proposed policies. Important considerations include whether policies and procedures should be campus-based or system-wide; the role of the Board in reviewing the annual report of the Student Academic Integrity Committee; and the role of the Academic Integrity Officer relative to Board of Regents Policy: *Student Conduct Code*.

Vice Provost Swan, Professor Judith Martin, and Betty Hackett, Director of the Office of Student Judicial Affairs led the discussion. Swan explained the Clayton Committee report has been approved in principle by the University Senate, and some of the committee's recommendations have already been implemented. However, national studies indicate that cheating on college campuses is a significant issue. The current

challenge is to create a culture in which there is a broad understanding and a shared set of commitments about what academic integrity means and how it should be practiced within the University community.

Swan identified several ways the University can work to create a culture of academic integrity:

1. Familiarize students with the concept of academic integrity during New Student Orientation;
2. Expose students to the concept of academic integrity at major University events, such as the New Student Convocation;
3. Educate students about academic integrity norms and expectations in freshman writing classes;
4. Inform faculty about classroom practices that minimize the opportunities for cheating;
5. Assist faculty with the administrative procedures involved when cheating has been discovered;
6. Centralize reporting of academic integrity violations to allow for early intervention and problem solving.

Martin believes that many instances of academic misconduct go unreported because there is a substantial burden on the faculty member to prove cheating occurred.

Swan explained that centralized reporting of academic integrity violations will be the job of the Office of Academic Integrity, a newly created office within the Office of Student Judicial Conduct.

In response to a question from O'Keefe, Swan noted that the Academic Integrity Oversight Committee's first priority is to establish a process for the development of a student pledge. He expects the committee will complete that task by the end of Fall 2000 semester.

In response to a question from Student Representative Kao, Swan indicated that during last summer's orientation, new students received a detailed handout regarding academic integrity and participated in an immediate evaluation, the results of which will be reported to the committee at a later date.

Regent Phillips expressed her support for this initiative, emphasizing the need for the University to restate its commitment to academic integrity and renew that commitment annually.

In response to a question from Regent Baraga, Swan reported that the University has not conducted any formal surveys to determine the extent of academic cheating. Surveys taken at other institutions, though, suggest that somewhere between 30 percent and 60 percent of students have cheated.

Regent Spence observed that in developing strategies to address cheating, it will be important that students not be given the impression that cheating is so widespread that it is acceptable behavior. Swan agreed, indicating the critical role education will play in addressing this issue.

#### **CONSENT REPORT**

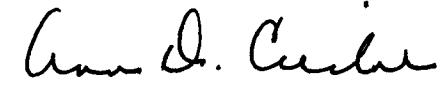
A motion was made, seconded, and the committee voted unanimously to recommend approval of the Consent Report, as found in the docket materials:

1. New postbaccalaureate certificate in Applied Developmental Psychology through the Graduate School (in cooperation with the College of Education and Human Development, effective January 2001);
2. Name change for University College-Duluth to Continuing Education at the University of Minnesota, Duluth; and
3. Appointment to the Humphrey Institute Advisory Board of Michael Barone, Roger Hale, Patricia Harvey, Walter Mondale, and Roger Parkinson, whose terms will expire on June 30, 2003.

#### **INFORMATION ITEMS**

Executive Vice President and Provost Bruininks reported that there were no information items.

The meeting adjourned at 3:15 p.m.



**ANN D. CIESLAK  
EXECUTIVE DIRECTOR AND  
CORPORATE SECRETARY**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Finance & Operations Committee**

**October 12, 2000**

A meeting of the Finance & Operations Committee of the Board of Regents was held on Thursday, October 12, 2000, at 1:35 p.m., in the East Conference Room, 600 McNamara Alumni Center.

Regents present: Robert Bergland, presiding; William Hogan and Maureen Reed.

Staff present: Executive Director Ann Cieslak; Vice President Eric Kruse; Associate Vice Presidents Donna Peterson and Richard Pfutzenreuter.

Student Representative present: Venora M. Hung and Aaron Schultz.

Regent Bergland noted that no quorum was present and action would not be taken.

**REVISION OF BOARD OF REGENTS POLICY: ENDOWMENT FUND**

**Action**

Associate Vice President Pfutzenreuter and Sheila Warness, Director of Asset Management, presented for action amendments to the Board of Regents Policy: *Endowment Fund*, as found in the docket materials. The proposed amendments were revised in response to issues raised by committee members the previous month.

Warness reviewed the proposed changes, explaining that the terms "commodities" and "hedge funds" were removed from the definition of alternative investments. Warness stated that the University may want to invest in a variety of limited partnerships which might include some of these funds in the future, but emphasized that such alternative investments would not be made without the approval of the Investment Advisory Committee and the Board of Regents.

Regents Bergland and Hogan restated their view that it would be imprudent for the University to invest in commodities directly, but felt that the elimination of that option from the proposed revisions to the policy addressed their concerns.

Warness clarified that the proposed change to increase from 20% to 25% the maximum allocation of the endowment fund to a single investment management firm is the result of consolidations occurring in the industry. In response to a question from Student Representative Hung, Warness explained that because of the variety of investments and diversification in the endowment policy asset allocation, even if one investment management firm had 25% of the University's asset portfolio, that firm would have multiple assignments and would utilize a variety of investment styles.

There was consensus among the committee members present that the item should be forwarded to the Board of Regents for approval.

## **INVESTMENT AND DEBT MANAGEMENT ADVISORY COMMITTEES - UPDATE**

Regent Bergland and Associate Vice President Pfutzenreuter reported on the current status of the Debt Management Advisory Committees, as found in the docket materials. Bergland indicated that the Investment Advisory Committee update would be postponed until November, when Regent Neel would be present.

Bergland stated that at the Debt Management Advisory Committee's first meeting in September, the staff reviewed the varied debt issues facing the University. The committee intends to meet three or four times each year.

### **UPDATE: CAPITAL FINANCING & DEBT MANAGEMENT Discussion**

Associate Vice President Pfutzenreuter reported on the University's capital financing status and presented for discussion a strategy for implementing a comprehensive debt management policy, as found in the docket materials and on file in the Board office.

Pfutzenreuter informed the committee that the outstanding University debt at the end of FY00 was \$534 million, with 92% of that being fixed-interest debt. Pfutzenreuter stated that the University has an aggressive debt payment schedule, which will reduce the debt 40% by 2010 and 89% by 2020. In response to a question from Regent Reed whether the schedule is too aggressive, Pfutzenreuter explained that the University chose the more aggressive 20-year debt payback schedule to free up debt capacity earlier rather than a less aggressive 35-year schedule.

Pfutzenreuter reviewed the role of the Debt Management Advisory Committee, and noted that the committee's advice will be helpful as the University changes its debt management approach to focus on the overall portfolio of debt, rather than individual debt transactions.

In response to a question from Regent Hogan related to the projected peak of outstanding debt in 2005-6, Pfutzenreuter stated that he did not expect this debt to cause the University's bond rating to be downgraded. Rating agencies use a variety of benchmarks and ratios, including total resources compared to total debt.

In response to a question from Regent Reed, Pfutzenreuter noted that the main choices for debt bonding are General Obligation bonds vs. revenue bonds. He suggested that in the future the University might choose to use more revenue bonds, which are based on income from housing, parking, and other auxiliary units. While the rate may be slightly higher, revenue bonds do not constrict the University as closely as General Obligation bonds.

### **UPDATE: IMPLICATIONS OF FEDERAL BUDGET ON HIGHER EDUCATION**

Associate Vice President Peterson introduced John Engelen, Director of Federal Relations, to present on the recent budget developments at the federal level and the implications for higher education. The report is found in the docket materials.

Engelen explained that only four out of thirteen proposed appropriations bills have been enacted at this point, mainly due to the political uncertainty caused by the upcoming elections. It can be anticipated that more money will be appropriated for basic governmental research and for student financial aid funding. Congress has not yet addressed the large inequity between high funding levels for the National Institutes of

Health and the lower funding levels for other departments and research agencies, especially the U.S. Department of Agriculture.

In response to questions from Regent Reed regarding actions the University could take to promote more funding in other areas of research, Engelen stated that the University needs to discuss these issues with Minnesota's congressional delegation. Engelen added that many land grant colleges are trying to collaborate on this issue.

#### **UPDATE: FUNDED DEPRECIATION**

Vice President Kruse and Associate Vice President Pfutzenreuter led the discussion on policy recommendations for building reserves for future facility renewal and replacement, as found in the materials on file in the Board office.

Pfutzenreuter stated that the University currently allocates approximately \$10 million to renewal, replacement, and deferred capital investment, but that the annual need exceeds \$111 million. Many University buildings were not renovated when they should have been due to failed legislative requests. As a result, there is a large backlog of building renewal and repair projects that affect both academic buildings, supported by the state allocation, and non-supported facilities, which are buildings that charge for services and generate some revenue. The University will increase its legislative request for HEAPR (Higher Education Asset Preservation and Renewal) funding to address some of the backlog, but Pfutzenreuter cautioned that the legislature often reduces this funding request.

In order to have an effective funded depreciation policy, Pfutzenreuter stressed that future capital projects need to include the cost of renewal and replacement in the pre-design stage, along with construction and operating costs. The funded depreciation plan also needs to recognize the difference between facilities funded by state allocation and those that have a revenue source. In response to a question from Regent Hogan, Pfutzenreuter clarified that academic units will not be charged for building operating costs.

Pfutzenreuter stated that beginning in 2002 all new capital projects will follow a funded depreciation model. He added that the ability of revenue-producing units to fund depreciation will allow the University to use its debt-issuing authority to fund academic priorities and initiatives.

Kruse stated that efforts during the last three years have arrested the growth of the backlog, but have not decreased it. There are large utilities and system issues to address in the future, noting that these are not yet part of the University's six-year capital plan.

In response to a question from Regent Bergland about how state agencies deal with this issue, Pfutzenreuter replied that the agencies share the same issues. Bergland suggested that the legislature might be more willing to fund a systematic plan for addressing deferred maintenance and renewal.

Pfutzenreuter and Kruse agreed to provide a chart projecting the effect on the facilities backlog if the legislature were to fully fund the University's request.

#### **CONSENT REPORT Review/Action**

Associate Vice President Pfutzenreuter reported that the item related to the purchase of a new printing press is deleted from the Consent Report as found in the

docket materials. There were no items in the General Contingency Report requiring Board approval.

Interim Controller Michael Volna presented the remaining purchases of goods and services over \$250,000:

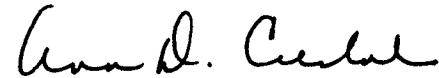
- An estimated \$531,000 to Corporate Express for Hewlett Packard laser and ink-jet printer supplies to be stocked at University Stores for use by University departments from October 1, 2000 to September 30, 2001.
- An estimated \$300,000 to Xerox Corporation for Xerox copier and fax supplies to be stocked at University Stores for use by University departments from October 1, 2000 through September 30, 2001.
- An estimated \$475,000 to Xpedx Corporations for white and colored copy to be stocked at University Stores for use by University departments from October 1, 2000 through September 30, 2001.

Asset Director Sheila Warness presented the recommendation to hire two investment management firms to work with separate components of the endowment fund. Warness reported that the University issued Requests for Proposal to identify two different types of investment management firms. Following interviews, the Investment Advisory Committee identified a preferred manager in each area. The two recommended management firms are as follows:

- Sanford C. Bernstein & Co., Inc, to manage approximately \$80 million in an international value equity portfolio; and
- Credit Suisse Asset Management, to manage the University's venture capital distributions.

There was consensus among the committee members present to forward the amended Consent Report to the Board for approval.

The meeting adjourned at 3:25 p.m.



**ANN D. CIESLAK  
Executive Director and  
Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**October 12, 2000**

A meeting of the Board of Regents was held on Thursday, October 12, 2000 at 3:50 p.m. in 600 McNamara Alumni Center.

Regents present: Patricia Spence, presiding; Anthony Baraga, Robert Bergland, Dallas Bohnsack, William Hogan, Michael O'Keefe, Jessica Phillips, and Maureen Reed. Regent William Peterson participated via telephone.

Staff present: President Mark Yudof; Vice Presidents Tonya Brown, Sandra Gardebring and Eric Kruse; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; and Associate Vice President Richard Pfutzenreuter.

Others present: William Donohue, Laurie Gildea and Thomas Schumacher.

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

RESOLVED, that on the recommendation of the President and as provided by Minnesota State Statute 471.705, Subd. 1d, a non-public meeting of the Board of Regents be held on Thursday, October 12, 2000, in 600 McNamara Alumni Center, for the purpose of discussing attorney-client privileged matters.

The Board of Regents voted unanimously to approve the resolution.

The meeting adjourned at 3:51 p.m.



**ANN D. CIESLAK  
Executive Director and  
Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**October 13, 2000**

A meeting of the Board of Regents of the University of Minnesota was held on Friday, October 13, 2000 at 9:00 a.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Patricia Spence, presiding; Anthony Baraga, Robert Bergland, Dallas Bohnsack, William Hogan II, Michael O'Keefe, Jessica Phillips, and Maureen Reed.

Staff present: President Mark Yudof; Chancellor Samuel Schuman; Executive Vice President & Provost Robert Bruininks; Vice Presidents Tonya Brown, Carol Carrier, Sandra Gardebring, Eric Kruse, and Christine Maziar; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; Associate Vice Presidents Terry Bock, Robert Jones, and Richard Pfutzenreuter.

**INTRODUCTIONS**

Executive Vice President & Provost Bruininks introduced the following newly-appointed administrators: David Carl, Provost for the University of Minnesota Rochester, who assumed the office on September 1, 2000; Shirley Baugher, Dean of the College of Human Ecology, who began her tenure in the office on July 1, 2000; and Peter Polverini, Dean of the School of Dentistry, who assumed his position on September 1, 2000.

**APPROVAL OF MINUTES**

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

Litigation Review Committee – August 22, 2000  
Board of Regents – September 6, 2000  
Facilities Committee – September 7, 2000  
Faculty, Staff & Student Affairs Committee – September 7, 2000  
Educational Planning & Policy Committee – September 7, 2000  
Finance & Operations Committee – September 7, 2000  
Board of Regents – September 8, 2000

**REPORT OF THE PRESIDENT**

President Yudof reported on the success of the Economic Summit held September 20, 2000. The summit provided an avenue for discussion of a number of serious issues facing the state of Minnesota. A working group has been appointed to review the major issues and to develop recommendations for submission to the governor and legislature for solutions.

Other events of note held during the past month included Beautiful U days, the State of the University address, and groundbreaking for the Studio Arts Building.

## **REPORT OF THE CHAIR**

Chair Spence reported on several events she attended during the past month, including a workshop on planning for the Gateway Plaza; a meeting with the leadership of the Alumni Association; and a Fireside Chat held with members of the African American community. With regard to the planning workshop for the Gateway Plaza, Spence noted that the design concepts might come to the Facilities Committee in the next few months. She indicated that she will be proposing that two or three design concepts be developed for input from the University community before a final design is chosen.

In November, the Board will be traveling to Madison, Wisconsin to attend the Minnesota/Wisconsin football game. Arrangements are being made for Regents to meet with members of the University of Wisconsin Board of Regents before the game.

Spence commented briefly on the President's State of the University address and noted that it was the first time in her years on the Board that she had seen a standing ovation from the faculty.

The final item of the Chair's report was a certificate of appreciation for Dr. Daniel L. McFadden, a graduate of the University of Minnesota, who was recently honored by the Royal Swedish Academy of Sciences by the shared award of the Bank of Sweden Prize in Economic Sciences in Memory of Alfred Nobel, 2000.

## **RECEIVE AND FILE REPORTS**

Chair Spence noted the receipt and filing of the Civil Service Committee Report and the Annual Report on Legal Matters.

## **REPORT OF THE AUDIT COMMITTEE**

Regent Bergland, Vice Chair of the committee, reported that the committee received an update on internal audit activities; reviewed the controller's semi-annual report; and received an overview of the investigative audit process.

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

Regent O'Keefe, Chair of the committee, reported that the committee voted unanimously to recommend:

- a) Approval of the Consent Report for the Educational Planning and Policy Committee as presented to the committee and described in the October 12, 2000 committee minutes.

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

O'Keefe reported that the committee discussed integration of the compact process and related reporting; received a presentation on institutional policies related to academic integrity; and reviewed a number of information items described in the committee minutes.

## **REPORT OF THE FACILITIES COMMITTEE**

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

- a) Approval of the following resolution relating to the adoption of the amendments to the Regents of the University of Minnesota Traffic Regulation Ordinances:

WHEREAS, in accordance with Minnesota Statutes 1979, Chapter 169.965 and Chapter 137.12, the Regents of the University of Minnesota adopted Traffic Regulation Ordinances; and

WHEREAS, the Regents of the University of Minnesota reserve the right to amend and update the Traffic Regulation Ordinances from time to time as recommended by the administration; and

WHEREAS, the administration is in the process of updating the Twin Cities Campus Parking and Transportation Policies, which requires the Traffic Regulation Ordinances to be amended accordingly; and

WHEREAS, the Board of Regents reviewed the proposed amendments to the Regents Traffic Regulation Ordinances at their meeting in September 2000; and

WHEREAS, having published the required public notices, the Regents of the University of Minnesota conducted a public hearing on the proposed amendments to the University of Minnesota Traffic Regulation Ordinances on the 12<sup>th</sup> day of October, 2000, at 9:45 o'clock a.m., in the West Committee Room, on the 6<sup>th</sup> floor of the McNamara Alumni Center, located at 200 Oak Street Southeast, Minneapolis, Minnesota.

NOW, THEREFORE, BE IT RESOLVED, that as recommended by the administration, having informed the affected communities and conducted the public hearing, the amendments to the Regents of the University of Minnesota Traffic Regulation Ordinances are approved.

### **ORDINANCES**

#### **REGENTS OF THE UNIVERSITY OF MINNESOTA TRAFFIC REGULATION ORDINANCES 2000**

##### **ORDINANCE NO. 1**

THE REGENTS OF THE UNIVERSITY OF MINNESOTA, A CONSTITUTIONAL EDUCATIONAL CORPORATION ("UNIVERSITY OF MINNESOTA"), DOES ORDAIN:

##### **ARTICLE I.**

Section 1. Pursuant to authority granted in Minnesota Statutes Chapters 137 and 169, the University of Minnesota is hereby

authorized to employ peace officers of the University of Minnesota.

Section 2. Said peace officers shall have the powers of arrest to enforce the rules, regulations and ordinances adopted by the University of Minnesota and the Highway Traffic Regulations Act, all pursuant to Minnesota Statutes Chapters 137 and 169, as amended.

## ARTICLE II.

### SAVING CLAUSE

If any part or parts of this ordinance shall be held unconstitutional, such fact shall not affect the validity of the remaining parts of this ordinance. The University of Minnesota hereby declares it would have passed the remaining parts of this ordinance if it had known that such part or parts thereof would be declared unconstitutional.

## ARTICLE III.

### EFFECTIVE DATE

This ordinance and any amendments thereto shall be enforced and in effect upon the filing of the same with proof of publication thereof with the Secretary of State of the State of Minnesota.

### ORDINANCE NO. 2

THE REGENTS OF THE UNIVERSITY OF MINNESOTA, A CONSTITUTIONAL EDUCATIONAL CORPORATION ("UNIVERSITY OF MINNESOTA"), DOES ORDAIN:

## ARTICLE I.

### APPLICATION

This ordinance and subsequent ordinances, unless expressly stated therein, shall apply to the regulation of traffic and parking upon parking facilities, highways, streets, private roads and roadways, as herein defined, situated on all properties owned, leased or occupied by the University of Minnesota.

Where not in conflict with the Regents of the University of Minnesota Traffic Regulation Ordinances, the Uniform Highway Traffic Regulations Act and Minnesota Statutes Chapters 137 and 169, as amended and revised, shall apply upon all properties and facilities owned, leased or occupied by the University of Minnesota.

## ARTICLE II.

### DEFINITIONS

The following words and phrases when used in this ordinance and subsequent ordinances, unless expressly stated therein, shall have the meanings respectively ascribed to them in this section:

Section 1. Street or Highway. "Street or Highway" means the entire width between curb or surface lines of any way or place when any part thereof is open to the use of the public for the purposes of vehicular traffic.

Section 2. Private Road or Driveway. "Private Road or Driveway" includes every street or highway not dedicated to the respective governmental subdivision and every way or place in University of Minnesota ownership used for vehicular travel by the owner and those having express or implied permission from the owner, but not other persons.

Section 3. Roadway. "Roadway" means that portion of a street or highway, private road or driveway or parking facility designed or ordinarily used for vehicular travel or the accommodation of stopped or parked vehicles.

Section 4. Parking. "Parking" refers to the standing of a vehicle upon a street or highway, private road or driveway or roadway, whether accompanied or unaccompanied by the operator thereof.

Section 5. Parking Facility. "Parking Facility" refers to those areas or structures located on University of Minnesota owned or leased property and authorized for the parking of vehicles, whether without charge or for a fee.

Section 6. Unless specifically defined herein, any term used in this ordinance and defined in Minnesota Statutes Section 169.01 has the meaning given it by that Section.

### ARTICLE III.

#### TRAFFIC PROVISIONS

Section 1. Miscellaneous Provision. No vehicle shall be driven, operated or parked upon properties owned by or under the supervision and control of the University of Minnesota, except upon parking facilities, highways or streets, private roads or driveways and roadways, as defined in this ordinance, and then only subject to the provisions of the Ordinances of the Regents of the University of Minnesota, the Highway Traffic Regulation Act (Minnesota Statutes Chapter 169, as amended) or other lawful authority.

Section 2. Stopping. It shall be unlawful for any person to drive and operate, stop or park a vehicle upon any roadway so as to needlessly, unnecessarily and unwarrantedly block, obstruct or interfere with the orderly flow of traffic, vehicular and pedestrian. Proof that such traffic was blocked, obstructed or interfered with shall be *prima facie* evidence that such blocking, obstructing and interference was needless, unnecessary and unwarranted.

No vehicles shall stop on or in any crosswalk or driveway so as to interfere with the passage of pedestrians.

**Section 3. Parking.**

(a) Parking is prohibited upon all properties owned, leased or occupied by the University of Minnesota which have not been designated a parking facility or as parking areas and appropriately marked as such, except that a vehicle may be temporarily parked for the purpose of loading or unloading where access to the premises is not otherwise available and in specially designated construction staging areas. A clear and safe path of travel for pedestrians must be maintained at all times.

(b) Except where signs designate angle parking, no person shall stand or park a vehicle other than parallel with the edge of the roadway, headed in the direction of traffic, with the curb-side wheels of the vehicle within twelve inches of the edge of the roadway and not closer than four feet to another vehicle parked at the curb; or not in compliance with the established signs and marking then evident.

(c) Except where signs designate angle parking upon any roadway not having a curb, each vehicle stopped or parked shall be stopped or parked parallel with and to the right of the paved or improved or main traveled part of the street or highway.

(d) No person shall park a vehicle for a longer period of time than is designated on traffic control devices marking such zone.

(e) No person shall stop, stand or park a vehicle, unless directed to do so by a police officer, on any roadway where the University of Minnesota has authorized a "No Parking Zone," or Bus Stop or Bus Zone and such zone is marked by sign or yellow curb.

(f) No person shall park a vehicle on any roadway except pursuant to the terms or conditions regulating parking on said properties as indicated on the parking meter instruction plates or upon signs erected in the area.

(1) If said vehicle shall remain in any such parking space beyond the parking time limit for such parking space and the parking meter shall have displayed the sign for illegal parking, such vehicle shall be considered as parked overtime and such overtime parking shall be a violation of this ordinance.

(2) No person shall deposit or cause to be deposited in any parking meter any slugs, devices or other substances as a substitute for a coin of the United States.

(3) No person shall damage, deface, tamper with, open or willfully break, destroy or impair the usefulness of any parking meter installed under the provisions of this ordinance.

**(g) Official University Vehicle Zones.**

**Establishment.**

(1) No person shall stand or park any vehicle, except an official University vehicle designated with a proper permit displayed from the rear view mirror of such vehicle in any

area designated and posted as an official University vehicle zone, and then only in accordance with the conditions of the permit and the posted signs.

(h) **Parking Facilities and Parking Areas.** All parking in parking facilities and areas designated as parking areas shall be in conformity with posted signs and instructions and pavement markings, unless otherwise directed by lawful authority.

**Section 4. Careless Driving.** No person shall operate or halt any vehicle carelessly or recklessly upon a roadway in disregard of the rights or safety of others or in a manner so as to endanger or be likely to endanger any person or property.

**Section 5. Speed Limits.** No vehicle shall be driven or operated upon a roadway at a speed greater than twenty miles per hour, or less if otherwise posted.

**Section 6. Special Hazards.** Notwithstanding the speed limits set forth in Section 5 of this ordinance, no person shall drive a vehicle at a speed greater than is reasonable and prudent under the conditions, and having regard for the actual and potential hazards then existing. In every event, the speed shall be so restricted as may be necessary to avoid colliding with any person, vehicle or other conveyance on or entering the street, avenue or roadway in compliance with legal requirements and the duty of all persons to use due care.

**Section 7. Obedience to Traffic Control Signs and Devices.** No pedestrian, driver of a vehicle or person riding an animal or bicycle shall disobey the instructions of any official traffic control sign or device, unless at the time otherwise directed by a police officer or parking enforcement personnel.

**Section 8. Towing.** Any police officer or parking enforcement personnel are hereby empowered to cause to be removed and towed any unattended vehicle, including those determined to be abandoned, standing or parked in violation of the terms of this ordinance, the Uniform Traffic Regulation Act or other lawful authority. Where such vehicle is towed away and stored, such vehicle will not be returned to the owner thereof except upon satisfactory proof of ownership and upon payment of the reasonable cost for towage and storage of such vehicle.

#### **ARTICLE IV.**

#### **PARKING ENFORCEMENT PERSONNEL**

**Section 1.** The President or his/her designee is authorized to execute in the name of the Regents of the University of Minnesota a certificate of appointment for persons designated as University Parking Enforcement Personnel, whose appointment, salary, wages and other terms and conditions of employment shall be pursuant to the University of Minnesota Civil Service Rules or applicable bargaining unit contract.

**Section 2.** Parking enforcement personnel shall have the authority to issue traffic tags for parking meter and other

non-moving violations under the code and the state traffic laws, on property owned, leased or occupied by the University of Minnesota. Such tags shall have the same force and effect as though issued by a duly appointed qualified and acting peace officer.

#### ARTICLE V.

##### VIOLATIONS

Section 1. **Prima facie violation.** The presence of any motor vehicle on any street when standing or parked in violation of this ordinance is prima facie evidence that the registered owner of the vehicle committed or authorized the commission of the violation.

Section 2. **Separate violations.** Unless otherwise provided, each act of violation and every day on which a violation occurs or continues constitutes a separate offense.

Section 3. **Penalties.** Any person found violating any of the provisions of this ordinance upon conviction shall be guilty of a petty misdemeanor.

#### ARTICLE VI.

##### SAVING CLAUSE

If any part or parts of this ordinance shall be held unconstitutional, such fact shall not affect the validity of the remaining parts of this ordinance. The University of Minnesota hereby declares it would have passed the remaining parts of this ordinance if it had known that such part or parts thereof would be declared unconstitutional.

#### ARTICLE VII.

##### EFFECTIVE DATE

This ordinance shall be enforced and in effect upon the filing of the same with proof of publication thereof with the Secretary of State of the State of Minnesota.

##### ORDINANCE NO. 3

THE REGENTS OF THE UNIVERSITY OF MINNESOTA, A CONSTITUTIONAL EDUCATIONAL CORPORATION ("UNIVERSITY OF MINNESOTA"), DOES ORDAIN:

#### ARTICLE I.

This ordinance and subsequent ordinances, unless expressly stated therein, shall apply to the regulation of bicycles and bicycle traffic and parking upon all properties owned, leased or occupied by the University of Minnesota.

## **ARTICLE II.**

### **DEFINITIONS**

Unless specifically defined herein, any term used in this ordinance and defined in Minnesota Statutes, Section 169.01 has the meaning given it by that Section.

## **ARTICLE III.**

### **DRIVING AND OPERATION OF BICYCLES**

Section 1. Every person operating a bicycle upon properties owned, leased or occupied by the University of Minnesota shall have all the rights and duties applicable to the driver of a vehicle by this ordinance and Minnesota Statutes Chapters 137 and 169, except as to provisions of such ordinance or statutes which by their nature have no application.

Section 2. No person shall ride and propel a bicycle upon property owned, leased or occupied by the University of Minnesota except in a prudent and careful manner, with reasonable regard to the safety of the operator and other persons.

Section 3. No person shall operate a bicycle on sidewalks, crosswalks or pedestrian areas located on property owned, leased or occupied by the University of Minnesota except:

(a) in compliance with all posted signs governing or directing the operation or parking of bicycles, where applicable; and

(b) where bicycle lanes are designated by lane markings and signs or pavement markings.

Section 4. A person walking a bicycle on sidewalks or plazas on properties owned, leased or occupied by the University of Minnesota shall have all the rights and duties applicable to pedestrians.

## **ARTICLE IV.**

### **PARKING AND STORAGE OF BICYCLES**

Section 1. No person shall park a bicycle in any classroom, auditorium, laboratory or other place which blocks or limits access to building entrances, handicap or pedestrian ramps, stairways, hallways, doors, fire hydrants, fire lanes, bicycle lanes or sidewalks except where a bicycle rack extends into any of these areas.

Section 2. No person shall transport bicycles in University of Minnesota building elevators or operate bicycles in University of Minnesota buildings.

Section 3. No person shall chain or otherwise attach a bicycle to any tree or plant material or park a bicycle on any handicap or pedestrian ramp.

Section 4. Any police officer or agent of the chief law enforcement officer is hereby empowered to cause to be removed and stored in other areas on University of Minnesota premises or in a public garage any unattended bicycle standing or parked in violation of Sections 1 and 3 of this ordinance, the Uniform Traffic Regulation Act or other lawful authority.

Where such bicycle is removed and stored in other areas on the premises of the University of Minnesota or in such public garage, such bicycle will be held for 30 days and will not be returned to the owner thereof except upon satisfactory proof of ownership. Bicycles will be disposed of if not claimed within 30 days.

The presence of any bicycle on any street or other area when standing or parked in violation of this ordinance is *prima facie* evidence that the owner of the bicycle committed or authorized the commission of the violation.

#### ARTICLE V.

##### BICYCLE MONITORS

Section 1. The President or his/her designee is authorized in the name of the Regents of the University of Minnesota to appoint and train student employees designated as University of Minnesota bicycle monitors, whose salary, wages and other terms and conditions of employment shall be determined pursuant to the University of Minnesota Student Employment Rules.

Section 2. Bicycle monitors shall have the authority to patrol University of Minnesota property on University of Minnesota owned bicycles and to issue traffic tags for parking and/or moving violations committed by bicyclists or pedestrians under this code on property owned, leased or occupied by the University of Minnesota. Such tags shall have the same force and effect as though issued by a duly appointed qualified and acting peace officer.

#### ARTICLE VI.

##### VIOLATIONS

Section 1. *Prima facie* violations. The presence of any bicycle on any street when standing or parked in violation of this ordinance is *prima facie* evidence that the registered owner of the bicycle committed or authorized the commission of the violation.

Section 2. Separate violations. Unless otherwise provided, each act of violation and every day on which a violation occurs or continues constitutes a separate offense.

Section 3. Penalties. Any person found violating any of the provisions of this ordinance upon conviction shall be guilty of a petty misdemeanor.

## **ARTICLE VII.**

### **SAVING CLAUSE**

If any part or parts of this ordinance shall be held unconstitutional, such fact shall not affect the validity of the remaining parts of this ordinance. The University of Minnesota hereby declares it would have passed the remaining parts of this ordinance if it had known that such part or parts thereof would be declared unconstitutional.

## **ARTICLE VIII.**

### **EFFECTIVE DATE**

This ordinance and any amendments thereto shall be enforced and in effect upon the filing of the same with proof of publication thereof with the Secretary of State of the State of Minnesota.

### **ORDINANCE NO. 4**

THE REGENTS OF THE UNIVERSITY OF MINNESOTA, A CONSTITUTIONAL EDUCATIONAL CORPORATION ("UNIVERSITY OF MINNESOTA"), DOES ORDAIN:

## **ARTICLE I.**

### **APPLICATION**

This ordinance and subsequent ordinances unless expressly stated therein, shall apply to the regulation of skateboarding and roller skating upon all properties owned, leased or occupied by the University of Minnesota.

## **ARTICLE II.**

### **DEFINITIONS**

The following words and phrases when used in this ordinance have the meanings given them below:

Section 1. Skateboard. "Skateboard" means a device for riding upon, usually while standing, consisting of a piece of wood or other composition mounted on skate wheels, with or without motorized power.

Section 2. Roller Skate. "Roller skate" means a form of skate having small wheels or rollers instead of a runner. The term shall also include devices commonly known as in-line skates and roller skis.

Section 3. Unless specifically defined herein, any term used in this ordinance and defined in Minnesota Statutes Section 169.01 has the meaning given it by that Section.

## **ARTICLE III.**

### **PROHIBITIONS**

Section 1. Skateboarding. No person shall ride or operate a skateboard upon properties owned, leased or occupied by the University of Minnesota, including but not limited to buildings, mall and plaza areas, sidewalks, streets, alleys and parking facilities where applicable.

Section 2. Roller Skating. No person shall ride or operate roller skates upon properties owned, leased or occupied by the University of Minnesota, except in a prudent and careful manner, with reasonable regard for the safety of the operator and other persons.

## **ARTICLE IV.**

### **VIOLATIONS**

Section 1. Penalties. Any person found violating any of the provisions of this ordinance upon conviction shall be guilty of a petty misdemeanor.

Section 2. Impoundment. Any police officer who observes a person violating this Ordinance is authorized to seize the person's skateboard or roller skates and impound them at the University of Minnesota Police Department for twenty-four (24) hours.

## **ARTICLE V.**

### **SAVING CLAUSE**

If any part or parts of this ordinance shall be held unconstitutional, such fact shall not affect the validity of the remaining parts of this ordinance. The University of Minnesota hereby declares it would have passed the remaining parts of this ordinance if it had known that such part or parts thereof would be declared unconstitutional.

## **ARTICLE VI.**

### **EFFECTIVE DATE**

This ordinance and any amendments thereto shall be enforced and in effect upon the filing of the same with proof of publication thereof with the Secretary of State of the State of Minnesota.

### **ORDINANCE NO. 5**

THE REGENTS OF THE UNIVERSITY OF MINNESOTA, A CONSTITUTIONAL EDUCATIONAL CORPORATION ("UNIVERSITY OF MINNESOTA"), DOES ORDAIN:

## **ARTICLE I.**

### **APPLICATION**

This ordinance shall apply to the regulation of traffic and parking upon the University Transitway.

## **ARTICLE II.**

### **DEFINITIONS**

The following words and phrases when used in this ordinance shall have the meanings respectively ascribed to them in this section:

Section 1. "University Transitway" means the University of Minnesota owned roadway connecting the Minneapolis and St. Paul campuses.

Section 2. "Emergency Vehicle" means public police and fire vehicles, and public and private ambulances.

Section 3. "Public Works, Maintenance and Service Vehicles" include public and private repair and construction vehicles and equipment; public and private street cleaning and snow removal vehicles and equipment; public and private water and sewer repair and construction vehicles and equipment; and public and private vehicles and equipment engaged in construction, service and repair of electric, gas, telephone or other public utility facility, all such vehicles only while engaged in the stated activities on the University Transitway or on property immediately adjacent where access is required from the University Transitway.

Section 4. "Public Carriers" include University of Minnesota contracted vehicles engaged in the mass transportation of persons by bus between Minneapolis and St. Paul campuses with intermediate stops at University of Minnesota designated locations.

Section 5. Unless specifically defined herein, any term used in this ordinance and defined in Minnesota Statutes Section 169.01 has the meaning given it by that Section.

## **ARTICLE III.**

### **TRAFFIC PROVISION**

Section 1. Limited Access. No motor vehicle or other vehicle shall travel on the University Transitway except emergency vehicles; public works, maintenance and service vehicles; and public carriers.

No limitation or prohibition shall apply to vehicles on a street intersecting or crossing such part of the University Transitway.

## **ARTICLE IV.**

### **SPEED**

Section 1. No person shall travel in excess of the posted speed limit. The President or his/her designee is authorized to determine the posted speed limit in consultation with appropriate University of Minnesota police, health and safety and appropriate engineering officials. Such speed limit shall not be in excess of 40 mph.

## **ARTICLE V.**

### **PARKING**

Section 1. Parking is prohibited on the University Transitway.

## **ARTICLE VI.**

### **VIOLATIONS**

Section 1. **Prima facie violations.** The presence of any vehicle on the University Transitway when standing or parked in violation of this ordinance is **prima facie** evidence that the registered owner of the vehicle committed or authorized the commission of the violation.

Section 2. **Separate violations.** Unless otherwise provided, each act of violation and every day on which a violation occurs or continues constitutes a separate offense.

Section 3. **Penalties.** Any person found violating any of the provisions of this ordinance upon conviction shall be guilty of a petty misdemeanor.

## **ARTICLE VII.**

### **SAVING CLAUSE**

If any part or parts of this ordinance shall be held unconstitutional, such fact shall not affect the validity of the remaining parts of this ordinance. The University of Minnesota hereby declares it would have passed the remaining parts of this ordinance if it had known that such part or parts thereof would be declared unconstitutional.

## **ARTICLE VIII.**

### **EFFECTIVE DATE**

This ordinance shall be enforced and in effect upon the filing of the same with proof of publication thereof with the Secretary of State of the State of Minnesota.

- b) Approval of a recommendation of the President that the FY01 capital budget be amended by:

1. \$2,000,000 to incorporate funding for the Riverbend Commons, East River Road Improvement Project.
  2. \$841,000 to increase funding for the Networking and Telecommunications Services Building Renovation Project to \$4,438,000.
  3. \$342,000 to incorporate funding for the Eastcliff Carriage House Renovation project.
  4. \$210,000 to increase funding for the Bierman Field Athletic Building Addition and Remodeling Project to \$7,493,000.
  5. \$600,000 to incorporate funding for the Minnesota Landscape Arboretum, Snyder Building Air Conditioning Project.
- c) Approval of a recommendation of the President that the schematic plans for the Riverbend Commons, East River Road Improvements Project be approved and the appropriate administrative officers be authorized to proceed with the award of contracts and the development of construction documents and construction.
- d) Approval of a recommendation of the President that the schematic plans for the Social Sciences Building Fire & Life Safety Project be approved and the appropriate administrative officers be authorized to proceed with the award of contracts and the development of construction documents and construction
- e) Approval of a recommendation of the President that the appropriate administrative officers receive authorization to execute the appropriate documents to sell the Rishmiller Trust property consisting of 1,520 acres located in Timothy Township, Crow Wing County, Minnesota, to the Board of Commissioners, Crow Wing County for \$611,883.
- f) Approval of a recommendation of the President that the appropriate representatives of University Associated Clinics, Inc., a Minnesota non-profit corporation ultimately controlled by Regents of the University of Minnesota, receive the authorization to execute the appropriate documents for the sale of property at 4555 University Avenue NE, Columbia Heights, to Landmark Restaurant Equipment and Design.

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

Phillips reported that the committee conducted a public hearing on the proposed amendments to the Regents of the University of Minnesota Traffic Regulation Ordinances; reviewed information relating to the acquisition of property at 2525 4<sup>th</sup> Street Southeast in Minneapolis; reviewed a proposed lease for the Surface Buliding at Tower/Soudan State park; received a presentation on strategic facilities issues at the University of Minnesota, Crookston campus; reviewed the Quarterly Capital Improvement Plan Report; and reviewed a number of information items described in the committee minutes.

In answer to a question relating to the Quarterly Capital Improvement Plan Report, Phillips reported that Vice President Kruse will provide an analysis for the committee explaining why certain key projects have resulted in budget overruns.

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

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

- a) Approval of the Consent Report for the Faculty, Staff, & Student Affairs Committee as presented to the committee and described in the October 12, 2000 committee minutes.

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

Hogan reported that the committee received an academic progress report relating to student athletes; discussed employee health care cost increases; and reviewed a number of information items described in the committee minutes. The agenda item relating to faculty and staff leadership development was delayed due to time constraints.

In response to a question from Regent Reed, Board members engaged in a discussion regarding academic progress and goals for increasing the graduation rate of student athletes. Regent O'Keefe stated that it is important for the University to clarify expectations and goals relating to graduation for student athletes. He added that it would also be desirable for the Board to engage in a discussion regarding overall graduation rates. It is an important policy issue that needs to be addressed as the University of Minnesota has lower graduation rates than some other comparable institutions. Regent Baraga stated that he would not support a message to student athletes that less than a 100 percent graduation rate is acceptable. He expressed the importance of a goal that would strive to graduate all student athletes.

#### **REPORT OF THE FINANCE & OPERATIONS COMMITTEE**

Regent Bergland, Vice Chair of the committee, reported that the committee did not have a quorum present. He stated that it was the consensus of the members of the committee present that the following items be forwarded to the Board for approval:

- a) Adoption of the amended Board of Regents Policy: *Endowment Fund*.

A motion was made and seconded to adopt the revised Board of Regents Policy: *Endowment Funds*.

Questions were raised about the risks involved with investments in commodities and limited partnerships. It was reported that the University has no intention of investing directly in commodities and limited partnerships at this time, but may want to do so at some time in the future. However, if such an investment is desirable, it would not be initiated without further discussion with and direction from both the Investment Advisory Committee and the Board of Regents. Regent Baraga raised concerns about the risks associated with these types of investment. After some discussion, a motion was made to table the item until the November meeting to allow time for further clarification. The motion was seconded and the Board of Regents voted unanimously to table the discussion.

- b) Approval of the amended Consent Report for the Finance & Operations Committee as presented to the committee and described in the October 12, 2000 committee minutes.

A motion was made and seconded and the Board of Regents voted unanimously to approve the Consent Report for the Finance & Operations Committee.

Bergland reported that the committee received a status report on the Debt Management Advisory Committee; reviewed information on capital financing and debt management; received information on implications of the federal budget on higher

education; and discussed policy recommendations for building reserves for future facility renewal and replacement. He reported that a status report on the Investment Advisory Committee was delayed until the November meeting.

Regent Hogan commented on the difficulty of obtaining funding from the legislature to build reserves for facility renewal and replacement. Bergland stressed the importance of the legislature understanding the University's need for these funds. Regent O'Keefe suggested that the University consider building a reserve for deferred maintenance into the annual operating budget instead of requesting funds from the legislature through a special request. Funding could be phased into the budget as new buildings are constructed and as older buildings require substantial remodeling. Regent Reed responded that O'Keefe's suggestion is one of the options being considered by the Finance & Operations Committee.

#### **REPORT OF THE LITIGATION REVIEW COMMITTEE**

Regent Spence reported that the committee did not meet this month.

#### **FACILITIES/CAPITAL INVESTMENT - CURRENT ISSUES**

Vice President Kruse reported on current issues relating to the University of Minnesota's capital improvement plan. His report contained information on construction activity at the University as well as the national and local construction market and its impact on the University's ability to forecast the cost of construction materials, labor, and services.

Kruse reported that the University of Minnesota has one of the most ambitious and aggressive capital improvement plans of any institution in the country. He talked about the challenges the University has faced with regard to scope, scheduling, and budgeting that has resulted in adjustments to a number of plans and has increased costs. Bids often exceed the design professional's construction budget estimate due primarily to the large volume of work, an inadequate supply of labor that extends beyond the construction industry, and an inadequate supply of contractors to insure competitive pricing. Program changes and the presence of unexpected environmental and hazardous materials also result in delays and added costs. He reviewed a number of ways that the University is attempting to manage the increasing costs of capital projects.

Kruse concluded his presentation by indicating that he believes that the Department of Facilities Management has done an admirable job of managing in a very difficult situation. The department's dedicated staff and their ability to manage the construction challenges will be the key to success in addressing the issues facing the capital improvement plan.

In response to a question from Regent Spence, Kruse reported that the University may use a design-build process for a project if the University is using its own funding. If a project is supported with state funds, the University has to work with the State Designer Selection Board, which often results in a delay in construction. Construction costs may rise before the project is started. Options are being explored to provide more flexibility in this process.

Regent Phillips asked if someone is held accountable when design estimates are not accurate. Kruse responded that a number of factors contribute to the estimates and it is difficult to place blame in one area.

In answer to a question from Regent Reed, Kruse stated that the longer a project is delayed in the process, the more likely there will be a change in scope of the project. When asked if some projects should be delayed until the construction market "cools," Kruse stated that he does not expect the construction market to decrease for at least three years. Delaying projects would most likely result in higher project construction costs due to inflation.

#### **UNIVERSITY BIENNIAL BUDGET REQUEST**

A motion was made and seconded to approve the following resolution presented by President Yudof relating to the University's 2002-03 biennial budget proposal:

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

WHEREAS, the University of Minnesota's objectives are to promote economic growth and employment in the state, prepare students for 21st century jobs, improve the health of our people, facilitate the creation of new technologies and knowledge, along with their prompt transfer to the public and private sectors, and ensure that children of all races, genders, and family income live as well or better than their parents; and

WHEREAS, the 2002-2003 biennial budget proposal is designed to meet these objectives by investing resources to strengthen the foundation of the University and invest in areas that are critical to Minnesota's future; and

WHEREAS, these investments build upon the investments made in the 1998-99 biennial budget, the 1999 supplemental budget, the 2000-2001 biennial budget, and the 1998 and 2000 legislative session capital budget to advance the goals in the areas of research, graduate and professional education, undergraduate education, access and outreach, user-friendliness, and diversity; and

NOW, THEREFORE, BE IT RESOLVED that the 2002-2003 Biennial Budget Proposal be adopted by the Board of Regents for presentation to the State of Minnesota; that this proposal, detailed in the attached material to this resolution, represents biennial investments by the State of Minnesota of \$221.5 million, a tuition model to average 3.0% for each of the two years to yield a biennial increase of \$23.0 million in tuition revenue, and a reallocation model to average 2.5% of the University's current state appropriation to yield a biennial reallocation amount of \$30.2 million; and

BE IT STILL FURTHER RESOLVED, that the University engage its faculty, students, and staff, together with the State of Minnesota, to join in the responsibility for the maintenance and enhancement of the University's programs and goals in support of the well being of the State of Minnesota and the nation.

Yudof presented the proposed 2002-03 Biennial Budget Request as provided in the docket materials on file in the Board Office. The proposal, presented for information at the September 2000 Board of Regents meeting, was designed to both

strengthen the University's foundation and to build upon that strengthened foundation with targeted investment in areas critical for Minnesota's future. The request includes \$150 million to support basic University activities and \$71.5 million for targeted investments that strengthen the University's ability to compete nationally and provide guidance for the success of Minnesota's economy in the future. Yudof briefly reviewed details of the budget and noted the changes in the proposal from what was presented at the September Board meeting.

Kristen Berning, Chair of the Student Representatives, commended the President on the request. The students are pleased that the President is committed to enhancing the undergraduate experience and supportive of his proposal to increase faculty salaries on the Twin Cities campus in order to remain competitive with other peer institutions. Students are concerned, however, that faculty on the coordinate campuses will not be receiving comparable salary increases and that it will have an effect on the ability of the coordinate campuses to attract and maintain high quality faculty.

Regent Reed asked if the amount of this request is sufficient given the University's goal of becoming one of the top five public institutions in the country. Yudof responded that he is comfortable with the amount of the request and believes that it reflects the University's needs to move it towards the goal of becoming a top five public institution within the next five to ten years.

Regent Bergland addressed concerns that he has received from constituencies regarding the Board's involvement in the budgeting process. He stated that the Board is involved in the process continually throughout the year. Each month Board committees review issues and provide input relating to the University's budget. When the request comes to the Board for approval, it represents a consensus of the best efforts of the Administration and the Board in meeting the needs of the state against the reality of the funding sources.

The Board of Regents voted unanimously to approve the resolution relating to the University's 2002-03 biennial budget proposal.

#### **ANNUAL ASSET AND DEBT MANAGEMENT REPORT**

Associate Vice President Pfutzenreuter introduced Sheila Warness, Director of Asset Management, who presented the Annual Report of Asset and Debt Management, as included in the docket materials.

Warness reported that the Consolidated Endowment Fund (CEF) value at the end of FY00 was \$779.5 million, up \$157.1 million. The increase was due primarily to appreciation in the global equity as well as the venture capital markets. Asset allocation for the endowment has remained constant and within targeted allocations for the past year.

The Group Income Pool (GIP) value at the end of the fiscal year was \$57.5 million, down \$31.8 million. This was primarily due to a large withdrawal of reassigned, hospital-related assets.

The University's outstanding debt was \$535.2 million as of June 30, 2000, an increase of \$1.9 million from last fiscal year. The total effective rate on University-issued debt was 4.47 percent, with a full 92 percent in fixed rate instruments ensuring a stable, attractive interest rate for the life of the bonds.

Warness also provided a comparison of the University of Minnesota to peer institutions and indexes relating to asset allocation, risk, and five-year returns as of June 30, 2000.

#### **GIFTS**

Assistant Vice President Judy Kirk presented the monthly list of gifts to the University of Minnesota, the University of Minnesota Foundation, the Arboretum Foundation, and the Minnesota Medical Foundation through August 31, 2000 as listed in the docket material and on file in the Board Office.

A motion was made, seconded, and the Board of Regents voted unanimously to approve the receipt of gifts as presented.

The meeting adjourned at 12:10 p.m.



**ANN D. CIESLAK  
Executive Director and  
Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Litigation Review Committee**

**October 25, 2000**

A meeting of the Litigation Review Committee of the Board of Regents was held on Wednesday, October 25, 2000, at 8:12 a.m. in Room 202, Morrill Hall.

Regents present: David Metzen, presiding; Jessica Phillips and Patricia Spence.

Staff present: President Mark Yudof; Vice Presidents Tonya Brown and Eric Kruse; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; and Associate Vice President Richard Pfutzenreuter.

Others present: Saundra Martell.

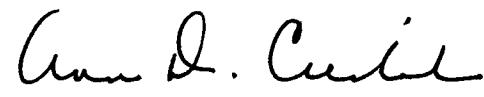
**RESOLUTION TO CONDUCT NON-PUBLIC MEETING  
OF THE LITIGATION REVIEW COMMITTEE**

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

RESOLVED, that on the recommendation of the President and as provided by Minnesota State Statute 471.705, Subd. 1d, a special non-public meeting of the Board of Regents Litigation Review Committee be held on Wednesday, October 25, 2000 in the President's Office, 202 Morrill Hall, 100 Church Street S.E., Minneapolis, Minnesota, for the purpose of discussing attorney-client privileged matters.

The committee voted unanimously to approve the resolution.

The public portion of the meeting adjourned at 8:15 a.m. and the non-public portion of the meeting adjourned at 9:10 a.m.



**ANN D. CIESLAK  
Executive Director and  
Corporate Secretary**