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**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

MINUTES

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

March 13, 1997

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

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

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

March 13, 1997

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UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Audit Committee

March 13, 1997

A meeting of the Audit Committee of the Board of Regents was held on Thursday, March 13, 1997, at 8:07 a.m. in Room 238, Morrill Hall.

Regents present: William Hogan, presiding; Julie Bleyhl, Warren Larson, David Metzen, and H. Bryan Neel.

Staff present: President Nils Hasselmo; Chancellor Donald Sargeant; Provost Frank Cerra; Senior Vice Presidents JoAnne Jackson and Marvin Marshak; Executive Director Steven Bosacker; and Director of Audits Gail Klatt.

Student Representatives present: Eric Gustafson and Blessing Rugara.

SENIOR VICE PRESIDENT'S REPORT

Senior Vice President Jackson reviewed the Senior Vice President's Report, which was included in the docket. Jackson noted that a copy of President's Hasselmo's letter to the Board, which responds to Coopers and Lybrand's management letter, is included in the report.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the Senior Vice President's Report.

QUARTERLY DIRECTOR OF AUDITS REPORT

Director of Audits Klatt presented the quarterly report to update the committee on internal audit activities and results for the quarter ending December 31, 1996. A detailed description of the audits can be found in the docket materials.

Follow-up has been done on 101 outstanding audit recommendations noted as essential. Of the 101 recommendations reviewed, almost half (46) were from audits issued since August 1996. This was the first follow-up on these issues, and the target implementation dates are, for the most part, still several months away. Given the timetables established, Klatt stated that management is making progress toward addressing the new recommendations.

Progress has been made with the three recommendations for the Graduate and Professional Student Assembly (GAPSA) which were discussed at the November 1996 Audit Committee meeting. A draft policy on nepotism and disbursements has been developed. The other two recommendations were directed to the Office of Student Development and Athletics and, while not implemented, management has recognized the need to examine whether current roles and responsibilities are appropriate. Decisions on future directions are expected by the end of the winter quarter.

Six audit reports have been issued since the last quarterly report. Of those, Klatt noted particular concern regarding Networking and Telecommunications Services. It has been concluded that the University network is not appropriately controlled and limited. There are issues regarding access control and physical control, as well as disaster recovery preparations. Klatt stated that for corrective action to be taken, there needs to be a clear delineation of the responsibilities and accountabilities for network control between the institution and department levels.

Senior Vice President Marshak stated, and Klatt agreed, that this is an area of considerable tension between the academic desire to share data and the administrative need for security. While everyone agrees that public access is important, there is a need to preserve the institution's intellectual properties and proprietary data. Klatt added that a discussion at an institutional level is necessary to find a balance.

Regent Hogan stated that a framework is necessary for managing the network and requested a future discussion on what approach should be taken and what policies will be necessary.

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

CHARTER OF AUDIT COMMITTEE

Director of Audits Klatt stated that at the September 1996 meeting a review of the committee's charter was requested. This review would assure that the charter reflects the current activities and focus of the committee.

Klatt stated that as a general framework, the charter is fairly well drafted. The "purpose" of the Audit Committee, however, needs to be expanded. Klatt explained that a proposed modification to the purpose section would more fully reflect the philosophy and conceptual underpinnings of the Integrated Framework for Internal Control (IFIC).

Hogan agreed and stated that the biggest difference is that the Audit Committee has moved away from being a financial-driven committee to a broader committee that examines operations and regulatory matters.

In response to a question from Regent Neel, Klatt stated that "Audit Committee" is still generally a contemporary term, however, there are many institutions which have modified their names to reflect that the committee has expanded into more risk assessment and oversight issues. Hogan stated that several alternative names for the committee have been suggested and will be discussed at the May 1997 Audit Committee meeting.

EXTERNAL AUDIT PLAN

John Scheffler, Deloitte & Touche, reviewed the external audit plan which was provided in the docket materials.

Scheffler expressed Deloitte & Touche's commitment to serving the University through effective independent audit services, creative tax advice, and consulting assistance. The objectives of their audit planning process are to: 1) gain an understanding of the internal and external factors affecting the University to enable them to identify and evaluate risks associated with this year's audits; 2) ensure that their plan provides adequate audit coverage; 3) develop an audit plan which meets the expectations of management and the Audit Committee and is designed to deliver audit

services effectively and efficiently; and, 4) develop service objectives to add value to the University.

Scheffler stated that the University is in the process of considerable and ongoing internal change (e.g., systems conversions and reengineering), and is being influenced by external factors, such as changes in legislation and outside funding. These internal and external factors have an impact on the audit, both in Deloitte & Touche's assessment of risk and the manner in which they will respond to those risks.

Deloitte & Touche's audit approach provides a foundation for dealing with important elements of the University's adoption of the Integrated Framework for Internal Control (IFIC), including the control environment, risk assessment, control activities, control monitoring, and assessments of control effectiveness.

Scheffler stated that he will be back before the committee at the May 1997 meeting to give an update on where things stand with respect to the audit process.

BOARD OF REGENTS POLICY: PRIVATE PRACTICE PLAN: MEDICAL SCHOOL

Senior Vice President Jackson explained that the merger of the University Hospital with Fairview and changes in the marketplace demand a revision of the Board of Regents policy, "Private Practice Plan: Medical School."

Provost Cerra stated that the process of revisiting the policy on private practice plans in the Medical School is not new. In 1992, a subcommittee of the Board of Regents began work on the current policy, which was the first revision since the policy was adopted in 1972. It was recognized in 1993 that there would be a need for continual changes and revisiting of the policy.

Since the last revision of this policy, there have been tremendous changes in the marketplace, the completion of the Fairview transaction, the formation of University of Minnesota Physicians (UMP), and a recognition of the role of external funding sources to meet the mission of the Medical School (roughly 40-45% of the Medical School's budget). Documents are currently being developed in conjunction with the University General Counsel's office and the Office of the University Auditor.

Some transition challenges that are currently being addressed are: 1) the consolidation of 18 separate practice plans and the University of Minnesota Clinical Associates (UMCA) into one corporation; 2) human resource issues associated with some changes of employment; 3) problems with transition financing for meeting the payroll on July 1; 4) the need to transfer contracts with all the payors; and, 5) the need to establish acceptable benefit packages which are consistent with the University and IRS regulations. Cerra stated that substantial progress is being made on all of these issues.

The goals for the integrated practice plan are: 1) to enable more efficient and effective competition in the marketplace; 2) to enhance support of the education and research mission; 3) to provide more uniform oversight of practice activities by the University; 4) to create a more collegial culture in the clinical faculty; 5) to promote interdisciplinary opportunities; and, 6) to maximize return of clinical revenue to the faculty, at rates that are competitive in the local market.

Cerra explained that the idea behind the new policy is to accommodate the formation of the single practice plan and to codify a set of principles that make very clear the expectations on behalf of the Board of Regents for faculty who are taking care of patients. At the same time, the new policy removes many of the procedural elements

in the current policy and puts them into procedural documents that will be updated, monitored, and implemented by the Dean and Provost as necessary.

All practice plans shall be operated consistent with the following principles:

- a) The private practice of medicine shall be conducted so as to contribute significantly to achieving the missions (teaching, research, and clinical care) of the University of Minnesota Medical School.
- b) The private practice of medicine shall be conducted so as to promote the reputation of the University of Minnesota Medical School.
- c) The University and UMP shall ensure that public assets are used solely with the goal of achieving the University's missions, and when used in conjunction with the generation of private income, are so used only under appropriate rules and controls.
- d) Compensation to faculty should reflect their relative contributions to all the Medical School functions (teaching, research, administration, and clinical care). Compensation limitations should take into account generally recognized standards for academic medical centers, local market conditions, the value of University faculty appointments and their benefits, and other relevant factors.
- e) Practice plans and faculty members must comply with the law, as well as University, Academic Health Center, and Medical School policies and recognized professional practices.
- f) The University shall continue to govern academic issues.
- g) The practice plans remain subject to this and future Board of Regents policies.
- h) This policy shall supersede the Board Policy on faculty consultation as to those faculty engaged in the private practice of medicine. The private practice policy permits faculty unlimited days of practice in order to meet the Medical School's professional mission. Faculty will also continue to have access to the Consulting Policy for consulting services not included in the Private Practice Policy.

Regent Hogan stated that going to a single practice plan is a monumental task, and it is very important for the Board to completely understand the issues involved. Due to a shortage of time, Hogan requested Cerra and Thompson to come back and continue this discussion at a special meeting in April dedicated solely to this discussion. Cerra agreed to continue the discussion in April, and noted that there are several documents that need committee approval.

The meeting adjourned at 9:40 a.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS
Litigation Review Committee
March 13, 1997

A meeting of the Litigation Review Committee of the Board of Regents was held on Thursday, March 13, 1997, at 8:05 a.m. in Room 325, Morrill Hall.

Regents present: Regent Peterson, presiding; Regents Thomas Reagan and Patricia Spence.

Staff present: President Nils Hasselmo; Provost Frank Cerra; Vice President Mark Brenner; General Counsel Mark Rotenberg; and Executive Director Steven Bosacker.

Others present: Mark Bohnhorst, William Donohue, and Julie Sweitzer.

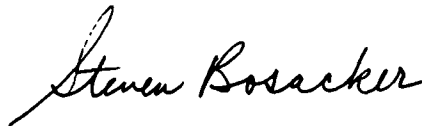
**RESOLUTION TO CONDUCT NON-PUBLIC MEETING
OF THE LITIGATION REVIEW COMMITTEE**

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 non-public meeting of the Board of Regents' Litigation Review Committee be held on Thursday, March 13, 1997, in 325 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 8:06 a.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Educational Planning & Policy Committee

March 13, 1997

A meeting of the Educational Planning & Policy Committee of the Board of Regents was held on Thursday, March 13, 1997, at 9:55 a.m. in Room 300, Morrill Hall.

Regents present: H. Bryan Neel, presiding; Robert Bergland, William Hogan, David Metzen, Michael O'Keefe, and Jessica Phillips.

Staff present: Chancellors David Johnson and Donald Sargeant; Senior Vice President Marvin Marshak; Executive Director Steven Bosacker; Vice President Mark Brenner, Director Stephanie Lieberman; Associate Vice Presidents Jane Canney and Dennis Cabral.

Student Representatives present: Eric Gustafson and Andrew Toftey.

Chair Neel welcomed the new Regents to the Committee.

SENIOR VICE PRESIDENT'S REPORT

Senior Vice President Marshak presented the Senior Vice President's Report for March 1997. The following items were highlighted for the committee.

Marshak reported the grade point average (GPA) is consistently higher for women than men across all units of the University of Minnesota. The overall GPA of 3.02 for the University is low for research institutions. Marshak suggested this statistic reflects the rigorous standards of the University.

Marshak briefly described the Higher Education Services Office (HESO) and related items, specifically noting the debate in the legislature regarding the higher education grants program. Two different bills are up for consideration, both intended to amend the terms of how state grant funds are awarded to students in all higher education systems in Minnesota.

Marshak presented the proposal of the appointment of three individuals to the Community-University Health Care Center (CUHCC). Provost Cerra recommended the appointment of Dr. Geraldine Kearse Brookins and Dr. Nancy V. Barcelo, and Fairview Chief Executive Officer Richard Norling recommended the appointment of Mary Cornils.

Lastly, Marshak presented the academic program proposal to approve a new credit based University College Certificate in Educational Computing and Technology to be offered at UMD/University College-Duluth.

A motion was made and seconded, and the Committee voted unanimously to recommend approval of the Senior Vice President's Report.

MINNESOTA EDUCATIONAL ACCOUNTABILITY REPORTING SYSTEM

Vice President Marshak briefly reviewed the Minnesota Educational Accountability Reporting System and introduced Robert Bruininks, Dean of the College of Education and Human Development.

In March 1996, the Minnesota Department of Children, Families and Learning (CFL) contracted with the University of Minnesota's College of Education and Human Development to fulfill a legislative mandate for a statewide educational accountability system. The study process extended over ten months. The college studied the 40 systems that exist in other states and the reporting systems in Minnesota. Throughout the process, University representatives met with hundreds of citizens, educators and policymakers to listen and gather ideas.

Bruininks reviewed the nine major recommendations regarding the development of a statewide system of educational accountability: 1) comprehensive framework of educational indicators; 2) coordination and integration of local and state reporting of performance indicators; 3) strategy for assessing and reporting academic achievement; 4) statewide system of educational accountability for all students; 5) standards for statistical analysis and reporting of information; 6) build on current data reporting system practices; 7) align initiatives to build on motivation and capacity; 8) organizational unit and governance framework; and 9) provide sufficient fiscal resources.

Bruininks predicted action this legislative session will create an accountability reporting system in K-12 education. He also expects 80% of suggestions in the report to be reflected in the legislation. He acknowledged the highly contentious nature of this report which led to a key strategy in developing this report, building consensus.

In response to concerns of Regent Hogan with regard to the merit of test scores, Bruininks explained that Minnesota would rank second or third nationally. Students do well on average. The heart of the concern comes from the fact that 50% of children living today are living under the poverty line. The real issue is how to respond to the growing crisis of nurturing and educating all our children. We are not doing well with regard to that responsibility. One needs only to compare school districts to see the inequities. Accountability studies describe the needs and performance of the system. They also allow schools to assess their strengths and weaknesses and benchmark results which should lead to improvement when the information is used responsibly.

In response to a question from Regent Phillips, Bruininks stated that he has worked closely with Professor Nathan from the HHH Institute and Admissions Director Wayne Sigler to organize a group of superintendents to address some of the difficult issues of articulation between pre-K-12 and higher education.

Regent O'Keefe acknowledged that young people need more tools than testing to succeed. Many factors affect outcome. He urged Bruininks to lobby the legislature and the Governor for an accountability system that does more than deal only with schools and school outcomes. There should be an accountability system that deals with the inputs that are known to be far more powerful for affecting the life chances for our children. Bruininks agreed. He added that studies have indicated that early intervention in schools can change the course of development for children.

INTELLECTUAL PROPERTY RIGHTS

Senior Vice President Marshak introduced the discussion of intellectual property rights noting that intellectual property is constantly increasing, which in turn means

the University of Minnesota and other research institutions have a bright future. There are two questions that are associated with intellectual property: 1) How do institutions facilitate both the generation of intellectual property and the development of revenue from intellectual property; and 2) How do institutions maximize their access to the intellectual property of others; and minimize their cost of that access? He noted that compensation issues do not include royalties alone, but the cost of administering the property.

Vice President Brenner described how the Office of Research and Technology Transfer is organized. Interim Associate Vice President Ed Wink oversees the patent technology marketing. The Patent Policy governs the University relationship with University employees regarding the creation of some types of intellectual property. It defines the rights and obligations of the University and the inventors. It defines what is done with the income. A new intellectual property policy is currently being drafted.

Brenner gave a brief summary of the process of how the University identifies technology resulting from research that has commercial potential. He noted that the University relies upon the faculty to bring disclosure to the administration. Liaison positions have been created to identify new opportunities. Disclosures must be evaluated and reported to the government.

Brenner explained the University's role in creating new companies. Faculty become involved as principals or prime consultants. There are risks involved due to limited resources and the lack of experienced management. The University is also tackling issues of equity and conflict of interest. Post-licensing activity is another important component of our patent policy. The University monitors performance, assures timely payments, and assures the proper distribution of income.

The University of Minnesota is working to address the issues of: equity positions in companies; income distribution -- establishing greater uniformity for all intellectual property; expanded coverage of the intellectual property policy; and individual's rights as employees hired to work on a project basis.

The meeting adjourned at 11:35 p.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS
Financial Operations Committee

March 13, 1997

A meeting of the Financial Operations Committee of the Board of Regents was held on Thursday, March 13, 1997, at 9:45 a.m. in Room 238, Morrill Hall.

Regents present: Julie Bleyhl, presiding; Warren Larson, William Peterson, Thomas Reagan, Maureen Reed, and Patricia Spence.

Staff present: Provost Gene Allen; Senior Vice President JoAnne Jackson; Executive Director Steven Bosacker; and Associate Vice Presidents Don Riley and Richard Pfutzenreuter.

Student Representatives present: Jennifer Halko and Tonia Zehrer.

SENIOR VICE PRESIDENT'S REPORT

Senior Vice President Jackson reviewed the Senior Vice President's Report, which was included in the docket. Jackson noted that Purchases of Goods and Services over \$250,000 has become a part of her report rather being a separate line item. Future items requiring separate approval will be presented to the committee as needed.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the Senior Vice President's Report.

QUARTERLY PURCHASING REPORT

Karen Triplett, Director of Purchasing Services, presented the Quarterly Purchasing Report highlighting the following:

October, November, December 1996

A total of 94,608 transactions were processed for a value of \$89,871,448. Of the total, 45 were justified sole source awards totaling \$1,843,527.

- There were seven Board of Regents policy violations.
- Nine change orders exceeded \$100,000.
- Six purchase awards were made that were over \$100,000 and under \$250,000.

In response to a question from Regent Reed regarding consequences for purchases in violation of policy, Senior Vice President Jackson stated that she is

currently working with Triplett and Controller O'Connor to set up a more specific mechanism to make the provost, dean or department head in the specific area responsible for carrying out disciplinary action on policy violations. Jackson told the committee that they will be back to them in April with a plan to improve compliance.

QUARTERLY ASSET AND DEBT MANAGEMENT REPORT

Senior Vice President Jackson and Sheila Warness, Associate Director of the Office of Asset Management, presented a review of the Quarterly Report on Asset and Debt Management for the fourth quarter of 1996, which was included in the docket materials.

The University of Minnesota now has over \$1.047 billion in assets including \$404.3 million in the consolidated endowment fund, \$205.3 million in long-term reserves, and \$356.1 million in short-term reserves.

The University's bonded debt totals \$292 million, split between fixed rate debt and variable rate debt.

In response to a question from Regent Reagan, Warness reminded the committee that they had requested that the next money manager report be from Scudder, an investment manager specializing in emerging markets. Since Scudder has presented to the committee twice in the past 18 months and the committee has expressed interest in the area of international investments, Warness suggested a presentation by Marvin and Palmer, an international large cap equity manager that has not yet presented to the committee. Regent Bleyhl agreed and asked Warness to invite Marvin and Palmer to the April 1997 meeting.

PROFESSIONAL STUDIES FINANCIAL REPORT

Senior Vice President Jackson reminded the committee that one of their initiatives was to receive a financial review from each provostal unit and coordinate campus. To date, the committee has received two reports: one from the Morris campus and one from the Academic Health Center. Jackson introduced Gene Allen, Provost for the Professional Studies provostal unit.

Allen explained that the Professional Studies Unit was established in 1995 by merging the Institute of Agriculture, Forestry, and Home Economics with five additional units.

The units of Professional Studies include Law School; Hubert H. Humphrey Institute of Public Affairs; Carlson School of Management; College of Architecture and Landscape Architecture; College of Education and Human Development; College of Human Ecology; College of Agricultural, Food, and Environmental Sciences; College of Natural Resources; Minnesota Extension Service; and Agricultural Experiment Station. Allen noted that all units have excellent national reputations and none rank below the top 30 in the country.

Allen stated that the strategic goals for the Professional Studies Unit include: 1) growing revenues under Incentives for Managed Growth (IMG); 2) increasing national and international program delivery; 3) increasing use of educational technology; and, 4) increasing intercollegiate programs for research, teaching, and outreach.


Key issues for the Professional Studies Unit are: 1) the ability to sustain and improve national stature; 2) tuition caps; 3) market variation and ability to pay; 4)

tuition reciprocity; 5) tuition waivers under IMG; and, 6) systems and database development.

Some of the actions planned for fiscal year 1998 include: 1) further strengthening collaboration across units for research, instruction, and outreach; 2) utilizing the programmatic plans of the individual units to determine the overall financial priorities for Professional Studies; 3) adapting current financial management information systems; 4) expanding use of the integrated framework for planning on major issues; and, 5) adding new Website information access to management reporting systems.

In response to a question from Regent Reagan, Allen stated that the federal formula funds for cooperative extension and the experiment station has leveled. Allen added that there was a turbulent time with the counties five to seven years ago, but in recent years the University's relationship has been much more positive. All 87 counties are involved in financial support for the extension service. Each county pays the secretarial, office, utilities, and office space for their extension office. Allen stressed the importance of the extension offices because county offices are the University's only physical presence in many counties. Reagan suggested that the University send thank you notes to the counties for their participation in extension. Allen agreed that this was a great idea.

The meeting adjourned at 11:26 a.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

March 13, 1997

A meeting of the Committee of the Whole of the Board of Regents was held on Thursday, March 13, 1997, at 2:00 p.m. in Room 238, Morrill Hall.

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

Staff present: President Nils Hasselmo; Chancellors David Johnson and Donald Sargeant; Provosts Frank Cerra and W. Phillips Shively; Senior Vice Presidents JoAnne Jackson and Marvin Marshak; Vice President Mark Brenner; Acting Vice President Thomas Swain; General Counsel Mark Rotenberg; Executive Director Steven Bosacker; and Associate Vice Presidents Nancy Barcelo and Gerald Fischer.

Student Representative present: Blessing Rugara.

OATH OF OFFICE - NEW REGENTS

Speaker of the House Phillip Carruthers administered the oath of office to Regents Robert S. Bergland, David Metzen, H. Bryan Neel, Michael O'Keefe, and Maureen Reed.

HONORS COMMITTEE NOMINATIONS

A motion was made and seconded and the committee voted unanimously to recommend approval of the following resolution:

RESOLVED, that on the recommendation of the President, the report of the All-University Honors Committee is hereby approved.

SENIOR VICE PRESIDENT REPORTS

Senior Vice President Jackson presented the Senior Vice President's Report relating to the following Facilities Committee items.

1. Approval is requested to execute the appropriate documents regarding easements to Dakota County for County Road 46 through the Rosemount Experiment Station and Rosemount Research Center property. County Road 46, in combination with County Road 48, is planned by Dakota County as a continuous county route from I-35 in Lakeville to Trunk Highway 61 in Hastings.

Jackson reported that the item was reviewed by the Facilities Committee in February and a number of questions were raised regarding the loss of a one-mile isolation zone surrounding the Veterinary Research Farm located in Rosemount. She distributed a letter signed by the Dean of the School of Veterinary Medicine outlining the expectations of the College of Veterinary Medicine and the dean's support of this request. The proposal has also been reviewed and has the support of the community.

2. The University Stores South Art Studio Project is presented for action. The project is designed to accommodate the relocation of Department of Art studios from the Holman Building and from 425 Ontario Street, thereby consolidating the Department of Art faculty and graduate student studios in one location. Total cost of the project is estimated to be \$875,000, with funding to be provided from the offices of the Dean of the College of Liberal Arts, the Provost for Arts, Sciences, & Engineering, and the Senior Vice President for Finance & Operations. The project will be executed through a sole source design/build contract with M. A. Mortenson Company. Jackson noted that all of the specifications have not been completed to the satisfaction of the Department of Art faculty and there is a possibility that an increase in the scope of the project may be requested at a future date.

The committee voted unanimously to recommend approval of the Senior Vice President's Report relating to Facilities Committee items.

Senior Vice President Marshak presented the Senior Vice President's Report relating to the Faculty, Staff and Student Affairs Committee.

Marshak called on Vice President Brenner who presented an amended Board of Regents Policy on Academic Misconduct. Brenner noted that changes have been proposed in the policy to bring it into compliance with federal requirements. He added that normally changes in the policy should go through full faculty senate review, however, because of time constraints, the changes have only been reviewed with the faculty consultative committee (FCC). The FCC has given its "emergency" approval with the understanding that the policy will go through the full consultative process in the near future. Brenner also reported that a major revision of this policy is scheduled for later this year.

The committee voted unanimously to recommend adoption of the amended Board of Regents Policy on Academic Misconduct.

REPORT ON STUDENT DIVERSITY

Associate Vice President Barcelo presented the annual report on student diversity programs, goals and achievements.

The University of Minnesota has seen progress in the areas of increased student of color enrollment and improved graduation rates during the past year, however, challenges remain in creating a campus environment which is inclusive and truly embraces diversity.

Four major priorities have been identified to continue building upon the progress made in achieving the U2000 goals of diversity:

1. Faculty: Recruitment, Development, Retention
2. Pre-Collegiate Programs: Outreach and Development
3. Student Retention and Graduation
4. Climate for an Inclusive Community

It is the role of the Office of the Associate Vice President for Academic Affairs - Diversity to work with University units and external communities to understand the importance of research, teaching, and outreach as it relates to diversity. The office works from the premise that diversity is transformative and changes the way an institution responds to its community and constituencies. Continued progress and success is dependent upon units within the University exploring new ways to work together collaboratively to build upon the past, current, and new diversity initiatives.

In July 1996, President Hasselmo requested an assessment of what is and what is not working, systemically and programmatically, with regard to meeting the needs of students of color. This assessment revealed that the University has numerous programs which work toward achieving the diversity goals. It also revealed some key areas of concern:

1. Pre-collegiate programs are geographically limited to the Twin Cities metropolitan area;
2. Pre-collegiate programs mostly focus on the high school level, with very few partnerships with elementary or middle schools;
3. Few pre-collegiate programs target gifted and talented students of color;
4. There is minimal continuity or linkages between programs;
5. Little or no data and no formalized assessment of pre-collegiate programs exists;
6. There is no systematic mechanism to track student participation and progress throughout the various pre-collegiate programs;
7. Few programs develop strong community partnerships and relationships;
8. Partnerships with postsecondary institutions are limited;
9. There is some duplication of efforts; and
10. There are few linkages between various academic and social-cultural support units after students matriculate, thereby interrupting the formal pathway leading to graduation.

Barcello reported that in response to the above findings, her office has been working to identify programs, at the pre-collegiate, undergraduate and graduate levels, between which formalized connections can be strengthened or developed. A model is being developed to illustrate how the University 2000 goals can be achieved. In this model, the importance of developing strong community and alumni relationships for student support throughout the educational pipeline is evident. It illustrates the significance for establishing linkages to create a community where students and the broader University can thrive. Coordination is necessary as new initiatives are implemented over the next several years to create a more seamless educational pathway.

In answer to a question from Regent Larson, Barcelo reported that in addition to educational preparation, issues relating to violence, harassment, and drugs, are being explored as part of the effort to make the institution a safer place to learn and nurture diversity.

Regent Hogan expressed concern that the University is trying to do too much. It might be more beneficial to concentrate on three or four areas where the University can

make a difference. Hogan also said it is important to receive input from students who are being affected by the policies.

President Hasselmo responded that Hogan has "put his finger on the heart of the enterprise." It is vitally important to target the University's efforts in areas where it can make the biggest contribution and strategic difference. Barcelo added that the next report to the committee will indicate areas where the University is beginning to target its efforts.

Regent O'Keefe applauded the efforts that have been made relating to diversity and stated that much work still needs to be done at the institution. He asked what percentage of college-age people of color are in the State of Minnesota. Barcelo responded that it is approximately 7%. O'Keefe noted that the University's student population of people of color is 11.2%, which indicates that the University is doing quite well in relation to the state's population.

O'Keefe also raised concerns about the breadth of the report and indicated that the University should not feel a responsibility to solve all of the problems, but should do further analysis and focus on the areas where the University can play a role.

Regent Spence indicated that the University needs to take a leadership role in the area of diversity, that it is part of the University's true outreach mission. Coordinating efforts through the Minnesota Extension Service should be explored.

In response to a question from Regent Reed, Barcelo indicated that the University is in the process of identifying all of the programs currently being instituted in institutions of higher education to determine where gaps are occurring and how each institution can support the other.

Student Representative Rugara stated that he is a student of color recruited to the University of Minnesota. He believes the issue of coordination is important. It is important that a student not feel that he/she is being pulled in different directions. Students should be able to trust the University of Minnesota. If the University invests in its students of color, those students become role models and ambassadors for the school. Additionally, the investment should be Universitywide, not through one or two particular programs. Rugara asked for information relating to the resources allocated to the Office of the Associate Vice President for Academic Affairs - Diversity and the programs related to diversity. Information on current resources should be provided in order to determine what future investments need to be made in this area.

UNDERGRADUATE ENROLLMENT MANAGEMENT REPORT

Senior Vice President Marshak, Associate Vice President Kvavik, and Admissions Director Wayne Sigler presented the Undergraduate Enrollment Management Report.

Marshak reported that enrollment management is critical to the University of Minnesota. It has a direct affect on the student's overall educational experience and significant effects on both revenues and costs for the institution.

Systemwide, the University of Minnesota competes in four overlapping undergraduate student markets: (1) high-academic, achievement-oriented students who want a research university environment; (2) students who seek a balance of academic and personal development in a comprehensive university; (3) students who wish the personal attention of a small liberal arts college, and (4) career-oriented students who seek a polytechnic, practicum-based education. Traditionally, these various programs have been centered on separate campuses with recruiting and admissions of students on each campus, for the most part, handled on a completely separate basis. The

recruiting and admissions process requires a balance among three areas: (1) the number of students admitted; (2) the degree to which the admitted students match the desired academic profile of a particular unit, and (3) how they contribute to meeting the diversity and other University 2000 goals. The University's improving reputation has directly improved its ability to recruit students, however, even the best recruiting programs cannot succeed if the University does not deliver a high-quality educational program. It is important to continue the momentum toward delivery of better educational outcomes. The extensive use of University-based financial aid to help improve the University's competitive advantage over other institutions is imperative. Several important issues in this regard need to be explored:

- What further improvements can the University make to the enrollment management process?
- What resources are the University willing to direct toward enrollment management?
- What resources are the University willing to direct toward University financial aid?
- Are there systemwide improvements that the University can make to improve its overall ability to recruit students?

Director Sigler provided an update on the freshman class that will be entering in Fall 1997. As of the first week in March, freshman applications for Fall 1997 are up by 5% compared to the same date last year. The percentage of students of color in the Fall 1996 entering freshman class was 16%, close to the year 2000 goal of 16.5%. The Fall 1997 students of color freshman applications are up approximately 8.5% compared to the same date last year.

Honors applications for Fall 1996 increased by 109% compared with 1993 and Fall 1997 honors application are running approximately 26% ahead of 1996. Fall 1997 scholarship applications are up approximately 77% compared with 1994.

Sigler reported that a new option is available for freshman to enroll directly in the Carlson School of Management and the College of Biological Sciences, rather than transferring in the sophomore or junior year. This option may become available in other colleges and schools if there appears to be a demand by the students.

Regent Neel stressed the importance of the 14 critical measures. They are the centerpiece of University 2000 and represent the heart of accountability. It is important that the University stay focused on the measures, especially as they relate to the two subjects just discussed by the committee -- diversity and enrollment.

In answer to a question from Regent Reagan regarding how aggressive the University of Minnesota is in recruiting top students, Sigler reported that customer service in a personalized fashion is key to recruiting top students. Direct mailings, telemarketing, and school visits also play a vital role in recruitment.

STATE RELATIONS REPORT

State Relations Director Donna Peterson provided a status report on the 1997 legislative session.


At this point in the legislative session, it appears that the University may fare well this year. Peterson believes that most legislators feel that higher education has been short in funding during the past few years. There is a new awareness regarding

tuition levels and the affordability of higher education for students, and legislators are exploring their responsibility toward the increases in tuition and the funding of financial aid. Legislators are also beginning to understand that the University of Minnesota is the economic engine of the state and is not only about education, but about research and outreach.

Technology reports and reports on student services indicating that students are the University's top priority are helping to convince legislators that the University is changing. Use of the faculty's expertise as a resource in issues being reviewed at the legislature is another convincing factor. Additionally, the members of the legislature feel good about the selection of a new president and about the selection process for new regents. They are also hoping for a smooth, positive transition from President Hasselmo to President Yudof.

The session is currently at the halfway mark. From this point, hard decisions need to be made. There are many competing factions vying for funds. The University's budget presentation has been made to the Senate education money division and the presentation to the House will be made in the next week or two. Peterson will provide another update to the committee in April.

The meeting adjourned at 4:40 p.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

March 13, 1997

A meeting of the Board of Regents of the University of Minnesota was held on Thursday, March 13, 1997 at 4:41 p.m. in Room 238, Morrill Hall.

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

Staff present: President Nils Hasselmo; Chancellors David Johnson and Donald Sargeant; Provosts Frank Cerra and W. Phillips Shively; Senior Vice Presidents JoAnne Jackson and Marvin Marshak; Vice President Mark Brenner; Acting Vice President Thomas Swain; General Counsel Mark Rotenberg; Executive Director Steven Bosacker; and Associate Vice Presidents Nancy Barcelo and Gerald Fischer.

APPROVAL OF MINUTES

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

Faculty, Staff and Student Affairs Committee - February 13, 1997
Facilities Committee - February 13, 1997
Educational Planning and Policy Committee - February 13, 1997
Financial Operations Committee - February 13, 1997
Committee of the Whole - February 13, 1997
Board of Regents Meeting - February 13, 1997

REPORT OF THE PRESIDENT

President Hasselmo called on Provost Cerra who introduced Dr. Michael Till, the new Dean of the School of Dentistry. Till briefly addressed the committee.

Hasselmo presented his monthly report which pertained to a report on the Legislative session, alumni visits in California, report on enrollment, presidential transition and men's basketball.

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

REPORT OF THE CHAIR

Chair Reagan congratulated the Men's Basketball Team for winning the Big Ten Championship and wished them well in the NCAA tournament.

Reagan noted that 10 of 12 Regents have registered to attend the National Conference of the Association of Governing Boards in April. Aside from Regents' individual participation in a number of sessions related to higher education governance, Executive Director Bosacker will lead a seminar during the Board Secretaries pre-conference

workshop and Policy/Project Assistant Katie DeBoer will conduct a breakfast roundtable discussion on developing a web site for your Board office. Reagan has been invited to participate in a panel to talk about the University of Minnesota's experience in addressing tenure reform.

Reagan noted that President-Designate Mark Yudof has been in town for another full schedule of background briefings and community visits. Brief overnight visits are also scheduled for April and May, and Yudof will begin full-time in June, overlapping with president Hasselmo for one month.

RECEIVE AND FILE REPORTS

President Hasselmo noted there were no receive and file reports.

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 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 COMMITTEE OF THE WHOLE

Chair Reagan reported that the committee voted unanimously to recommend:

- a) Approval of a recommendation relating to the report of the All-University Honors Committee, as follows:

RESOLVED, that on the recommendation of the President, the report of the All-University Honors Committee is hereby approved.

- b) Approval of the Senior Vice President's Facilities Report as presented to the committee and including the approval of: 1) the execution of documents regarding easements to Dakota County for County Road 46 through the Rosemount Experiment Station and Rosemount Research Center property; and 2) an amendment to the FY97 Capital Budget for the University Stores South Remodeling for Art Studios Project on the Twin Cities campus.
- c) Approval of the Senior Vice President's Faculty, Staff & Student Affairs Report as presented to the committee and including the adoption of the following amended Board of Regents Policy on Academic Misconduct:

Academic Misconduct

SECTION I. PURPOSE.

Subd. 1. Expectations. The University of Minnesota expects academic integrity from its employees at all times and in all circumstances. University employees may not engage in actions that constitute misconduct in research or other scholarly activity.

Subd. 2. Procedures. Once an allegation of academic misconduct has been made, the procedures that should be pursued to resolve the allegation are detailed below in the following stages:

- (1) an inquiry to determine whether the allegation or related issues warrant further investigation;
- (2) when warranted, an investigation to collect and thoroughly examine evidence; and
- (3) a finding and appropriate charge or personnel action. If the investigation results in a charge or personnel action, the respondent may request a formal hearing by following other University policies and procedures, as applicable.

SECTION II. APPLICATION.

Subd. 1. Application. The policy and procedures set forth herein shall apply to all research, scholarly and artistic activities of all University employees and others who are involved in such activities under the aegis of the University as part of their employment responsibilities. In those instances in which it is not clear whether this policy should apply to an individual, the Science and Scholarly Advisory Board (described below) will adjudicate the question.

Subd. 2. Time Limitations. Due to the difficulties of investigating old claims and the unfairness to the respondent, allegations of misconduct that occurred seven or more years prior to the submission of the allegation will not be investigated unless the circumstances indicate that the alleged conduct was not reasonably discoverable earlier. Copies of "University of Minnesota Policies and Procedures for Dealing with Academic Misconduct" shall be disseminated widely.

SECTION III. DEFINITIONS.

Subd. 1. Academic Misconduct. "Academic Misconduct," for the purpose of this policy, shall mean the fabrication or falsification of data, research procedures, or data analysis; destruction of data for fraudulent purposes; plagiarism; abuse of confidentiality; or other fraudulent actions in proposing, conducting, reporting, or reviewing research or other scholarly activity. It is particularly important to distinguish academic misconduct from honest error and the ambiguities of interpretation that are inherent in the scientific and scholarly process, but are normally corrected by further research. Intent has been deliberately omitted as part of this definition, but should be considered if any disciplinary action is recommended. Scholastic dishonesty, as differentiated from academic misconduct defined by this policy, by a student in the performance of academic work is a violation of the Student Conduct Code. Complaints of alleged scholastic dishonesty are resolved in accordance with established collegiate and Student Conduct Code policies and procedures.

Subd. 2. Complainant. "Complainant" shall mean the individual or individuals who submit an allegation of academic misconduct.

Subd. 3. Inquiry/Investigative Panel or Panel. Inquiry/investigative panel" or "panel" shall mean the group of individuals appointed by the senior administrator and given the charge to de-

termine whether the allegations are frivolous or to identify sufficient information to warrant an investigation (see also section VII). If an investigation is warranted, the same panel shall be given the additional charge by the senior administrator to further seek and analyze all relevant information regarding the allegation, and then determine whether sufficient evidence exists to report that academic misconduct occurred. The report of the panel is the basis of any disciplinary action assigned by the senior administrator (see also section XII).

Subd. 4. National Science Foundation (NSF). "NSF" shall mean the National Science Foundation.

Subd. 5. Office of Research Integrity (ORI). "ORI" shall mean the Office of Research Integrity, an independent entity within the United States Department of Health and Human Services reporting to the Secretary of Health and Human Services.

Subd. 6. Public Health Service (PHS). "PHS" shall mean the United States Public Health Service.

Subd. 7. Respondent. "Respondent" shall mean the individual or individuals against whom the allegations have been submitted.

Subd. 8. Senior Administrator. "Senior administrator" shall mean the dean or other individual identified by the academic vice president, vice provost, or vice chancellor of the line unit of the respondent and approved by the senior vice president of academic affairs. The senior administrator has the responsibility of directing the case from the inquiry process through disposition of the case.

Subd. 9. Retaliation. "Retaliation" shall mean any damaging action against a person who reports or provides information about suspected or alleged misconduct. Individuals alleged to have retaliated against others involved in an academic misconduct case shall be subject to the appropriate disciplinary actions according to the policies or applicable collective bargaining agreements for the respective University employee groups.

Subd. 10. Science and Scholarly Advisory Board (SSAB). "SSAB" shall mean a committee representing the various scientific and scholarly disciplines at the University. The SSAB shall have the following responsibilities:

- (1) provide advice on the implementation of this policy;
- (2) assist the steering of potential allegations;
- (3) advise the senior administrator on potential members of the panel; and
- (4) advise the senior administrator on the appropriate disciplinary actions when misconduct has been found.

Members will be nominated for staggered three-year terms. The Twin Cities campus, Crookston campus, Morris campus and the Duluth Medical School shall have a single committee with nine members. Its members will be nominated by the regents professors and appointed by the senior vice president of academic affairs. The Duluth campus (excluding the medical school) will have a

five-member committee, with its members nominated by the Duluth campus assembly and appointed by the academic vice chancellor of the Duluth campus. Resolution of issues regarding advice on implementation of this policy shall be by the nine-member SSAB representing all units except the Duluth campus and that board shall be augmented with two members from the Duluth campus SSAB. Each SSAB will elect annually a chair.

Subd. 11. Sponsor. "Sponsor" shall mean any external entity, including, but not limited to, a company, agencies of the U.S. federal and state governments, foundations, industry associations, and others, that supports the scholarly work upon which the allegation is based.

SECTION IV. SUBMISSION OF AN ALLEGATION.

Subd. 1. Responsibility. The University has the responsibility to pursue an allegation of academic misconduct and shall carry out this responsibility fully to resolve questions regarding the integrity of the scholarly activity. In an inquiry and any investigation that may follow, the individuals involved in considering the case shall focus on the substance of the issues and shall be vigilant to prevent any personal conflicts between colleagues from obscuring the facts.

Subd. 2. Meeting with SSAB. Prior to submitting a complaint, a potential complainant is encouraged to meet privately with the chair of the SSAB, the chair's designee, or an academic administrator (dean or other academic officer) from the unit in which the incident occurred. All parties involved shall be informed that all issues related to the complaint (allegation) must be kept private at this stage. The purpose of this meeting is to provide advice to the complainant. The meeting shall help distinguish whether the case is one of academic misconduct or one to be resolved by other deliberative or mediation procedures, or by other specialized committees, such as the Student Conduct Code, the Human Subjects Committee or the Animal Care Committee, or by labor agreements between the regents and any employee group.

Subd. 3. Methods of Submitting an Allegation. There are two ways allegations may be submitted.

- (a) Within ten working days of having sought advice from either the dean, academic officer, or SSAB member, the complainant must inform the individual consulted of whether an allegation will be filed. If filing an allegation, the complainant shall submit a written allegation to the senior vice president of academic affairs. Until an allegation is filed, there shall be no inquiry or investigative activity regarding concerns expressed by the complainant.
- (b) The member of the SSAB or academic administrator who meets with a complainant has the responsibility of submitting the allegation if the complainant chooses not to make a formal allegation and the SSAB member or academic administrator believes there is sufficient cause and evidence to warrant an inquiry. In such a case, there is no complainant for the purposes of these procedures. Instead, a three-member subcommittee of SSAB or the academic administrator (the party the complainant consulted) shall draft a

written report (allegation) to be submitted to the senior vice president for academic affairs.

Subd. 4. Assignment to Senior Administrator. The senior vice president for academic affairs shall refer the case to the academic vice president, vice provost, or vice chancellor of the unit in which the alleged misconduct occurred. The academic vice president, vice provost, or vice chancellor shall refer the allegation to the dean of the unit in which the case originated. The dean shall be assigned to serve as the senior administrator and shall be responsible for pursuing all allegations to resolution. This includes directing an inquiry and, if necessary, an investigation of academic misconduct. If the dean has a conflict of interest with a case, the case shall be referred to a dean from another unit or another individual, who shall serve as the senior administrator.

Subd. 5. Documentation. From the time the allegation is received, all activity related to the case shall be carefully documented. All individuals who are contacted shall be assured that, as much as possible, the privacy of their comments will be maintained. In turn, all individuals involved with the case are expected to sustain the privacy of the case. The senior administrator shall promptly attempt to locate and secure the originals of all relevant research data if it is ascertained that such data will be part of the case. Supervised access to the data shall be available to the panel and the respondent. The senior administrator also shall chart the elements of the case as it is understood at that time.

Subd. 6. Absence of Respondent. Even if the respondent leaves the University before the case is resolved, the senior administrator on behalf of the University, when possible, shall continue the examination of the allegation and reach a conclusion. Further, the University shall cooperate with the process of another institution to resolve such questions to the extent permissible under the Minnesota Government Data Practices Act or any applicable federal law.

SECTION V. CONFLICTS OF INTEREST.

Possible conflicts that must be avoided in the appointment of the senior administrator and members of the panel or the assignment of a SSAB panel member to the case include the following:

- (1) coauthoring a book, paper, or grant proposal with any of the individuals directly involved with the misconduct case (complainant or respondent);
- (2) professional or personal relationship with any of these individuals (e.g., current or former students or mentor, direct supervisory or subordinate relationship, direct collaborator within the past seven years;
- (3) professional differences of opinion with any of the involved individuals that might reasonably be expected to affect objectivity in considering the case;
- (4) financial ties to the involved individuals; or
- (5) other reasons that might affect the ability of the individuals to make fair and impartial judgments.

SECTION VI. FEDERAL REQUIREMENTS

Subd. 1. Communication with Federal Agencies. All communication with federal agencies regarding the requirements in this policy shall be conducted by a person designated by the president.

Subd. 2. Application of Requirements. Subdivisions 3-7 apply at any stage in the process of inquiry, investigation, formal finding, and disposition when allegations of misconduct involve activities being considered for funding or are funded by the NSF or PHS.

Subd. 3. Notification Requirements. The NSF and the PHS have published regulations regarding the inquiry and investigation of allegations of misconduct involving activities being considered for funding or funded by those agencies. These regulations contain requirements to report to these agencies under certain conditions and at specified stages in the process (see Section VI, subs. 5 and 6).

Subd. 4. Interim Administrative Action. As provided by federal regulations (42 CFR, part 50, subpart A and 45 CFR, part 689), at any stage in the process of inquiry, investigation, formal finding, and disposition, the University may take interim administrative action to protect federal funds.

Subd. 5. Notification to ORI. PHS regulations (42 CFR, part 50, subpart A) require that the director of the ORI shall be notified when, on the basis of the initial inquiry, the University determines that an investigation is warranted or prior to the decision to initiate an investigation under the following conditions:

- (1) there is an immediate health hazard involved;
- (2) there is an immediate need to protect federal funds or equipment;
- (3) there is an immediate need to protect the interests of the persons making the allegations or of the individuals who are the subject of the allegations, as well as the co-investigators and associates, if any;
- (4) it is probable that the alleged incident is going to be reported publicly; or
- (5) there is a reasonable indication of possible criminal violation. In that instance, the University must inform ORI within 24 hours of obtaining that information. ORI will immediately notify the Office of the Inspector General.

If the inquiry is to be terminated, the ORI shall be notified including a description of the reasons for termination.

Subd. 6. Notification to NSF. NSF regulations (45 CFR, part 689) require that NSF be notified or informed:

- (1) immediately if an initial inquiry supports a formal investigation;
- (2) during such an investigation; and

- (3) even before deciding to initiate an investigation or as required during an investigation if:
 - (i) the seriousness of apparent misconduct warrants;
 - (ii) immediate health hazards are involved;
 - (iii) NSF's resources, reputation, or other interests need protecting;
 - (iv) federal action may be needed to protect the interests of a subject of the investigation or of other potentially affected; or
 - (v) the scientific community or the public should be informed.

Subd. 7. Final Report to Federal Agencies. A final report must be submitted to the appropriate federal agency and include:

- (1) a description of the policies and procedures under which the investigation was conducted;
- (2) how and from whom information was obtained relevant to the investigation;
- (3) the findings;
- (4) the basis for the findings;
- (5) the actual text or accurate summary of the views of any individuals found to have engaged in misconduct; and
- (6) a description of any sanctions taken by the institution.

SECTION VII. PURPOSE OF INQUIRY.

Whenever an allegation or a complaint involving the possibility of academic misconduct is made, the senior administrator shall initiate an inquiry, which is the first step of the review process. In the inquiry stage, factual information is gathered and expeditiously reviewed to determine if an investigation of the charge is warranted. An inquiry is not a formal hearing or an in-depth analysis of the allegation; it is designed to separate allegations deserving further investigation from frivolous, unjustified, or clearly mistaken allegations. As soon as sufficient information is obtained that indicates an investigation is warranted, the inquiry process shall terminate, and a report shall be submitted to the senior administrator. It is the responsibility of the senior administrator to ensure that the inquiry is conducted in a fair and just manner.

SECTION VIII. PROCESS OF INQUIRY.

Subd. 1. Meeting with Complainant. The senior administrator shall meet with the complainant to review details of the allegation and describe the process that shall be followed to resolve the allegation. The senior administrator shall explain that while every attempt will be made to maintain anonymity through the inquiry phases of the process, the respondent shall learn the complainant's identity during the investigative process, and the

complainant may have to face the respondent during a subsequent hearing if the case proceeds that far.

Subd. 2. Meeting with Respondent. The senior administrator shall meet with the respondent to present the details of the allegation (a written statement of the allegation shall also be provided along with a copy of this policy) and the evidence upon which the allegation is based, explain the process to be followed, and obtain the respondent's preliminary explanation of the allegation. A summary of the evidence shall be provided if the allegation is based on extensive documentation; however, the respondent shall have supervised access to review all of the evidence held by the senior administrator.

Subd. 3. Respondent's Responsibilities and Rights. The senior administrator shall inform the respondent of the obligation to provide all the evidence relevant to allegation. In order to avoid claims of alteration of the data, the senior administrator shall attempt to secure all original pertinent documents (for example, data books and manuscripts) at the time the respondent is notified of the allegation. The senior administrator shall also inform the respondent that unreasonable refusal to provide relevant material or other uncooperative behavior may result in an immediate recommendation that an investigation is justified. The senior administrator also shall tell the respondent that he or she shall have the opportunity to be interviewed by the panel and to provide any documentation or names of individuals who might help clear the claim against the respondent. The respondent may seek the assistance of an advisor (legal counsel or another individual) at this point, if assistance has not already been sought. If the respondent wishes to have an advisor present during the interview with the panel, notice of the advisor's participation should be submitted to the panel at least 48 hours prior to the interview.

Subd. 4. Preliminary Determination. After meeting with both the complainant and respondent, the senior administrator shall decide within 10 working days whether to personally handle the inquiry or refer the case to a panel. Alternatively, the senior administrator may make a determination that the allegation is frivolous, or that it is more appropriate to refer it to another deliberative resolution system (grievance, student conduct code, human subjects, animal care). If the senior administrator determines on the basis of a preliminary investigation that there is no substance to the allegation, the senior administrator shall submit a written report that explains the basis for closing the case to the academic vice president, vice provost, or vice chancellor of the unit in which the allegation is based. If the academic vice president, vice provost, or vice chancellor approves closing a case, the senior administrator shall notify both the complainant and the respondent of the decision.

Subd. 5. Panel Selection. If the senior administrator wishes to have the case examined by a panel, then individuals who have the appropriate scientific, scholarly, or artistic expertise on the issues in question shall be selected. Members of the panel may be chosen from within or outside of the University. They shall have no direct involvement in the academic activity under inquiry, be impartial, and have no interests that would conflict with the interests of the University in securing a fair and thorough inquiry. The senior administrator shall obtain nominations from the SSAB on suitable members to serve on the panel and shall obtain

approval from the academic vice president, vice provost, or vice chancellor of the unit before the final panel is appointed. While normally the panel shall be composed of faculty members only, at least one member of the panel should be from the same employment category as the respondent [faculty (94xx), graduate students and professional trainees (95xx), P & A (96xx, 93xx, 97xx), or civil service].

The panel shall have an odd number of members, preferably three. The senior administrator shall identify one member as chair. The senior administrator shall inform both the complainant and respondent of the proposed composition of the panel and give each of them five working days to notify the SSAB if any of the panel members might have a potential serious conflict of interest. The SSAB shall arbitrate all claims of conflict of interest.

Subd. 6. Panel Charge. The senior administrator shall provide the panel with an explicit charge for the inquiry activity. The University's Office of General Counsel shall advise the chair of the panel on the appropriate protocol and practices that should be followed.

Subd. 7. Involvement of Complainant. Whether a case can be reviewed effectively without the involvement of a complainant depends upon the nature of the allegation and the evidence available. Cases that depend specifically upon the observations or statements of a complainant cannot proceed without the open involvement of that individual. Cases that can rely on documentary evidence may permit a complainant to remain anonymous. While it may be desirable to keep the identity of a complainant private during an inquiry, such privacy cannot necessarily be guaranteed under the Minnesota Government Data Practices Act.

Subd. 8. Dissemination and Secrecy of Documents and Data. The senior administrator shall assume responsibility for disseminating information to the appropriate individuals. Notification shall be made in writing, and copies shall be filed in the office of the senior administrator. The safety and security of all documents must be assured. All individuals involved with the case shall be reminded that they are responsible for keeping all aspects of the case private.

The senior administrator shall inform all individuals involved in the case that the original data produced as part of research at the University belong to the University and the sponsor, if applicable. Therefore the data must be accessible upon request of the senior administrator. If the senior administrator chooses to secure the original data, the individual who provided the data shall be provided with copies on request.

Subd. 9. Examination of Documents. The panel shall examine the appropriate material to determine whether there is evidence that academic misconduct has occurred. All faculty, staff, and students are obligated to cooperate with the panel by supplying requested documents and information. The panel needs to consider only as much information as is necessary to determine whether there is substance to the allegation. The panel may also take written or oral evidence in considering the case. Transcripts of taped interviews shall be prepared and submitted to the interviewed person and the panel for comment or revision.

Subd. 10. Relevant Information to be Provided. The following types of information relevant to the allegations raised by the case shall be submitted to the panel upon request:

- (1) research notes, papers and notebooks, logs, source documents, computer printouts, and machine-readable materials;
- (2) a list of all current and former collaborators and coworkers;
- (3) a list of published abstracts, papers, and books; and copies of abstracts, papers, and books pending publication;
- (4) a list of reports and grant applications submitted to outside foundations and funding agencies and copies of such reports and applications; and
- (5) other pertinent scientific or scholarly data the panel deems necessary.

Subd. 11. Timely Resolution. Due to the sensitive nature of an allegation of academic misconduct, each case shall be resolved expeditiously. Reasonable deadlines shall be established for each case to facilitate the process. An inquiry (conducted by either the senior administrator or the panel) shall be completed as quickly as possible and not more than 25 calendar days after its initiation unless circumstances clearly warrant a longer period of time. If, when the panel convenes, it anticipates that the established deadlines cannot be met, a report, citing the reasons for the delay and progress to date, shall be submitted for the record to the senior administrator, and the respondent and other involved individuals shall be informed.

SECTION IX. FINDINGS OF INQUIRY.

Subd. 1. Report. Upon completion of the inquiry a written report shall be produced that states what evidence was reviewed, summarizes relevant interviews, and includes the conclusion of the inquiry. The report shall be sufficiently detailed regarding the reasons for determining that an investigation is not warranted, if such is the case. The panel's written report then shall be referred to the senior administrator and the respondent. If the report recommends that an investigation be conducted, it may propose subject matter to be included in the investigation. The respondent has ten working days to review the report and submit written comments to the senior administrator. Summaries of all interviews and data examined by the panel shall be made available for the respondent to review.

Subd. 2 Criminal Violations. If the senior administrator obtains information at any stage of the inquiry that reasonably indicates the occurrence of possible criminal violations, the senior administrator shall notify the appropriate office of the sponsoring agency and the appropriate law enforcement officials within 24 hours.

SECTION X. DETERMINATION OF SENIOR ADMINISTRATOR.

Subd. 1. Determination. Upon receiving the panel's recommendation and the respondent's statement, the senior administrator shall determine within ten working days whether the case shall be closed or an investigation initiated. The senior administrator

shall notify the complainant and respondent as to whether the complainant's allegations shall be subject to further investigation. The senior administrator shall maintain the records of an inquiry in a secure manner for at least three years.

Subd. 2. Right to Privacy and Protection. If the senior administrator decides not to conduct an investigation, no further formal action shall be taken other than informing all parties involved. The procedures shall preserve privacy consistent with law for all parties to these procedures and take reasonable steps to protect the positions and reputations of those, who in good faith, make allegations of academic misconduct. If privacy is breached, the senior administrator shall take reasonable steps to minimize the damage to reputations that may result from inaccurate reports.

Subd. 3. Malicious Allegations. Allegations that have not been brought in good faith may lead to appropriate disciplinary actions according to University policies (tenure code, academic professional and administrative staff policy and procedures, the civil service rules) or applicable collective bargaining agreements for the respective employee groups. Complainants shall be made aware from the outset that their privacy shall not be maintained if a complaint is maliciously motivated and false.

Section XI. INVESTIGATION PURPOSE.

Subd. 1. Purpose. An investigation shall be initiated only after the senior administrator issues a finding that an investigation is warranted. The purpose of the investigation is to explore further the allegations and assemble all the evidence that supports or refutes the allegation. The investigation shall focus on allegations of academic misconduct as defined above and shall examine the factual materials of the case. The investigation shall look carefully at the substance of the charges and shall examine all relevant evidence.

Subd. 2. Panel Report. The panel's charge is to generate a report that compiles all the information it considers and its conclusion regarding whether there is sufficient evidence to support the allegation of misconduct.

This report is the basis of any subsequent hearing. During an investigation, additional information may emerge that justifies broadening the scope of the investigation beyond the initial allegations. The respondent shall be informed if new and different allegations are discovered during the course of the investigation.

SECTION XII. INVESTIGATION STRUCTURE.

The investigation shall be carried out by the panel described above as a continuance of its work. If the inquiry was completed without a panel then one should be appointed as described in section XI, subdivision 2. If additional expertise for the panel is deemed desirable, the senior administrator shall request additional nominations from the SSAB. If the panel is augmented, it still shall have an odd number of members. The senior administrator shall identify one member as chair. The respondent and complainant shall be informed of the proposed new members for the panel and each given five working days to notify the SSAB of potential serious conflicts of interest any of the panel members

might have. The SSAB has the authority to arbitrate any questions regarding conflicts of interest.

Section XIII. INVESTIGATION PROCESS.

Subd. 1. Charge to Panel. The senior administrator shall provide a charge to the panel within ten days of the notification that an investigation is warranted. An investigational process shall be established for each investigation, and the complainant and respondent shall be notified when the investigation phase of this procedure commences. The respondent may seek the assistance of an advisor (legal counsel or another individual) at this point, if assistance has not already been sought. All parties involved shall cooperate with the proceedings in providing information relating to the case.

Subd. 2. Panel Examination. The panel shall examine the appropriate material to determine whether there is evidence that academic misconduct has occurred. All faculty, staff, and students are obligated to cooperate with the panel by supplying requested documents and information.

Subd. 3. Confidentiality. All parties involved shall be afforded confidential treatment to the maximum extent possible.

Subd. 4. Relevant Information. The following types of information relevant to the allegations raised by the case shall be submitted to the panel upon request:

- (1) research notes, papers and notebooks, logs, source documents, computer printouts, and machine-readable materials;
- (2) a list of all current and former collaborators and coworkers;
- (3) a list of published abstracts, papers, and books; and copies of abstracts, papers, and books pending publication;
- (4) a list of reports and grant applications submitted to outside foundations and funding agencies and copies of such reports and applications; and
- (5) other pertinent scientific or scholarly data the panel deems necessary.

The panel may also take written or oral evidence in considering the case.

Subd. 5. Transcripts. Transcripts of taped interviews shall be prepared and submitted to the interviewed person and the panel for comment or revision.

Subd. 6. Respondent's Response. All necessary information shall be provided to the respondent in a timely manner to facilitate the preparation of a response. The respondent shall have the opportunity to address the charges and evidence in detail at the inception and close of the panel's activities during the investigative phase of this procedure.

Subd. 7. Interim Administrative Actions. The University reserves the right to take interim administrative actions to protect:

- (1) the health and safety of research subjects and patients; and
- (2) the interests of students and colleagues;

Such actions may range from slight restrictions to reassignment of the activities of the respondent. In extreme circumstances, the respondent may be suspended temporarily. Any actions shall be in accordance with the procedures specified in the Board of Regents policy, "Faculty Tenure," the contract between the regents and unionized groups, any other labor agreements, or other applicable employee policies. Interim administrative actions shall be taken in full awareness of how they might affect the respondent and the ongoing research projects of the University.

Subd. 8. Notification of Sponsoring Agency. If the sponsoring agency of the academic activity requires notification of suspected academic misconduct, that agency shall be notified as soon as the decision has been made to undertake an investigation. Significant developments during the investigation, as well as the final determination of the case shall be reported to the sponsor when required. If at any stage during the investigation there is a reasonable indication of possible criminal violations, the senior administrator shall notify the appropriate office of the sponsoring agency, and the appropriate law enforcement officials within 24 hours. The senior administrator also shall notify the sponsoring agency during the investigation if emergency conditions exist as defined under federal regulations.

Subd. 9. Recording of Interviews. All interviews conducted during this investigative phase by the panel shall be tape recorded. A transcript first shall be approved by the panel and then shall be submitted to the interviewed person for comment or revision.

Subd. 10. Respondent's Defense. If the respondent wishes to have an advisor present during the interview with the panel, notice of the advisor's participation should be submitted to the panel at least 48 hours prior to the interview. The respondent shall have the opportunity to provide evidence, request expert witnesses, identify witnesses directly involved in the case, and be directly interviewed.

Subd. 11. Timely Investigation. The investigation shall be conducted as expeditiously as possible and generally shall be completed within 120 days. However, the nature of some cases may render that schedule difficult to meet. If the panel determines that the deadline cannot be met, it shall request an extension, which the senior administrator shall grant or deny. If necessary, the senior administrator shall submit a report to the sponsoring agency regarding this action.

SECTION XIV. FINDINGS OF THE INVESTIGATION.

Subd. 1. Preliminary Report. When the panel reaches a conclusion regarding the case, a preliminary report, which reviews all the information considered and the panel's conclusion, shall be transmitted to the respondent. The report shall detail the explicit evidence that supports or refutes each allegation included in the panel's charge. The report shall then specify the panel's conclusion as to whether any of the proven allegations represent academic misconduct. The respondent shall be allowed ten working days to prepare written comments, which the panel shall con-

sider before the report is finalized. The completed report along with the respondent's comments on the preliminary report then shall be submitted to the senior administrator. When there is more than one respondent, each shall receive all parts of the report that are pertinent to her or his role.

Subd. 2. Finding of No Misconduct. If either a finding of no misconduct is reported by the panel or the senior administrator does not accept the findings of the panel, the process shall be considered completed, with no disciplinary action taken by the University. New evidence may be an appropriate basis to initiate a new inquiry/investigation.

Section XV. FINDING AND PROPOSED RESOLUTION.

Subd. 1. Findings. Upon receipt of the panel's report, the senior administrator shall review the report and determine whether to accept all or part of the panel's recommendations. There are two possible findings:

- (1) that academic misconduct was committed; or
- (2) that no academic misconduct was found.

Subd. 2. Finding of Misconduct. For those cases in which the senior administrator accepts a finding of misconduct, the senior administrator shall determine the disciplinary action within 15 days of receiving the report. The senior administrator may consult with a subcommittee of the SSAB in arriving at a decision. This decision must also be made with the concurrence of the appropriate dean of the respondent's unit if the senior administrator is not the respondent's dean, the academic vice president, vice provost, or vice chancellor. The senior administrator shall notify the respondent in writing of the determinations on the case and the reasons for them. The respondent, who may be accompanied by an advisor, shall meet with the senior administrator and the appropriate academic vice president, vice provost, or vice chancellor to discuss the disciplinary action.

Subd. 3. Disciplinary Action. The University may choose disciplinary action as warranted by the circumstances of each case. Subject to the Board of Regents policy, "Faculty Tenure" or appropriate labor agreements, examples may include:

- (1) oral reprimand with no permanent record;
- (2) letter of reprimand that becomes part of the respondent's permanent record;
- (3) special monitoring of future work;
- (4) removal from particular project;
- (5) probation;
- (6) suspension;
- (7) salary reduction;
- (8) rank reduction; or
- (9) termination of employment.

Subd. 4. Response to Disciplinary Action. The respondent may accept the disciplinary action or request a hearing as specified for his or her employment classification. When the respondent files a grievance pertaining to the case, the University shall bear the burden of proof for all issues related to the allegations of miscon-

duct. The respondent shall bear the burden of proof for any claims against the process followed.

Subd. 5. Finding of No Misconduct. If the senior administrator determines that no academic misconduct was found, then the discussion with the respondent shall focus on how the respondent's record shall be cleared. This shall include removing all material related to this case from the respondent's personnel files. The respondent shall be informed by the senior administrator of the source of all correspondence regarding the case so that records developed for this case may be tracked and removed. The complainant and other concerned parties shall be informed by the senior administrator of the disposition of the investigation to the extent permitted under the Minnesota Government Data Practices Act.

Subd. 6. Notification of Outcome. The senior administrator also shall discuss with the respondent the appropriateness and desirability of notifying other individuals or agencies about the outcome of the investigation.

Subd. 7. Secrecy. All records related to this case shall be maintained privately and securely under the supervision of the senior administrator for at least three years. All parties involved in the case shall be reminded that except as required by federal and state law, all information about the case cannot be released outside the institution unless and until:

- (1) the allegations results in a finding of misconduct;
- (2) final discipline is imposed; and
- (3) all avenues of appeal (if pursued) have been exhausted.

Subd. 8. Notification to Sponsoring Agency. The sponsoring agency initially informed of the investigation shall be notified promptly of the outcome of the investigative and any subsequent hearing.

Subd. 9. Records of Misconduct. The senior administrator shall retain the records of the investigation. Even when no culpable misconduct was found but serious erroneous information was published, the senior administrator shall consider means to correct the published record affected by the alleged misconduct.

Subd. 10. Investigation Records. Records of the investigation and possible hearing shall include all documentation reviewed by the panel, summaries of witness interviews, and the findings of the panel.

SECTION XVI. RETALIATION.

It is University policy that no one shall retaliate against individuals who acted in good faith in reporting or providing information about suspected or alleged misconduct. When a complaint has been brought in good faith, even if mistakenly, the University shall seek to protect the complainant against retaliation. Individuals who provide information to assist in resolving of an inquiry or investigation also shall be protected by these same guidelines. Individuals engaging in acts of retaliation shall be disciplined according to the appropriate University policies or applicable collective bargaining agreements.

SECTION XVII. FALSE ACCUSATIONS.

If the allegations of academic misconduct are found to be maliciously motivated, appropriate disciplinary actions shall be taken against those responsible. If the allegations, however incorrect, are found to have been made in good faith, no disciplinary measures shall be taken.

SECTION XVIII. MINNESOTA GOVERNMENT DATA PRACTICES ACT

References are made throughout this policy to the Minnesota Government Data Practices Act. This act governs access to and release of all data collected, created, received, maintained or disseminated by public entities, including the University of Minnesota. The University will adhere to the requirements of the Minnesota Government Data Practices Act with respect to all actions taken and all information generated in the course of an academic misconduct inquiry and/or investigation under this policy.

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

Reagan reported that the committee also reviewed the Annual Report on Student Diversity; the Undergraduate Enrollment Management Report; and a status report from the Director of State Relations. The oath of office was also given to Regents Bergland, Metzen, Neel, O'Keefe, and Reed.

REPORT OF THE FINANCIAL OPERATIONS COMMITTEE

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

- a) Approval of the Senior Vice President's Financial Operations Report as presented to the committee and contained in the docket material.

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

Bleyhl reported that the committee also reviewed the Quarterly Purchasing Report; the Quarterly Asset and Debt Management report; and the Professional Studies Financial Report.

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

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

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

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

Neel reported that the committee also reviewed a report on the Minnesota Educational Accountability Reporting System and engaged in a discussion relating to intellectual property rights.

REPORT OF THE AUDIT COMMITTEE

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

- a) Approval of the Senior Vice President's Audit Report as presented to the committee and included in the docket material.
- b) Approval of the Quarterly Director of Audits Report as presented to the committee and included in the docket material.

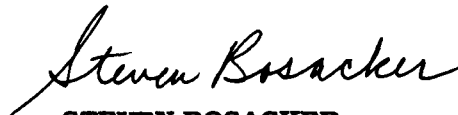
The Board of Regents voted unanimously to approve the recommendations of the Audit Committee.

Hogan reported that the committee reviewed proposed revisions to the Audit Committee Charter; reviewed information on the external audit plan; and engaged in a discussion on the Board of Regents Policy on the Private Practice Plan for the Medical School.

REPORT OF THE LITIGATION REVIEW COMMITTEE

Regent Spence reported that the committee met in non-public session Thursday, March 13, 1997 to discuss attorney-client privileged matters and there were no actions taken at the meeting.

The meeting adjourned at 5:05 p.m.



STEVEN BOSACKER
Executive Director &
Corporate Secretary

MBA
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**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

MINUTES

**BOARD OF REGENTS MEETING
AND COMMITTEE MEETINGS**

April 10-11, 1997

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

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS
Minutes of the Board of Regents Meetings
and Regents Committee Meetings
April 10-11, 1997**

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UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Audit Committee

April 10, 1997

A meeting of the Audit Committee of the Board of Regents was held on Thursday, April 10, 1997, at 8:30 a.m. in Room 238, Morrill Hall.

Regents present: William Hogan, presiding; Julie Bleyhl, Warren Larson, and David Metzen. Regent Maureen Reed joined the discussion.

Staff present: Provost Frank Cerra; Senior Vice Presidents JoAnne Jackson and Marvin Marshak; Executive Director Steven Bosacker; and Director of Audits Gail Klatt.

Student Representative present: Eric Gustafson.

**BOARD OF REGENTS POLICY:
PRIVATE PRACTICE PLAN (MEDICAL SCHOOL)**

Regent Hogan reminded the committee that this was a special meeting to continue the March 1997 discussion on revision of the Board of Regents Policy, "Private Practice Plan: Medical School." Hogan introduced Provost Cerra and Dr. Roby Thompson, president of the University of Minnesota Health System.

Cerra explained that the education of physicians requires training that is supervised by physicians who are both excellent educators and competent practitioners. This essential component begins in the first year of medical school and extends to the third and fourth years, primarily as clinical education and training. Prior to 1960, the care that was provided to University patients was not reimbursed. After 1960, because of federal legislation, there was reimbursement for this care for both the educational and clinical services provided. Because of this reimbursement, University hospitals and medical practices became possible, and practice plans were developed. The growth in practice income has increased support for medical education and research, and has permitted the delivery and availability of high-tech specialist medicine to the general population.

Clinical practice income accounts for 35% of the medical school budget. The revenues support faculty salaries, expenses of the practice, department programs, and medical school initiatives.

Practice plans at the University started in 1963 with a gentlemen's agreement between the Board of Regents and the faculty of the medical school. In 1992, a subcommittee of the Board of Regents began work on the current policy, which was the first revision since the policy was originally adopted in 1972. It was acknowledged in 1993 that there should be continual review of the policy.

Since the last revision of this policy, there have been tremendous changes in the marketplace, the completion of the Fairview transaction, the formation of University of

Minnesota Physicians (UMP), and a recognition of the role of external funding sources to meet the mission of the medical school (roughly 40-45% of the medical school's budget).

In response to a question from Regent Larson, Cerra explained that surveys of students, residents and fellows in training and practice show that while they are well-versed in medical knowledge, there is a need for more education and training in information systems, basic business practices, wellness issues, and preventive care.

Regent Reed stated that people across the country are looking for the University of Minnesota to be at the forefront of change in the medical world, and this paradigm shift is a new and important direction. It is essential that the medical profession begin to move from being in a reactive mode (i.e., when a patient is sick he or she comes to the physician), to an anticipatory mode (i.e., where physicians can predict the kinds of illnesses or health threats surrounding their patients and can intervene before the terrible medical, emotional and psychological toll hits when they become seriously ill).

In response to a question from Regent Hogan regarding consulting, Senior Vice President Marshak stated that more and more areas of the University are becoming like the medical field where the distinction between consulting and private practice has become blurred. Once the medical side has been clarified, it will be used as a model for the entire University.

Dr. Thompson stated that in the draft resolution, the standards that have been developed are designed to apply not just to the medical school, but to any school.

In response to the committee's confusion regarding the flow of funds, Senior Vice President Jackson explained that the one thing that makes the University unique from industry is that the University wants its employees to work for the University and then develop a business on the outside. The University understands that if faculty are successful in their professions, they will be better faculty members. This causes much confusion as to where dollars should be and who should get them. A physician cannot practice medicine in isolation. There is a need for scheduling, billing, etc. The private practice plan policy is the mechanism to ensure that the University only pays the portion of salary, supplies, etc. that is used for the education of the physician. The portion which is used for the patient is paid for by the physician's practice plan.

The policy will be presented for review at the May 1997 meeting of the Committee of the Whole.

The meeting adjourned at 9:50 a.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS
Litigation Review Committee
April 10, 1997

A meeting of the Litigation Review Committee of the Board of Regents was held on Thursday, April 10, 1997, at 8:35 a.m. in Room 325, Morrill Hall.

Regents present: Regent Peterson, presiding; Regents Thomas Reagan and Patricia Spence.

Staff present: President Nils Hasselmo; Vice President Mark Brenner; General Counsel Mark Rotenberg; Executive Director Steven Bosacker; and Associate Vice President Clint Hewitt.

Others present: Terry Bock, Mark Bohnhorst, Julie Sweitzer, and Jan Symczyk.

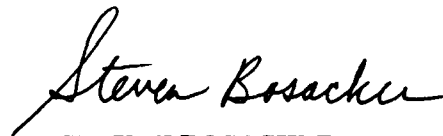
**RESOLUTION TO CONDUCT NON-PUBLIC MEETING
OF THE LITIGATION REVIEW COMMITTEE**

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 non-public meeting of the Board of Regents' Litigation Review Committee be held on Thursday, April 10, 1997, in 325 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 8:36 a.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

Year 1996-97

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff and Student Affairs Committee

April 10, 1997

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, April 10, 1997, at 10:00 a.m. in Room 300, Morrill Hall.

Regents present: Patricia Spence, presiding; Robert Bergland, David Metzen, and Michael O'Keefe.

Staff present: Chancellor David Johnson; Provosts C. Eugene Allen and W. Phillips Shively; Senior Vice President Marvin Marshak; Vice President McKinley Boston; Executive Director Steven Bosacker; General Counsel Mark Rotenberg; and Associate Vice Presidents Jane Canney and Carol Carrier.

Student Representative present: Andrew Toftey.

SENIOR VICE PRESIDENT'S REPORT

Senior Vice President Marshak reviewed the Senior Vice President's Report, which was included in the docket, and noted the following:

- The appointment of Dr. Alfred F. Michael as Dean of the Medical School;
- Former Vice President Walter Mondale has been elected to a three-year term on the University Foundation Board of Trustees.

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

BOARD OF REGENTS POLICY: TUITION

Senior Vice President Marshak and Peter Zetterberg, Director of the Office of Planning and Analysis, presented the revised tuition policy which was reviewed by the committee at the February 1997 meeting. Marshak reminded the committee that the revisions would provide that variations in upper division tuition rates on any campus would be eliminated by 1998-99, and for each campus the tuition rate must be the same for all undergraduate students by 1998-99. Regarding course fees, the proposed language would provide that the President may recommend to the Board that course fees be assessed in only very specific instances as defined in the policy. College or campus-wide fees may be assessed for special equipment, supplies and services as long as there is no more than one campus-wide fee per campus, and no more than one college-wide fee per college on the Twin Cities and Duluth campuses.

In response to a question from Regent Bergland, Marshak stated that this policy does not prescribe at what level the tuition is unified. That definition will come as a

part of the budget proposal. The biennial request includes a 2.5% tuition revenue increase.

A motion was made and seconded, and the committee voted unanimously to approve the revised tuition policy.

**STUDENT ORGANIZATIONS' GOVERNANCE:
INITIATIVES, OPPORTUNITIES & CHALLENGES**

Vice President Boston and Associate Vice President Canney presented a report on efforts underway to refine and implement a new paradigm for the University of Minnesota relationship with student organizations. Implementation of student organization categories will more clearly define the relationship between student organizations and the University.

Boston explained that President Hasselmo has been very committed to enhancing the undergraduate experience at the University. To be successful, there must be an easy transition from high school to the University, and it is important to link the curricular and co-curricular learning experiences.

In a recent survey by the Office of Student Development and Athletics (OSDA), students who are involved in campus organizations reported that their involvement had a major impact on development of leadership, interpersonal, and decision-making skills. The Carlson School of Management reports that executives from the Twin Cities business community say that new employees who make the most significant contributions to their firms are those who established a record of involvement and accomplishment during their undergraduate years.

Boston stated that student organizations contribute significantly to the student experience, not only at the Twin Cities campus, but at the coordinate campuses as well. A recent survey at the University of Minnesota, Morris indicated that 62% of their students are involved in student organizations.

Canney stated that in response to recent trends on the Twin Cities campus as well as nationwide, the OSDA has initiated a new paradigm for the relationship between the University and student organizations. Implementation of this paradigm will more closely define what the relationship is. The OSDA has worked closely with the General Counsel's office in developing this paradigm. The paradigm has four different categories for student organizations. Fundamental to each category is the recognition that any student involvement is a learning experience. The categories run on a continuum where on one end, student organizations are independent and autonomous, such as religious, political or social action clubs. On the other end of the continuum, there are registered student organizations which have close ties to the University, such as academic-based programs.

The OSDA is developing training programs for the leaders of these organizations which focus on human resource management, tax issues, and financial issues. Also in development are plans involving current students and alumni who are involved with sororities and fraternities. The focus will include avenues for the University to work more closely with the Greek organizations. This provides the University with the opportunity to work and support continuity for these organizations into the next century. Recently the numbers of these organizations has declined due to many significant issues including declining housing facilities.

Boston noted the University's responsibility to prepare students for global citizenship beyond the campus experience. A special leadership workshop will be offered this spring, which will serve as a pilot for a fall quarter course.

There is a national trend to challenge the use of mandatory student fees for funding certain student organizations based on political or ideological positions of that organization. A number of University student organizations operate on student fee funding including the main student government groups. Canney stated it is essential to provide all students the opportunity to develop leadership and citizenship skills through the involvement in the fee-funded groups as well as their campus-wide programs.

In response to a question from Regent Metzen, June Nobbe, Director of the Campus Involvement Center, stated that any student organization may apply for funding from student service fees. Applications are reviewed, recommendations are made, there is a public hearing, and final recommendations are made. On the Twin Cities campus, the student service fee is approximately \$160 per quarter.

Regent O'Keefe commended the OSDA for the efforts made to enrich campus life and requested that the Board receive copies of the reports containing surveys of students on the undergraduate experience.

Student Representative Toftey stated that housing conditions have an enormous impact on the student experience and requested a future discussion on housing, both on and off campus.

FACULTY COMPENSATION MARKET COMPARISONS

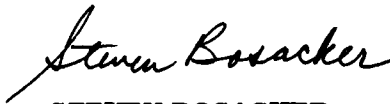
Senior Vice President Marshak and Peter Zetterberg, Director of the Office of Planning and Analysis, presented faculty compensation market comparisons with comparable peer institutions.

Marshak stressed that the University's most important asset is its faculty, and that faculty salaries at the University are not competitive. Rather, they are in the bottom quartile of comparable research universities. Zetterberg stated that in an increasingly competitive academic market, the University must raise faculty salaries or risk losing its stars.

The University's goal is to raise the average compensation for all employee groups to at least the mean of the appropriate local or national market. The amount of funding necessary to bring faculty salaries on each campus to the mean of their peer group is approximately \$30 million.

Zetterberg explained that over the next five years, 25 percent of the University's faculty members will retire or leave the University for other reasons. Over the next 10 years, 50 percent will retire or leave. Replacing these faculty members will be the most significant challenge the University will face and will require a competitive salary position. Only 20 percent of the University's \$300 million budget goes to salary and fringe benefits. Regent Bergland stressed that basic support must come from the public, and the University must continue to press the legislature for funding.

The meeting adjourned at 11:54 p.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Facilities Committee

April 10, 1997

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, April 10, 1997 at 10:00 a.m. in Room 238, Morrill Hall.

Regents present: Jessica Phillips, presiding; Julie Bleyhl, Warren Larson, William Peterson, Thomas Reagan, and Maureen Reed.

Staff Present: Senior Vice President JoAnne Jackson, Chancellor David Johnson; Provost C. Eugene Allen; and Associate Vice President Eric Kruse.

Student Representative present: Tonia Zehrer.

SENIOR VICE PRESIDENT'S REPORT

Senior Vice President Jackson presented the Senior Vice President's Report for April 1997. The following items were highlighted for the committee.

1) Jackson reported briefly on the Space Management Data Base System and stressed its importance in managing space on campus.

2) Associate Vice President Kruse described the serious structural problems at the large auditorium classroom in Nicholson Hall and the negative impact this is having on the students and programs that use this facility. This building was identified ten years ago as having serious problems, yet it is still in use.

In response to a question from Regent Peterson, Kruse stated that it is more economical to demolish rather than decommission the building. However, there is still a savings of deferred renewal if a building is decommissioned and offices are relocated to other buildings.

3) Jackson reported that the University is continuing to go forward on the pre-qualification of construction contractors project as described in the docket material. The project is on schedule and the policy will be in place by the end of June.

In response to a question from Regent Reagan, Kruse explained that the list of pre-qualified contractors will be updated regularly. Jackson added that the policy affords an opportunity annually for new contractors to be added. In response to concerns from Reagan, Jackson stated that the committee is composed of community and university representatives to assure that the list of contractors doesn't contain just one type of contractor.

In response to a question from Student Representative Zehrer regarding student involvement in space planning, Jackson indicated that she heard from students that study space was a priority and has requested Clint Hewitt to monitor that issue.

In response to question from Regent Larson, Jackson explained that staff is comparing the State's policy on pre-qualification of construction contractors to make the University's policy as consistent as possible, although there are different needs.

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

REAL ESTATE TRANSACTION

Purchase of 2218 University Avenue S.E.

The committee reviewed a proposal to purchase property at 2218 University Avenue S.E. located at the eastern gateway to the Twin Cities campus. The property is currently owned by Tile and Marble Company, which is relocating, and includes an office building on approximately one acre of land. The property would be acquired to serve as an Office of Technology and Media Resources Service Delivery Center and a disaster recovery site. The space would house Networking and Telecommunications Services, OIT Engineering Services, and Media Resources Engineering Services. The property would be purchased through an internal loan and repaid using service rates collected by Networking and Telecommunication Services.

Regent Larson raised concerns with the amount of deferred maintenance, Jackson responded that the appraisal process will clearly identify the deferred maintenance costs for the building. Assistant Vice President Steve Cawley explained that the deferred maintenance costs will be built into the operating costs. Sue Weinberg, Coordinator for the Real Estate Office, added that acquiring this building would add space and allow for decommissioning the University Press building.

SCHEMATIC PLANS

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

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

- A. Humanities & Fine Arts Building Renovation: Morris Campus
Estimated project costs: \$2,300,000
Funding: 1996 Legislative appropriation
Estimated completion date: Phase I - May 1997; Phase II - May 1998
- B. Haecker Hall Renovation: St. Paul Campus
Estimated project costs: \$12,000,000
Funding: 1996 Legislative appropriation
Estimated completion date: August 1998
- C. Williamson Hall Renewal Phase II: Twin Cities Campus
Estimated project costs: \$2,739,000
Funding: 1994 and 1996 Legislative appropriations
Estimated completion date: November 1997

The remodeling of the Molecular and Cellular Therapeutics Facility on the Twin Cities campus, which was originally on the agenda, was postponed for a future meeting and renewal of Williamson Hall was added.

Associate Vice President Kruse stated that all projects were approved in the capitol budget.

In response to concerns from Regent Peterson, Director Linda McCracken-Hunt explained that while the Humanities Building and Williamson Hall do not have asbestos, Haecker Hall does have asbestos in the crawl space. The plan is to use the asbestos abatement allowance in the budget to remove the contaminated sand and then pour cement into the crawl space. Peterson stressed the importance of getting rid of the asbestos completely, even if it would require another special appropriation.

In response to a question from Regent Phillips, Peter Curtis, Project Architect, responded that the faculty and students are excited about the renovations to Haecker Hall and are willing to tolerate moving to temporary accommodations until the project is completed.

Student Representative Zehrer inquired about the adaptability of the building for future technology. Peter Carlson, Project Architect, responded that the project includes outfitting the halls with the necessary cabling to accommodate future needs.

In response to a question from Peterson, Curtis explained that there is a delicate balance between historical preservation, energy efficiency, and available funds. He added that while the original windows in Haecker Hall are old, they are not in bad shape and the Minnesota Historical Society urges the preservation of as much of the original building as possible. The existing windows, however, are not energy efficient. Some of the sashes were replaced during a demonstration project with Anderson Windows, but there is not enough available funds to do the entire building. An energy efficient alternative to replacing the sashes would be to install screens. However, the screens would damage the historical look of the building. The preferred method, if the funds were made available, is a total replacement of the sashes. This would preserve the historical look of the building while still providing energy efficiency.

In response to a question from Regent Reed, McCracken-Hunt explained that non-construction costs include furnishings, design fees, administrative costs, and miscellaneous fees and are about 25-30% of total costs.

Jackson said that the Williamson Hall project will come before the committee again, probably next month, for a change in scope once decisions are made regarding the circulator bus system. Assistant Vice President Paul Tschida, explained that the Master Plan calls for reopening roads, where possible, to provide more efficient circulation of traffic on campus.

In response to a question from Regent Larson, McCracken-Hunt stated that the Williamson Hall project will reduce the deferred maintenance by approximately \$2 million.

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

AMENDMENTS, FY 97 CAPITAL BUDGET

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

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the FY 1997 Capital Budget is hereby amended to incorporate the following projects:

- A. Football Complex Remodeling and Addition: Twin Cities Campus
Estimated project costs: \$1,250,000
Funding: Internal loan and foundation funding
Estimated completion date: August 1997
- B. Larpenteur Tunnel for Golf Course: Twin Cities Campus
Estimated project costs: \$191,300
Funding: Cost sharing with Ramsey County
Estimated completion date: August 1997
- C. Scott Hall Facilities Management Zone 5 Shop and Stores Remodeling:
Twin Cities Campus
Estimated project costs: \$322,300
Funding: Facilities Management
Estimated completion date: August 1998
- D. Burton Hall Air Conditioning and Remodeling: Twin Cities Campus
Estimated project costs: \$167,800
Funding: College of Education and Human Development departmental funds
Estimated completion date: June 1997
- E. Moos Tower Zebrafish Facility: Twin Cities Campus
Estimated project costs: \$140,700
Funding: Medical School indirect cost recovery funds
Estimated completion date: October 1997
- F. Commonwealth Terrace Flatroof Facility: Twin Cities Campus
Estimated project costs: \$276,400
Funding: Housing and Residential Life — Twin Cities Campus
Estimated completion date: September 1997

In response to a question from Regent Larson regarding the football project, Director Mark Dienhart responded that there are other related projects which will be brought to the committee as funds permit.

Regarding the Burton Hall project, Regent Peterson expressed a desire to see the administration evaluate the feasibility of air conditioning the entire building rather than just the five rooms requested. Senior Vice President Jackson offered to pull the project from the resolution this month and come back to the committee with project information for air conditioning the entire building at a future meeting.

Regarding the Moos Tower project, Regent Peterson expressed concern over the asbestos contained in the building and asked that this project be pulled from the resolution until information regarding how the asbestos will be removed can be provided.

In response to a question from Regent Reed, Jackson explained that these projects have funding from other sources and will not take away from other projects in the capital budget. In the future, the data sheets for capital projects will include more financial information regarding the impact on the capital budget, renewal implications and environmental impacts.

The committee voted unanimously to recommend approval of the resolution regarding the amendments to the FY 1997 capital budget, as amended, without the Burton Hall and Moos Tower projects.

QUARTERLY CAPITAL IMPROVEMENT PLAN REPORT

Associate Vice President Kruse presented the Quarterly Capital Improvement Plan Report. Financial information regarding renewal, state funding, etc. will be added to this report in the future.

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

The meeting adjourned at 11:55 a.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS
Educational Planning and Policy Committee
April 10, 1997

A meeting of the Educational Planning & Policy Committee of the Board of Regents was held on Thursday, April 10, 1997, at 2:00 p.m. in Room 238, Morrill Hall.

Regents present: William Hogan, presiding; Robert Bergland, David Metzen, Michael O'Keefe, Jessica Phillips.

Staff present: President Nils Hasselmo; Chancellors David Johnson and Donald Sargeant; Provosts C. Eugene Allen and W. Phillips Shively; and Associate Vice Presidents Nancy Barcelo and Peter Zetterberg.

Student Representatives present: Eric Gustafson and Andrew Toftey.

SENIOR VICE PRESIDENT'S REPORT

Senior Vice President Marshak presented the Senior Vice President's Report for April 1997. The following items were highlighted for the committee.

Marshak reaffirmed the University of Minnesota support for the Minnesota Transfer Curriculum in response to the concern of a number of legislators over the issue of transfer of credits between the various educational systems and the University of Minnesota. He noted that in 1991 the University and Chancellors of the other higher education systems signed a pledge of full partnership in the Minnesota Transfer Curriculum to make the transfer of credits from one system to another simpler and more accurate.

Marshak reported on a proposal by the Carlson School of Management for a joint MBA degree to be offered by the University of Minnesota and the Warsaw School of Economics. This would be the first joint degree program between the University of Minnesota and a foreign university. The degree program will be offered as an executive MBA. Marshak requested the Board's indication of support so the University can undertake further development of program particulars between USAID, the Warsaw School of Economics and the University of Minnesota.

Lastly, Marshak requested approval of a proposal for a University College Certificate in Environmental Education offered by the Duluth Campus and the Wolf Ridge Environmental Learning Center.

In response to questions by Regents Bergland and Phillips, Marshak reported that the transfer curriculum is evolving and will continue through the change to the semester system. The system will be automated to better serve students. The transfer of credits is currently done on an individual basis with the admissions offices through the evaluation of courses.

Regent Hogan inquired about the cost of the proposed Carlson School MBA. Marshak responded that the program must be supported entirely through tuition.

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

K-12 INITIATIVES ON THE CROOKSTON & MORRIS CAMPUSES -- REPORT

Vice President Marshak outlined the report on the K-12 initiatives on the Crookston (UMC) and Morris (UMM) Campuses, noting that the Duluth and Twin Cities Campuses will present their report to the committee in May. Marshak introduced Chancellors Sargeant and Johnson of UMC and UMM, respectively.

Sargeant reviewed the key strategies UMC uses in K-12 initiatives. UMC employs collaboration and technology when working with employers, community, and students to improve K-12 education in northwestern Minnesota.

Barbara Muesing, Director of Outreach at UMC, reported that UMC has sought to meet the need for more teacher education through a distance education grant that assists teachers to learn to integrate technology in some specific core subjects.

Johnson briefly discussed key changes to rural K-12 schools. Most schools are now K-6 rather than K-12 due to the consolidation of high schools to more efficiently educate students of the area. Johnson reviewed three overarching goals: diversity, internationalism, and outreach. Johnson summarized representative ways in which faculty, students, and staff at UMM are involved with their counterparts in elementary and secondary schools in West Central Minnesota, across the state and region, and around the world.

In response to a question from Regent Bergland, Sargeant responded that the objective of the outreach program at UMC is to bring a professional education to rural Minnesota. Muesing added that the strategy is to build upon academic strengths like veterinary medicine and legal education.

Regent Hogan expressed his surprise and delight regarding the Morris student teaching experience in inner city Chicago. He inquired about the kind of feedback from students going to Chicago. Johnson responded that there is culture shock but the experience has broadened their teacher education. Regent Phillips added that she has heard very positive feedback about the programs.

ACADEMIC REPORT SERIES: FOREIGN LANGUAGE INSTRUCTION ON THE TWIN CITIES CAMPUS

Provost Shively introduced Dean Steven Rosenstone to report on foreign language instruction on the Twin Cities Campus in the College of Liberal Arts (CLA).

Rosenstone noted that the University is internationally recognized as a leader on research in language instruction and the methods for training of teachers of second languages. He stressed the importance of proficiency in a second language in today's global economy along with a familiarity with another culture. The study of culture and the study of language go hand in hand at the University of Minnesota.

The CLA is the only college on the Twin Cities Campus which requires a graduation language proficiency test. The test examines proficiency in speaking, reading, listening, and writing. The tests are offered in 22 languages in CLA. Currently, there are over 9,800 course registrants in language courses on this campus which is an

11% increase from the last year and double that of 10 years ago. CLA offers coursework in 25 languages. Spanish has the highest demand. In 1992, 711 students enrolled in 36 sections of Spanish. There are 1,739 students enrolled in 76 sections of Spanish just four years later (1996).

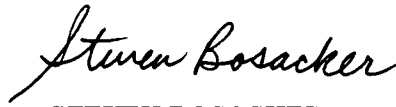
Rosenstone noted some of the growing concerns regarding language instruction. First, there is a need to find adequate staff to meet the growing demand. The increase in students enrolling in Spanish courses illustrates this concern. Second, it is important that we insure a proper mix of staff. In order to meet the demand and offer a quality education, departments must examine total staffing needs, not only tenure-track faculty. Third, the University must provide access to less commonly taken languages that are appropriate to a research institution and are responsive to the cultural heritage of Minnesota residents. Finally, the University needs to be aggressive in providing languages that reflect the changing global inter-relationships.

In response to a question from Regent Phillips regarding staffing demands, Rosenstone stated that the University is meeting demands. The experience with the rapid growth in Spanish enrollment taught the administration how to respond to the demands. Shively added that CLA has created a "swat team" operation to track the section needs during registration. This allows the administration to provide new sections immediately.

Student Representative Toftey inquired about the need for a second language requirement in other University programs, i.e., the Carlson School of Management and the Humphrey Institute. Shively responded that he is in favor of a language requirement for all students. Accreditation requirements in some colleges, such as the Institute of Technology, make it difficult to establish such a requirement.

In response to a question from Student Representative Gustafson regarding Native American languages and culture, Rosenstone remarked that the University now teaches Ojibway and Dakota. There is a search in progress for a new department chair for American Indian Studies as well.

The meeting adjourned at 11:35 p.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS
Financial Operations Committee

April 10, 1997

A meeting of the Financial Operations Committee of the Board of Regents was held on Thursday, April 10, 1997, at 1:45 p.m. in Room 300, Morrill Hall.

Regents present: Julie Bleyhl, presiding; Warren Larson, William Peterson, Thomas Reagan, Maureen Reed, and Patricia Spence.

Staff present: Senior Vice President JoAnne Jackson and Executive Director Steven Bosacker.

Student Representatives present: Jennifer Halko and Tonia Zehrer.

SENIOR VICE PRESIDENT'S REPORT

Senior Vice President Jackson reviewed the Senior Vice President's Report, which was included in the docket.

Sheila Warness, Associate Director of the Office of Asset Management, gave an update on the University's endowment portfolio. Warness explained that the endowment fund is up 1.6% from December to the end of March. Since March, there has been a small increase. The group income pool, which includes the long-term reserves and bonds, had a loss of about 2.3% since the end of March.

Jackson also noted that the planned sale of land in Shoreview has not materialized.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the Senior Vice President's Report including Purchases of Goods and Services over \$250,000 as presented in the docket material.

PURCHASING POLICY EXCEPTIONS - REPORT & PLAN

Senior Vice President Jackson reminded the committee that at the March 1997 meeting, the committee requested a plan to improve compliance on Regents' policy violations. Terry O'Connor, Controller, and Karen Triplett, Director of Purchasing Services, presented details of the plan.

Triplett explained that purchases over \$10,000 need to be bid. Purchases may not be split in order to avoid bidding. Purchases of \$250,000 and over must receive prior approval by the Board of Regents.

The majority of violations occur when purchases over \$10,000 are not bid, and most often happen because the person authorizing the vendor to supply goods or services was unaware of the bidding requirement. 99.9% of purchasing dollars are spent in compliance with the Regents' purchasing policy.

The proposed plan to increase compliance includes: 1) a University-wide communication effort to raise awareness of the policy; 2) a report which has been developed to help identify violations; 3) notification of policy violations to responsible fiscal and administrative officers; and, 4) reports of violations to the Board of Regents in the Quarterly Purchasing Report.

Restrictions will be applied to departments who commit policy violations. The first violation will involve mandatory training of personnel involved. The second violation will require an administrative processing fee of 10% of the amount of the violation. Any violations subsequent to the second violation will include the fee, and the department will be designated as exceptional. Exceptional departments with continuing violations may have their purchasing authority suspended.

MONEY MANAGER REPORT: MARVIN & PALMER

Sheila Warness, Associate Director of the Office of Asset Management, introduced Stanley Palmer and William Dodge of Marvin & Palmer Associates, Inc. Marvin & Palmer currently manages \$68 million of the foreign equity assets in the University's endowment fund. A portfolio was distributed and is available for review in the Board of Regents Office.

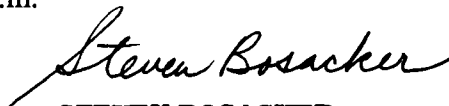
Marvin & Palmer's services are geared to outperform four geographic benchmarks: global equities, European and Far Eastern equities, emerging market equities and American equities. Marvin & Palmer's performance on the University's assets have beaten the market significantly over the past four years.

Marvin & Palmer's strategy focuses on quality growth, European restructuring, and strong dollar beneficiaries. The firm's investment philosophy is to aggressively seek superior performance through active top-down management of country and economic sector allocations.

In response to a question from Regent Peterson, Dodge stated that their Hong Kong companies are well-managed and have shown good growth over the years. Hong Kong has been the best performing market over the past 20 years. It has been a property-driven market and the secret has been that a limited amount of property has been available.

Responding to concerns about the political climate in different countries, Dodge explained that if the University wanted to sell any holdings in the portfolio, they could easily do so within a day.

The meeting adjourned at 3:30 p.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

April 11, 1997

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, April 11, 1997, at 9:10 a.m. in Room 238, Morrill Hall.

Regents present: Thomas Reagan, presiding; Robert Bergland, Julie Bleyhl, William Hogan, David Metzen, Michael O'Keefe, William Peterson, Jessica Phillips, Maureen Reed, and Patricia Spence. Regent Neel participated via telephone.

Staff present: President Nils Hasselmo; Chancellors David Johnson and Donald Sargeant; Provosts C. Eugene Allen, Frank Cerra and W. Phillips Shively; Senior Vice Presidents JoAnne Jackson and Marvin Marshak; Vice Presidents Mark Brenner and McKinley Boston; Acting Vice President Thomas Swain; General Counsel Mark Rotenberg; and Associate Vice Presidents Eric Kruse and Robert Kvavik.

Student Representative present: Blessing Rugara.

INTRODUCTION OF WOMEN'S BASKETBALL COACH

Women's Intercollegiate Athletic Director Chris Voelz introduced the newly-appointed women's basketball coach, Cheryl Littlejohn. Littlejohn spoke briefly to the committee.

PRESENTATION TO BOARD OF REGENTS

Mr. Bill Lindboe, President of the Minnesota StandDown presented the Board with a certificate of distinction and service for the University's continued support and commitment to serving homeless and veterans in need through the 1996 Minnesota StandDown.

STATE RELATIONS REPORT

State Relations Director Donna Peterson reported on the status of the University's request for the 1997 legislative session. Peterson provided a comparison of the requests submitted by the University, the Minnesota State Colleges and Universities (MnSCU), and the Higher Education Services Office (HESO), as well as the funds dollars proposed for allocation by the governor, the House and the Senate. The House and Senate bills are proceeding and could reach the conference committee by the end of next week.

Peterson noted that performance measures were discussed at length in both the House and the Senate. The members of the Senate decided that they would not require

any performance measures, however, the University will report each year of the biennium on its critical measures and their outcomes. In the House, performance measures were defeated in the committee, however, the issue may rise again at some point in the future.

Peterson reported that May 19 is the target date for adjournment, although, it appears that the session is proceeding ahead of schedule.

UNIVERSITY PLAN, 1997-98

President Hasselmo introduced the discussion on the 1997-98 *University Plan*. The *University Plan* is intended to provide an annual update of U2000. It provides an opportunity for the Board to review and reinforce or discontinue directions deriving from U2000; publicly confirm the University's vision; and view action plans and initiatives in the context of an overall strategy.

Associate Vice President Kvavik provided a short history of how the plan was developed and detailed the components and the structure of the plan. Included in the plan are an environmental assessment (with both internal and external trends), planning assumptions, the financial framework, and strategic initiatives for the coming year.

Marshak reviewed a comparison of how the University of Minnesota ranks relating to access and excellence to other national institutions and reviewed the planning assumptions contained in the plan. He explained that this plan has also led the University to develop a four-year institutional financial framework which details the investment requirements of the University.

Marshak cited four particular action areas in the U2000 agenda designated for change:

- Core Resource Initiatives
- Student Initiatives
- Process Redesign
- Academic

Change is necessary in all four areas in order to move the University toward improvements in quality while maintaining access.

Other important initiatives addressed in the plan include semester conversion, redesign and restructuring of central functions, the reengineering of University College, investment in technology, and library acquisitions. He noted that the University will continue to use the fourteen U2000 "critical measures" to publicly confirm the University's success in reaching its goals; guide institutional, collegiate, and support unit self improvement; serve as a link between planning, performance, and resource allocation; and provide a means for comparison with other similar institutions.

A copy of the 1997-98 University Plan is on file in the Board office.

Regent Bergland complemented the administration on the plan, indicating that it will be a powerful tool for use by legislators to allow them to review the long-range plans of the University. He asked to what extent unforeseen events change the plan. Marshak responded that the development of the annual planning, budgeting, and evaluation cycle has enabled the administration to better evaluate budgetary and risk implications than in the past and diminish any adverse impact that changes might have to the plan.

Regent Reed stated that the University has assumed a leadership role by developing this plan and making it accessible on the internet. It is important that the University continue to assume this leadership role and continue to develop aggressive goals and objectives for the future. It is also important that the needs of the public are considered in a deliberate and consistent fashion as future plans are developed to ensure that the plan will be accepted and supported.

Regent Neel stated that the critical measures are vital and the University should continue to use them in future planning efforts. Neel also requested that the next iteration of the University Plan show a linkage between the critical measures and the integrated framework.

HONORS COMMITTEE NOMINATIONS

A motion was made and seconded and the committee voted unanimously to recommend approval of the following resolution:

RESOLVED, that on the recommendation of the President, the report of the All-University Honors Committee is hereby approved.

BOARD RELOCATION TO GATEWAY

Senior Vice President Jackson reported that in the fall of 1996 Chair Reagan requested that the administration do an analysis of the space needs for the Board of Regents. After a review was completed by Facilities Management, it has been determined that the space in Morrill Hall currently utilized for Board operation does not fully meet the Board's needs. Facilities Management has been exploring alternatives for the Board meeting and office space and Jackson called on Linda McCracken-Hunt, Director of Project Development, to review the findings.

McCracken-Hunt reported that several sites have been considered as possible alternative locations for the Board space: Northrop Auditorium, Coffman Union, and the new Gateway Center. In addition, the possible remodeling of the space in Morrill Hall was also considered. McCracken-Hunt provided the pros and cons of each site and stated that based on the analysis, it is recommended that the Board direct the University to pursue locating the Regents boardrooms and office suite in the proposed new Gateway Center. The exact amount of space, configuration, and cost of tenant improvements for the space must be further researched before a firm commitment can be made. General terms of the University space lease in the Gateway have been agreed on and the Board of Regents space would be part of the space that has been committed. Questions remain relating to parking facilities, skyways, financing, and other units that will be located in the center. Jackson stressed that currently everything is only in the preliminary planning stages. Final terms of the lease will be brought to the Board for final approval.

In response to a question from Chair Reagan, Jackson stated that as long as the administration has assurance from the Board that the planning completed to date meets with the objectives of the Board, there is no need for a formal motion at this time. Reagan stated on behalf of the Board that the administration has its support at this time.

REORGANIZATION OF THE BASIC BIOLOGICAL SCIENCES

President Hasselmo introduced Provosts Allen, Cerra, and Shively who presented a progress report on the reorganization of the Basic Biological Sciences.

Provost Shively reported that biology has been and will continue to be a major sector of the economy in Minnesota. It provides fundamental insights into how biological systems work and provides the foundations of applied biology. During the past 20 years there has been an insufficient "spin out" from the biological sciences at the University of Minnesota into a contemporary, highly-competitive biotechnology industry in the Twin Cities and the state. The goal of the Basic Biological Sciences reorganization is to strengthen the core disciplines in biology at the University of Minnesota, Twin Cities and accomplish the following outcomes:

1. The core disciplines must become nationally stronger in their own right.
2. The strengthened core disciplines must reinvigorate the "usefulness" of corebiology to more applied disciplines in the Academic Health Center, the College of Agriculture, Forestry and Environmental Sciences, and the College of Natural Resources.

Biological research is the major focus for the external funding generated by the faculty of the University of Minnesota. Current data suggest that biological research accounts for approximately 70% of the \$463 million now raised and spent for research at the institution, placing biological research at the University of Minnesota among the state's major employers and purchasing entities. However, the reputation of the core disciplines in biology at the University of Minnesota has declined during the past 20 years. The University is not capitalizing on the expanding interest of the current generation of students in biology. Two faculty reports have concluded that the combination of duplication and fragmentation of efforts in biology are at the root of the problem and unification of efforts are at the heart of the solution.

As a result, a number of changes are underway:

Undergraduate Level

- The College of Biological Sciences has become a freshman admitting college (beginning in Fall 1997) and has been identified as the focus of undergraduate education in biology;
- A residential college (Biology House) has been developed;
- Special programs and new research opportunities are in the process of being developed;
- Master professors will be named and will oversee curriculum;
- New majors are being developed; and
- An undergraduate advising office has been established on the Minneapolis campus.

Graduate Level

- Thirty-eight different graduate programs are being consolidated into approximately 7-10 umbrella graduate programs; and

- Professional Master's programs are being developed.

Additional proposals include the merger of departments with common missions; the creation of new departments; relocation of some research groups on a "space available" basis to create critical mass in forefront areas; improved transportation and communication between Minneapolis and St. Paul campuses; and the establishment of a University-wide faculty.

Regent Hogan asked a question relating to the Academic Health Center and how the administration intends to address issues relating to fees that might be derived across departments. Cerra responded that it is important to note that these issues relate to the Basic Biological Sciences faculty and do not relate to the clinical faculty at the Medical School. With regard to fees for departments in the Basic Biological Sciences, discussions have not gotten to that level of detail at this time.

Shively also reported that a number of factions will have leadership and guidance roles in the reorganization: the Council of Biological Deans; the Faculty Executive Council; and the College of Biological Sciences.

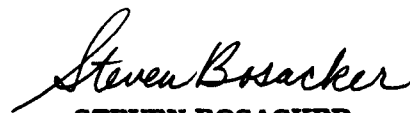
Regent Spence asked about impact on employment opportunities and Shively indicated that it is difficult to predict the impact that the reorganization will have on employment opportunities, but he would surmise that it will be positive.

In answer to a question from Regent O'Keefe, Provost Allen commented on the complexity of the reorganization. One of the major challenges will be to create a sense of community in a geographically separated enterprise. It is vital to the success of the reorganization that biologists interact and a "sense of community" be created.

Regent Reagan indicated that it is important that a public relations strategy regarding the positive aspects of this reorganization be developed and implemented in the near future.

In conclusion, Shively reported that another progress report to the Board is scheduled for June 1997.

The meeting adjourned at 11:30 a.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

April 10, 1997

A meeting of the Board of Regents was held on Thursday, April 10, 1997, at 3:52 p.m. in 238 Morrill Hall.

Regents present: Robert Bergland, Julie Bleyhl, William Hogan, Warren Larson, David Metzen, Michael O'Keefe, William Peterson, Jessica Phillips, Thomas Reagan, Maureen Reed, and Patricia Spence. President Nils Hasselmo, presiding.

Staff present: Senior Vice Presidents JoAnne Jackson and Marvin Marshak; Vice President Mark Brenner; General Counsel Mark Rotenberg; and Executive Director Steven Bosacker.

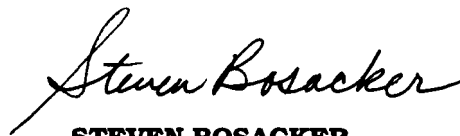
Others present: Mark Bohnhorst, Mario Bognanno, and Julie Sweitzer.

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

RESOLVED, that on the recommendation of the President and the General Counsel as provided by Minnesota State Statute 471.705, Subd. 1d, a non-public meeting of the Board of Regents be held on Thursday, April 10, 1997, in the Regents' Room, 238 Morrill Hall, for the purpose of discussing attorney-client privileged matters.

The Board of Regents voted unanimously to approve the resolution.

The meeting adjourned at 3:53 p.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

April 11, 1997

A meeting of the Board of Regents of the University of Minnesota was held on Friday, April 11, 1997 at 11:40 a.m. in Room 238, Morrill Hall.

Regents present: Thomas Reagan, presiding; Robert Bergland, Julie Bleyhl, William Hogan, David Metzen, Michael O'Keefe, William Peterson, Jessica Phillips, Maureen Reed, and Patricia Spence. Regent Neel participated via telephone.

Staff present: President Nils Hasselmo; General Counsel Mark Rotenberg; and Associate Vice Presidents Robert Hanle and Eric Kruse.

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 - March 13, 1997
Litigation Review Committee - March 13, 1997
Educational Planning and Policy Committee - March 13, 1997
Financial Operations Committee - March 13, 1997
Committee of the Whole - March 13, 1997
Board of Regents Meeting - March 13, 1997

REPORT OF THE PRESIDENT

President Hasselmo presented his monthly report which pertained to the selection of the Twin Cities campus women's basketball head coach; athletic successes for men's and women's athletics programs during this season; the Kellogg Commission Report; the 1995-96 Annual Report on Interactive Television; the University of Minnesota chosen as the "Best Practice" site for technology in student services; personnel items; and the 1997-98 University Plan.

A copy of the President's report is on file in the Board Office.

REPORT OF THE CHAIR

Chair Reagan reported that the year has been an historical one for mens and womens athletics at the University of Minnesota, both athletically and scholastically. The Board of Regents is very proud of these student athletes and thank them, their coaches and staff for a great winter season. A copy of the report of the chair is on file in the Board Office.

RECEIVE AND FILE REPORTS

President Hasselmo noted there were no receive and file reports.

GIFTS

Associate Vice President Robert Hanle, presented the monthly list of gifts to the University of Minnesota, the University of Minnesota Foundation, the Arboretum Foundation, and the Minnesota Medical Foundation as listed in the docket material and on file in the 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 COMMITTEE OF THE WHOLE

Chair Reagan reported that the committee voted unanimously to recommend:

- a) Approval of a recommendation relating to the report of the All-University Honors Committee, as follows:

RESOLVED, that on the recommendation of the President, the report of the All-University Honors Committee is hereby approved.

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

Reagan reported that the committee also received an update on progress of the University's request at the legislature; reviewed the 1997-98 University Plan; reviewed a report relating to the possible relocation of the Board Office to the Gateway Center; received a status report on the reorganization of the Basic Biological Sciences; recognized the newly-appointed women's basketball coach; and received a recognition certificate for support of the 1996 Minnesota StandDown.

REPORT OF THE FINANCIAL OPERATIONS COMMITTEE

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

- a) Approval of the Senior Vice President's Financial Operations Report as presented to the committee and contained in the docket material.

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

Bleyhl reported that the committee also reviewed a report and plan on purchasing policy exceptions, and received a money manager report from the firm of Marvin & Palmer.

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

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

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

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

Hogan reported that the committee also reviewed a report on K-12 initiatives on the Crookston and Morris campuses and received information relating to foreign language instruction on the Twin Cities campus as part of the academic report series.

REPORT OF THE FACULTY, STAFF AND STUDENT AFFAIRS COMMITTEE

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

- a) Approval of the Senior Vice President's Faculty, Staff and Student Affairs Report as presented to the committee and included in the docket material, including the addition of the personnel appointment of Dr. Alfred Michael as dean of the Medical School.
- b) Adoption of the Board of Regents Policy on Tuition, as follows:

TUITION

SECTION I. PRINCIPLES.

Subd. 1. **Public Interest Purpose.** The University of Minnesota is a publicly-supported institution of higher learning whose programs benefit both individual students and the state and nation. This twofold benefit is reflected in a vast array of social, economic, cultural, and civic enhancements that flow from an educated and well-trained citizenry, whose appreciation for the University's unique contributions to Minnesota's system of higher education is evidenced by a willingness to provide individual tuition, state subsidization, and private support. Through this valuable partnership, students are able to pursue their specific educational aspirations, while the state concomitantly promotes the broader public interest.

Subd. 2. **Shared Responsibility.** Tuition assessments within the University of Minnesota as a public institution must reflect the shared responsibility, benefits, and needs of the state and of the individual student. The tuition rate structure must provide appropriate incentives for access, retention, and choice; must promote timely progress toward degree completion; and, must be responsive to federal and state financial aid policies. Tuition rates and related fees must reflect the costs and the competitive environment of individual programs, the personal benefits to individual students, and social needs. Tuition assessments and tuition rates necessarily reflect the level of state appropriations for the University's instructional programs. Authority for establishing the basic principles for assessing, collecting, and managing tuition at levels that ensure the educational quality and integrity of the University's instructional mission resides with the Board of Regents.

Subd. 3. **Access, Choice, and Quality Need-Based Grant Fund.** The University shall maintain an Access, Choice, and Quality Need-Based Grant Fund. The fund shall be used to supplement federal and state need-based

grant funds to undergraduate students in order to maintain access, choice, and quality. While private gifts should eventually provide the principal revenue for this fund, operations and maintenance revenue may also be used upon the recommendation of the president and approval of the Board of Regents.

SECTION II. Delegation of Authority.

Subd. 1. Delegation. The Board of Regents delegates to the president of the University of Minnesota the authority to implement tuition policy and assess tuition.

Subd. 2. Review and Study. The president will annually review instructional cost studies that take into account the University's unique mission and the nature and level of its programming and services. The information in these studies will be viewed in the context of available state funding and student financial aid, keeping in mind that student financial aid subsidizes the cost of the individual student's education and does not provide public higher education institutions with additional financial support. The president will then specify the expected level of revenue from each University campus and will solicit for consideration specific tuition-rate proposals for each campus from the provosts of the Twin Cities campus and from the chancellors of the Duluth, Morris, and Crookston campuses. A student tuition advisory committee will be maintained on each campus and consulted to assist in the development of these proposals.

Subd. 3. Recommendations to Board. The president will then recommend tuition rates and provide an estimate of tuition revenue in the yearly budget plan that is presented to the Board of Regents. The presentation will include final recommendations for tuition rates for all levels of students and, where applicable, detailed information regarding tuition practices such as banding. The president will also include any proposed administrative, academic or course fees, and tuition refund schedules. The president's recommendations will be subject to review and approval by the Board of Regents.

SECTION III. TUITION GUIDELINES.

Subd. 1. Tuition Assessment. All students receiving instruction will be assessed tuition. This includes formal as well as less formal modes of instruction, and thesis advising. Tuition for credit instruction will be assessed for each campus by charging a base tuition for all students registering for a term (i.e., a quarter, a semester, or a summer session) and by assessing tuition on a per-credit basis above the base rate, up to whatever band is being used for the particular campus or student level. A tuition "band" is a range of credit loads for which the total tuition is the same without regard to the number of credits taken within the range. As a general rule, tuition rates and fees should recognize the difference in cost between full-time and part-time students.

Subd. 2. Undergraduate Student Tuition Rates. For each campus, the resident tuition rate must be the same for all undergraduate students by the 1998-99 academic year. For each campus, the nonresident tuition rate must be the same for all undergraduate students by the 1998-99 academic year.

Subd. 3. Tuition Plans. The annual tuition plans for undergraduate students on each campus must include a guaranteed tuition plan option for entering freshmen students. Costs associated with guaranteed tuition plans must be fully borne by students participating in the plan and participation in such plans may be limited. The Board of Regents encourages the exploration of tuition plan options.

Subd. 4. Graduate Student Tuition Rates. The resident tuition rates for students registered in the Graduate School may vary by program and should be established on a cost-related basis, with cost being the average fully-allocated cost of graduate programs, and with market as a limiting factor to tuition rate increases. The University's objective should be to establish graduate tuition rates, graduate assistant wage rates, and tuition waiver and remission policies that enable the University to remain competitive in recruiting the best graduate students, in order to maintain high quality graduate programs and to benefit from the important contributions such students make to the University's instructional and research programs.

Subd. 5. Professional Student Tuition Rates. The resident tuition rates for professional students should vary by program and should be established on a cost-related basis, with market as a limiting factor to tuition rate increases. For the professional schools of medicine, dentistry, veterinary medicine, pharmacy, and law, the institutions to be compared in establishing market should be determined by the president, on the recommendations of the provost for the academic health center and the provost for professional studies, within their respective areas of oversight.

Subd. 6. Departmental Master's Degree Student Tuition Rates. The resident tuition rates for departmental master's students may vary by program. Resident departmental master's tuition rates should be established at a level greater than the corresponding undergraduate rate.

Subd. 7. Tuition Rates for Non-Admitted Students. The president will recommend to the Board of Regents tuition rates for non-admitted students in the University College and in summer session, and for students designated as "adult specials" in the day school, recognizing that differences exist between degree-seeking and non-degree-seeking students.

Subd. 8. Residency. The Board of Regents has the authority to establish residency policy for University purposes, consistent with state law. Interpretive conventions of resident tuition status must have the approval of

the president and are subject to review by the Board of Regents. Students will be provided due process to present their arguments for possible classification as resident for University purposes. Nonresident, non-reciprocity student tuition rates for undergraduate, graduate, professional, and departmental master's degree students will be set to recover, on the average, the full cost used in establishing the corresponding resident tuition rate.

Subd. 9. Tuition Waivers and Remissions. Tuition may be waived or remitted selectively in order to accommodate state law, to provide financial discounts to students the University is seeking to attract, to offer University employees a benefit, to promote cooperation with other higher education institutions, to support the international exchange of students, and to serve humanitarian purposes. The cost of all tuition-waiver programs not financed by legislative appropriation will be recovered by the tuition revenue generated from students who are not receiving them. As a general rule, a tuition-waiver program should be offered only if the University intends to provide it to all students meeting the program's criteria, regardless of their financial circumstances. The cost of a tuition remission program will be recovered from the units offering this benefit.

The president will make final recommendations regarding the terms and conditions under which tuition waivers and tuition remission benefits are provided. The University will state publicly the exceptions it will approve and provide such information to students who might qualify for them.

The president may recommend that all tuition be waived for students in a limited number of categories, and will make final recommendations regarding the conditions under which the nonresident portion of tuition is waived for nonresident students. In general, waivers of the nonresident portion of tuition for individual students will be for fixed periods of time.

Tuition waivers and tuition remission benefits will be reported as student aid expenditures in University financial records and reports.

Subd. 10. Reciprocity and Exchanges. Subject to approval by the Board of Regents, the University may participate in reciprocity and exchange agreements between Minnesota and other states and the Canadian provinces. These agreements will specify the extent to which tuition will be waived. Consistent with Minn. Stat. § 136A.08, the president will recommend to the Board of Regents for their approval any additions of and modifications in reciprocity agreements.

The Board of Regents affirms that admissions to programs are delegated to the faculties of the University and that agreements related to admissions are not, therefore, properly within the purview of others. The regents further affirm that their participation in reciprocity agreements involving the remission of nonresident tuition must be premised on the understanding that adequate funding-

reimbursement procedures to the University will be developed through the Governor's Office and the Minnesota State Legislature.

The University may also enter into consortium agreements with other institutions and other academic programs under which student exchanges and visiting student/scholar programs will operate. The president is delegated authority to approve such programs on recommendation of the appropriate academic officer.

Subd. 11. **Administrative Fees.** The president may recommend to the Board of Regents that administrative fees that affect large classes of students may be assessed to those who directly benefit from the services for which the fees are being paid.

Subd. 12. **Course Fees.** The president may recommend to the Board of Regents that course fees be assessed:

- (1) when academic departments purchase materials that will be used in developing products that the students will retain or consume;
- (2) when they purchase from non-University vendors services or products that are subsequently provided to students as a requirement of a course; or,
- (3) when academic departments provide individual lessons to students.

Course fees should be assessed only in specifically justified situations and should not be substituted for general budget support. The appropriate campus student tuition advisory committee shall be consulted to assist in the development of fee proposals.

Subd. 13. **Academic Fees.** The president may recommend to the Board of Regents that campus-wide fees, college-wide fees, or both be assessed to all students enrolled on a campus or in a college for special equipment, supplies, and services, provided that each campus use no more than one campus-wide fee and that each college use no more than one college-wide fee.

Supersedes: Tuition Policy dated February 12, 1993; Tuition Policy dated November 10, 1993; and Tuition Waiver for American Indian Students at the Morris Campus dated February 10, 1961.

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

Spence reported that the committee also reviewed a report on initiatives, opportunities and challenges relating to student organizations' governance and a report on faculty compensation market comparisons.

REPORT OF THE FACILITIES COMMITTEE

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

- a) Approval of the Senior Vice Facilities Report as presented to the committee and included in the docket material.
- b) Approval of a resolution relating to FY97 Capital Budget schematic plans, as follows:

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

- A. Humanities & Fine Arts Building Renovation, Morris Campus (\$2,300,000)
- B. Haecker Hall Renovation, Twin Cities Campus (\$12,000,000)
- C. Williamson Hall Renewal Phase II, Twin Cities Campus (\$2,739,000)

- c) Approval of a resolution relating to amendments to the FY97 Capital Budget, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the FY97 Capital Budget is hereby amended to incorporate the following projects:

- A. Football Complex Remodeling and Addition, Twin Cities Campus (\$1,250,000)
- B. Larpenteur Tunnel for Golf Course, Twin Cities Campus (\$191,300)
- C. Scott Hall Facilities Management Zone 5 Shop and Stores Remodeling, Twin Cities Campus (\$322,200)
- D. Commonwealth Terrace 1997 Flat Roof Replacement, Twin Cities Campus (\$276,400)

Phillips reported that the resolution presented to the committee included two projects that were tabled at the meeting relating to air conditioning and remodeling of Burton Hall on the Twin Cities campus and the establishment of a facility in the Moos Tower for the housing and use of zebrafish on the Twin Cities campus.

Regent Peterson reported that he had asked that the item pertaining to the Moos Tower room for zebrafish be tabled at the committee until further information could be provided relating to asbestos abatement in the Moos Tower. He indicated that his questions have been answered and he feels comfortable with the project. He moved that the resolution include the Moos Tower Room 5-130B Zebrafish Facility. Particular information pertaining to the project is included in the docket material. The Board of Regents voted unanimously to recommend that the project be reinstated in the resolution, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the FY97 Capital Budget is hereby amended to incorporate the following projects:

- A. Football Complex Remodeling and Addition, Twin Cities Campus (\$1,250,000)
 - B. Larpenteur Tunnel for Golf Course, Twin Cities Campus (\$191,300)
 - C. Scott Hall Facilities Management Zone 5 Shop and Stores Remodeling, Twin Cities Campus (\$322,200)
 - D. Moos Tower room 5-130B Zebrafish Facility, Twin Cities Campus (\$140,700)
 - E. Commonwealth Terrace 1997 Flat Roof Replacement, Twin Cities Campus (\$276,400)
- d) Approval of a resolution relating to the Quarterly Capital Improvement Plan Report, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the Board of Regents approves the third Quarterly Report on the FY97 Capital Plan contained in the docket material.

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

REPORT OF THE AUDIT COMMITTEE

Regent Hogan, Chair of the committee, reported that the committee discussed proposed changes to the Board of Regents policy relating to the Medical School Private Practice Plan. Hogan asked that copies of the Medical School Private Practice Plan be distributed to all members of the Board.

REPORT OF THE LITIGATION REVIEW COMMITTEE

Regent Peterson reported that the committee met in non-public session Thursday, April 10, 1997 to discuss attorney-client privileged matters and there were no actions taken at the meeting.

The meeting adjourned at 12:05 p.m.



STEVEN BOSACKER
Executive Director &
Corporate Secretary

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**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

MINUTES

**BOARD OF REGENTS MEETING
AND COMMITTEE MEETINGS**

May 8-9, 1997

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

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Minutes of the Board of Regents Meetings
and Regents Committee Meetings

May 8-9, 1997

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UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Audit Committee

May 8, 1997

A meeting of the Audit Committee of the Board of Regents was held on Thursday, May 8, 1997, at 10:40 a.m. in Room A of the Kirby Student Center Ballroom, University of Minnesota Duluth campus.

Regents present: William Hogan, presiding; Julie Bleyhl, Warren Larson, and David Metzen.

Staff present: Senior Vice President Marvin Marshak; Executive Director Steven Bosacker; and Director of Audits Gail Klatt.

Student Representative present: Eric Gustafson.

SENIOR VICE PRESIDENT'S REPORT

Controller Terry O'Connor reviewed the Senior Vice President's Report, which was included in the docket materials. O'Connor noted three things: the Grants Management Project transition team effort is complete; the CUFS Year 2000 Strategy is on schedule and within budget; and the sponsored accounts receivable target balances have stabilized in a range of \$38 to \$42 million, down from approximately \$50 million. The projected future target balance is within the range of \$36 to \$40 million.

In response to a question from Regent Hogan regarding outstanding issues in the grants management program, Senior Vice President Marshak stated that a high level of attention will need to continue in order to manage the ongoing risks in that area.

In response to a question from Regent Larson, Marshak explained that defining the transition team effort as complete means that the corrective phase of identifying the needs to address the concerns of the National Institutes of Health (NIH) has been completed.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the Senior Vice President's Report.

AUDIT COMMITTEE CHARTER

Regent Hogan reminded the committee that at the September 1996 meeting a review of the committee's charter was requested. This review would assure that the charter reflects the current activities and focus of the committee.

Director of Audits Klatt stated that the proposed modification to the purpose section would more fully reflect the philosophy and conceptual underpinnings of the

Integrated Framework for Internal Control (IFIC). The rationale for the suggested changes are twofold: 1) The changes reflect the current activities and issues the Audit Committee has been addressing over the past several years; and, 2) The changes are directly aligned with the IFIC, which speaks specifically to the operational activities of the institution. The previous charter reflected prior control models that were traditionally in place, and it was a traditional audit committee charter. Nationally, as organizations are moving to the IFIC, this is a common type of charter.

Regent Hogan explained that while this is the second review of the charter changes, the Committee will not take action until President-Designate Yudof has officially taken office, and it is clear that the changes reflect his vision.

Regent Metzen expressed concern regarding the impact the charter changes would have on other committees. Hogan stated that he does not believe the proposed changes to the charter will interfere with the roles of other committees because the audit program is scheduled. Reviews are performed every three years in critical areas and every five years in non-critical areas. The Faculty, Staff and Student Affairs and Education Planning and Policy Committees review programs and policies as well. The audit function will examine issues in a proactive way to address risk issues.

Regent Bleyhl noted that the language needs to reflect jurisdictional boundaries for the Audit Committee within other functions in the University. It is important that the committee's role does not become day-to-day oversight.

Senior Vice President Marshak agreed, and said that a deeper question than the jurisdiction of various committees of the Board is the issue of assessment in general. Traditionally, universities have been bad at assessing what they do. In assessing the effectiveness of graduate programs, reviews are usually done on a 7-9 year cycle. Undergraduate programs have never been formally reviewed on an institutionwide basis, however, there are some reviews done in connection with accreditation. An idea to be considered is that when the director of audits performs an audit of an area for its finances, there also be a parallel review of the effectiveness of the area's academic goals.

Hogan suggested that Director Klatt visit with each of the committee members and President-Designate Yudof to fully discuss the issue before the charter comes back for action in July 1997.

INTEGRATED FRAMEWORK DISCUSSION #6 IFIC UPDATE

Director of Audits Klatt led a discussion on how the Integrated Framework of Internal Control (IFIC) will be implemented as the University reviews proposals and projects that require institutional decisions.

Klatt explained that there are seven steps in the decision-making process which will promote the concepts of the framework: 1) identify needs and initiate change; 2) assess institutional context; 3) evaluate impact; 4) explore and recommend alternatives; 5) refine and test alternatives; 6) project implementation; and, 7) accountability.

Klatt stated that as proposals and projects move through the institution, it is vital to know that a process which promotes the assessment and analysis of risks is in place. Executive management groups will know that proposals coming to them have had the necessary staff work done beforehand. Having the risks identified will eliminate eleventh-hour surprises that either become public or financial issues.

In response to a question from Regent Metzen, Klatt explained that if the seven steps have not been followed, the project will not go forward.

ANNUAL INTERNAL AUDIT PLAN

Director of Audits Klatt reminded the committee that Deloitte & Touche's external audit plan was reviewed at the March 1997 meeting. The Department of Audits staff has been working to coordinate the external and internal plans to provide cost-effective and resource-effective coverage throughout the institution.

The proposed 1997-98 internal audit plan includes audits of 45 University units, ten information systems processes/projects, 4 Universitywide systemic reviews, and 3 process reviews. High risk units will continue to be reviewed on a three-year cycle.

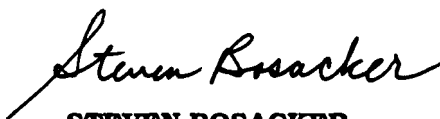
A five-year strategic plan was developed in 1995. Klatt noted that a tremendous amount of progress has been made, and they are currently a year ahead in the five-year strategy.

The 1997-98 strategic focus for the internal audit function will include a greater number of cross-organizational reviews, process audits, interdisciplinary audit teams, reporting vehicles and practices, staff career pathing initiatives, and streamlining of internal processes.

SEMI-ANNUAL CONTROLLER'S REPORT

Due to a shortage of time, this report was postponed until the July 1997 Audit Committee meeting.

The meeting adjourned at 12:05 p.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

Year 1996-97

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff and Student Affairs Committee

May 8, 1997

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, May 8, 1997, at 3:15 p.m. in Room A of the Kirby Student Center Ballroom, University of Minnesota Duluth campus.

Regents present: Patricia Spence, presiding; Robert Bergland, William Hogan, David Metzen, and Michael O'Keefe.

Staff present: Chancellors David Johnson and Donald Sargeant; Senior Vice President Marvin Marshak; Executive Director Steven Bosacker; General Counsel Mark Rotenberg; Acting Vice President Thomas Swain; and Associate Vice President Carol Carrier.

Student Representative present: Andrew Toftey.

SENIOR VICE PRESIDENT'S REPORT

President-Designate Mark Yudof joined the discussion to present his proposed organization of central administration. Yudof explained that he preferred a flat organization chart where the officers report directly to the president.

Yudof proposed the following personnel structure:

- 1) McKinley Boston
Vice President for Student Development and Athletics
Status: Change in reporting level to President
- 2) Mark Brenner
Vice President for Research and Dean of the Graduate School
Status: Change in reporting level; L type appointment; national search pending
- 3) Tonya Brown
Chief of Staff
Status: Exceptional hire
- 4) Robert Bruininks
Executive Vice President and Provost
Status: New position; L type appointment; exceptional hire
- 5) Carol Carrier
Acting Vice President for Human Resources
Status: Acting (new) position; change in reporting level; L type appointment; national search pending

- 6) Frank Cerra
Senior Vice President for Health Sciences
Status: Title change
- 7) JoAnne Jackson
Senior Vice President for Finance and Operations
Status: No change
- 8) David Johnson
Chancellor, UMM
Status: No change
- 9) Kathryn Martin
Chancellor, UMD
Status: No change
- 10) Michael Martin
Acting Vice President for Agricultural Policy
Status: Acting (new) position; L type appointment; national search pending
- 11) Mark Rotenberg
General Counsel
Status: No change
- 12) Donald Sargeant
Chancellor, UMC
Status: No change
- 13) Thomas Swain
Acting Vice President for Institutional Relations
Status: Extension of acting appointment; local search pending

Yudof noted that Tonya Brown, his Chief of Staff, will begin her duties on August 4, 1997.

Senior Vice President Marshak reviewed the Senior Vice President's Report, which was included in the docket materials and noted the following:

- The appointment of Donald R. Riley as Associate Vice President and Chief Information Officer;
- Cheryl Littlejohn was named the new women's basketball coach;
- Eric Kruse has been named Associate Vice President for Facilities Management;
- An additional 48 permanent residence hall spaces will be available for the 1997-98 academic year as a result of a thorough review of residence hall room designations.

Student Representative Toftey expressed concern regarding the additional residence hall spaces. Toftey stressed that rooms which were designated as doubles many years ago should not be given that designation now. Due to lifestyle changes and

technological advances, the average student of the 1990s needs more living space than a student did in the 1930s.

Regent Spence stated that she would like to explore the issue of student stress, including housing concerns. Marshak agreed to have Vice President for Student Development and Athletics McKinley Boston report to the committee at a future meeting to explore the issue further.

The committee voted unanimously to recommend approval of the Senior Vice President's Report, including President-Designate Yudof's central administration appointments and change recommendations.

PROMOTION AND TENURE RECOMMENDATIONS

Senior Vice President Marshak introduced the promotion and tenure recommendations, explaining the process used to determine the recommendations.

Marshak recommended approval of the following resolution:

RESOLVED, that on the recommendation of the Senior Vice President for Academic Affairs and in the case of the Law School and the University of Minnesota, Morris, the Provost for Professional Studies and the Chancellor of the University of Minnesota, Morris, respectively, the promotion and/or tenure recommendations on pages 1-8 of the attachment, presented to the Board of Regents on May 8 and 9, 1997, are hereby approved, effective with the beginning terms of appointment in 1997-98.

RESOLVED, that on the recommendation of the Chancellor of the University of Minnesota, Duluth in accord with the Agreement between the Regents of the University of Minnesota and the University Education Association, the UMD promotion and/or tenure recommendations on page 8 of the attachment, presented to the Board of Regents on May 8 and 9, 1997, are hereby approved, effective with the beginning terms of appointment in 1997-98.

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

COLLECTIVE BARGAINING AGREEMENT WITH LAW ENFORCEMENT LABOR SERVICES, INC. FOR UNIT 1, POLICE EMPLOYEES

Associate Vice President Carol Carrier and Director of Employee Relations John Erickson presented the collective bargaining agreements between the University of Minnesota and the Law Enforcement Labor Services, Inc., as contained in the docket materials.

A motion was made and seconded and the committee voted unanimously to approve the resolution.

CAREER PREPARATION AND PLACEMENT PROGRAMS: COORDINATE CAMPUSES

Senior Vice President Marshak introduced Chancellor Donald Sargeant, Vice Chancellor Bruce Gildseth, and Chancellor David Johnson to present information on career preparation and placement programs at the Crookston, Duluth and Morris campuses, respectively.

Chancellor Sargeant explained that the counseling and career center at the Crookston campus is available on the worldwide web. Before a student or parent comes to the campus, they can visit the website to learn about the career counseling and planning services available.

A required first-semester course for students at Crookston involves information management. This course deals with different software applications, spreadsheets, searching the worldwide web, and using the library more effectively with their computers. In this course, students are required to begin building their resume. Career planning objectives continue throughout the student's college career, including resume-building, developing interviewing skills, and internships. Sargeant stated that UMC is providing the seminars and workshops throughout the student's educational experience to ensure that they are advancing the skills needed to seek jobs and be successful on the job.

Vice Chancellor Gildseth stated that the Duluth campus also begins career preparation at the beginning of a student's collegiate career. The career planning approach at UMD is to start at spring orientation where the staff spends time with the students and their parents discussing. Every other year an extensive survey is done with graduating seniors to determine the students' satisfaction with their education and career placement.

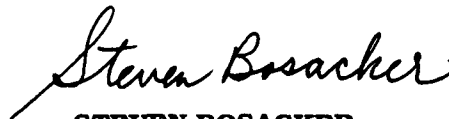
Chancellor Johnson stated that career officers have a monumental task because incoming freshman are extremely naive about the correlation between their career goals and the courses they take. Misconceptions about majors are common among students, their families, their high school teachers and counselors.

Johnson explained that the Morris campus has a very successful placement rate, and he believes it is because of the internship programs. The Center for Small Towns is a thinktank which addresses the problems that small communities like Morris face. Johnson believes these internships affect students by encouraging them to settle in these small communities.

In response to a question from Regent Bergland, Johnson stated that his staff works very closely with high school counselors in terms of admissions, but he feels that high school students are unduly pressured to make up their minds regarding their career futures without the proper knowledge to assist them in that decision.

Senior Vice President Marshak thanked Chancellor Sargeant and the people of Crookston for their ongoing help to the victims of flooding this spring.

The meeting adjourned at 5:05 p.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Facilities Committee

May 8, 1997

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, May 8, 1997 at 3:15 p.m. in Ballroom C, Kirby Student Center, University of Minnesota Duluth campus.

Regents present: Jessica Phillips, presiding; Julie Bleyhl, Warren Larson, William Peterson, Thomas Reagan, and Maureen Reed.

Staff Present: Senior Vice President JoAnne Jackson; Vice Chancellor Greg Fox; Executive Director Steven Bosacker; and Associate Vice Presidents Ron Campbell, Clint Hewitt, and Eric Kruse.

Student Representatives present: Mark Erickson and Tonia Zehrer.

SENIOR VICE PRESIDENT'S REPORT

Senior Vice President Jackson presented the Senior Vice President's Report for May 1997 as found in the docket materials.

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

SCHEMATIC PLANS AND CAPITAL BUDGET AMENDMENTS

Coleraine Mineral Research Center

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

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the plans for the Coleraine Mineral Research Center are approved and the appropriate administrative officers are authorized to proceed with the design and construction of the project.

Coleraine Mineral Research Center
Original estimated project costs: \$1,000,000
Project increase: \$765,000
Revised estimated project costs: \$1,765,000
Funding for increase: internal loan
Estimated completion date: October 1998

The committee voted unanimously to recommend approval of the resolution regarding the schematic plan.

Utility Infrastructure Upgrade, Duluth Campus

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

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the plans for the Utility Infrastructure Upgrade Project are approved and the appropriate administrative officers are authorized to proceed with the design and construction of the project.

Utility Infrastructure Upgrade, Duluth Campus
Estimated project costs: \$4,839,000
Funding: Duluth Campus Facilities Management Funds and internal loan
Estimated completion date: April 1998

In response to a question from Regent Peterson, John King, Assistant Director of Facilities Management, UMD, explained the chilled water system. Vice Chancellor Fox clarified that this project is part of the capital budget for the next fiscal year, but, in order to take advantage of the construction season, early consideration of this project is being requested in advance of the capital budget.

Regent Larson inquired about financial assistance from the utility companies with this project. Vice Chancellor Fox responded that while the campus has received small loans from Northern States Power in the past for energy saving measures, this project will actually add to the utility capacity and increase the load. Kurt Johnson, Director of Facilities Management, UMD, added that such options were explored, but found that there were no funds available.

Vice Chancellor Fox assured the committee that there is an emergency preparedness plan in place. In addition, there are redundancies built into the systems so that in the event that one is down the redundant system would activate.

The committee voted unanimously to recommend approval of the resolution regarding the schematic plan.

MRRC HOUSING PROJECT

Director Linda McCracken-Hunt reviewed the financial analysis as found in the docket materials. Associate Vice President Campbell explained that this project has raised many policy considerations regarding the funding and financing for housing, as well as quality of the student housing. The only real flexibility in the cost of student housing is in the construction standards. Another contributor to the cost is the types of services and amenities provided. The housing program on the Twin Cities campus is focused on providing high quality, low cost, comparable market rate student housing.

McCracken-Hunt stated that the cost of renovating Mineral Resources Research Center (MRRC) for housing is comparable to the cost spent for the new construction of the Roy Wilkins housing project. The quality of construction is also comparable.

Senior Vice President Jackson explained that the financial analysis revealed that using MRRC for student housing would be cost prohibitive. Given that, they looked at other uses for the building that would be more economical. The administration recommends that more emphasis should be placed on student housing on the south mall near Coffman Student Union.

Regent Phillips emphasized that rejecting MRRC for student housing does not reduce student housing as a high priority and other sites are being aggressively pursued.

Regent Peterson expressed his strong support of student housing. He added that, based on his impressions of the site, he believes MRRC still has enormous potential for possible student housing and shouldn't be removed completely from consideration. However, based on the numbers provided the project appears to be cost prohibitive. The significant cost difference for building housing on the Twin Cities campus versus what it cost to build housing at UMD is difficult to understand. Regent Peterson requested a side-by-side comparison of the total cost and construction differences between housing in Duluth versus the plans for the MRRC housing project.

CAPITAL BUDGET AMENDMENTS FY97

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

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the FY 1997 Capital Budget is hereby amended to incorporate the following projects:

- A. **Burton Hall Air Conditioning and Remodeling: Twin Cities Campus**
Estimated project costs: \$167,800
Funding: College of Education and Human Development departmental funds
Estimated completion date: June 1997

- B. **Williamson Hall Renewal Phase II: Twin Cities Campus**
Original estimated project costs: \$2,739,000
Project increase: \$246,000
Revised estimated project costs: \$2,985,000
Funding for increase: Parking and Transportation Services
Estimated completion date: November 1997

Director Linda McCracken-Hunt reminded the committee that the Burton Hall project was first presented last month and at that time members had expressed interest in evaluating the possibility of air conditioning the entire building. McCracken-Hunt informed members that there is no cost savings to air conditioning the entire building at once and that the financial burden of doing the entire building, at a cost of approximately \$3,000,000, was cost prohibitive. In fact, the cost per square foot is less with the limited project.

The committee voted unanimously to recommend approval of the resolution regarding the amendments to the FY 1997 capital budget.

SIGNAGE PLAN REPORT

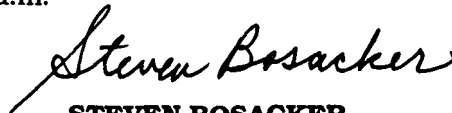
Associate Vice President Hewitt and Assistant Vice President Paul Tschida presented an overview of the signage plan for the University of Minnesota. Signage serves two purposes: providing useful information and presenting a positive image. The purpose of the plan is to achieve these purposes, while avoiding clutter. The signage system consists of identification, directional, and informational types signs, both interior and exterior. Signage should reflect a coherent, unified system that clearly identifies the University of Minnesota.

Informal surveys conducted on the Twin Cities campus over the last several years all indicate the need for improved signage on the campus. In addition, the U2000 concepts of being user friendly and providing of a sense of place and pride emphasize the need for improved signage. About three years ago an informal committee was formed to address the issue of signage on the Twin Cities campus. In addition to signage, there is also the use of banners and other enhancements to provide that sense of place. The world wide web and informational kiosks will be used to provide information on how to get around campus and use the bus system. There is a definite need to improve signage in the tunnel and skyway system, especially regarding handicap access. The goal is to create a usable, consistent signage system. The challenge is to avoid the clutter. Parking and Transportation Services has included the signage project in its capital plans.

Tschida also informed committee members that the administration is working closely with local governments on traffic and signage issues.

Regent Reed noted that the signage system provides the user with a level of comfort and familiarity because it in essence "brands" the University with a consistent image.

The meeting adjourned at 4:45 a.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

May 8, 1997

A meeting of the Committee of the Whole of the Board of Regents was held on Thursday, May 8, 1997, at 2:00 p.m. in the Kirby Student Center Ballroom on the University of Minnesota Duluth campus.

Regents present: Thomas Reagan, presiding; Robert Bergland, Julie Bleyhl, William Hogan, Warren C. Larson, David Metzen, Michael O'Keefe, William Peterson, Jessica Phillips, Maureen Reed, and Patricia Spence.

Staff present: President Nils Hasselmo; President-Designate Mark Yudof; Chancellors David Johnson and Donald Sargeant; Provost Frank Cerra; Senior Vice Presidents JoAnne Jackson and Marvin Marshak; Vice President McKinley Boston; Acting Vice President Thomas Swain; General Counsel Mark Rotenberg; Executive Director Steven Bosacker; and Associate Vice Presidents Clint Hewitt, Eric Kruse, and Robert Kvavik.

Student Representative present: Tonia Zehrer.

CENTRAL ADMINISTRATION ORGANIZATION

Chair Reagan introduced a resolution that will authorize the reorganization of central administration as proposed by President-Designate Yudof. A motion was made and seconded to recommend approval of the resolution.

President Hasselmo introduced Yudof to review his proposed structure. Yudof reported that the theme of this reorganization plan is to build an academic community. It is based upon explicit campus decision-making responsibility, authority, and accountability for the Chancellors of the Crookston, Duluth, and Morris campuses, the Senior Vice President for Health Sciences and the Provost of the Twin Cities campus, who also serves as Executive Vice President for the system. It is also based upon explicit system decision-making authority and accountability for the Executive Vice President and other central officers. There will also be substantial delegation of authority to the colleges and an emphasis on the important role played by the deans.

Yudof reviewed the proposed organizational chart, noting that two new vice presidential positions will be created to increase systemwide attention to matters of human resources and agricultural policy. There will be direct lines of responsibility and accountability to the President for all campuses and central officers, including the new direct reporting by the Vice President for Student Development and Athletics, the Vice President for Human Resources, the Vice President for Agricultural Policy, and the Vice President for Research and Dean of the Graduate School. The reorganization will increase coordination of Twin Cities campus colleges through the establishment of a single provost's office that will be responsible for all Twin Cities colleges, with the exception of the health sciences. The Chancellors of the Crookston, Duluth, and Morris

campuses, the Senior Vice President for the Health Sciences, and the Provost of the Twin Cities campus shall be the executive officers fully responsible for operations within their respective areas. System officers will support the President in developing systemwide academic priorities and management/financial systems, and upon recommendations of the Chancellors, the Senior Vice President for Health Sciences, and the Provost of the Twin Cities campus will support the President in implementing academic priorities among the campuses, colleges, and major non-academic units in an integrated and coordinated manner.

The proposed reorganization plan results in a flatter organization, with direct communication between the central officers, deans, and faculties. It will encourage and facilitate decision-making responsibility, authority, and accountability at the collegiate, departmental, and academic program levels, minimizing central regulation of operational services of the University, and emphasizing accountability, benchmarking, and performance. If approved by the Board, the reorganization will become effective July 1, 1997. Yudof commented that to the extent that offices may be downsized in the process of the reorganization, there will be every attempt to assure that individuals have a secure job and the administration will work individually with people through the transition.

Yudof reviewed his recommendation for individuals to fill the administrative positions and it was noted that the recommendations will be reviewed for approval in the Faculty, Staff & Student Affairs Committee.

Regent Spence noted that there has been positive feedback from a number of constituencies regarding the plan and she heartily endorses it.

In response to Regent Hogan, Yudof explained his rationale for the type of searches that will be conducted to fill the administrative positions. There will be national searches for the positions of Vice President for Research and Dean of the Graduate School, Vice President for Human Resources, and Vice President for Agricultural Policy. A local search will be conducted for the Vice President for Institutional Relations as Yudof feels the position should be filled by someone who is familiar with the state and community.

Reagan commended Yudof for his due diligence with regard to his reorganization plan and called for a vote.

The committee voted unanimously to recommend approval of the resolution related to the reorganization of central administration.

The meeting adjourned at 2:27 p.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

May 9, 1997

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, May 9, 1997, at 9:30 a.m. in the Kirby Student Center Ballroom on the University of Minnesota Duluth campus.

Regents present: Thomas Reagan, presiding; Robert Bergland, Julie Bleyhl, William Hogan, David Metzen, Michael O'Keefe, William Peterson, Jessica Phillips, Maureen Reed, and Patricia Spence.

Staff present: President Nils Hasselmo; Chancellors David Johnson, Kathryn Martin, and Donald Sargeant; Provost Frank Cerra; Senior Vice Presidents JoAnne Jackson and Marvin Marshak; Executive Director Steven Bosacker; Vice President McKinley Boston; Acting Vice President Thomas Swain; General Counsel Mark Rotenberg; and Associate Vice Presidents Clint Hewitt, Eric Kruse, and Robert Kvavik.

Student Representative present: Tonia Zehrer.

Chair Reagan called the meeting to order and presented Chancellor Donald Sargeant, University of Minnesota Crookston, with a certificate of appreciation to the faculty, staff and students of the University of Minnesota, Crookston for their dedicated and heroic volunteer services provided to their friends and neighbors during the Red River Valley flood of 1997.

**SENIOR VICE PRESIDENT'S REPORT:
EDUCATIONAL PLANNING & POLICY COMMITTEE**

Senior Vice President Marshak presented the Senior Vice President's Report for May 1997. The following items were highlighted for the committee.

- Approval to establish a Military Science Minor. Coursework for this minor, with the exception of the history and philosophy courses, will be offered by University College. This proposed military science minor originates from students who have graduated from the University of Minnesota, from students currently enrolled in Army ROTC, and from students who have yet to enroll in ROTC. No new courses will be developed for this minor, no new faculty or physical facilities are required, and there will be no redirection of other resources to support this program.
- The University of Minnesota has been chosen as one of four "best practice" sites for innovative use of technology in the provision of electronic student services by the American Productivity and Quality Center (APQC). This recognition comes at a time when the University

has committed itself to becoming a national leader in the field of students services.

- A proposal for two name changes: a name change for the graduate degree program (M.A. and Ph.D.) in Industrial Relations to Human Resources and Industrial Relations, and a name change for the Minnesota Extension Service (MES) to the University of Minnesota Extension Service.
- Approval of a proposal from the Carlson School of Management to offer a joint MBA degree between the University of Minnesota and the Warsaw School of Economics. Information relating to the proposal was presented to the committee at the April meeting.
- The University Libraries constitution has been edited to meet University administrative and Board of Regents policies. A copy is on file in the Board office.
- The following individuals are recommended for reappointment to the Arboretum Foundation Board of Trustees:

Ms. Priscilla Brewster for appointment to a second three-year term (June 1997 - June 1999)

Mr. John Wheelihan for appointment to a third three-year term (June 1997 - June 1999)

- Chancellor Martin presented a report on K-12 initiatives on the Duluth campus. The report focused on areas relating to educational technology, practice teaching, a new doctorate in Educational Leadership, American Indian initiatives, and a possible cooperative project with the Duluth public schools for a lab school. A copy of Martin's remarks are on file in the Board office.

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

SENIOR VICE PRESIDENT'S REPORT: FINANCIAL OPERATIONS COMMITTEE

Senior Vice President Jackson and Karen Triplett, Director of Purchasing Services, presented the purchases of goods and services over \$250,000.

Regent Hogan referred to a purchase of networking products from Cisco Systems included in the report. He indicated that a number of these products are being duplicated by other companies and suggested that the University check with Cisco Systems regarding a better discount. Jackson responded that the administration would do so.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the Senior Vice President's Report. A copy of the report is on file in the Board office.

SUMMARY OF EXPENDITURES

A motion was made and seconded, and the committee voted unanimously to recommend approval of the following resolution:

RESOLVED, that the Summary of Expenditures for the period July 1, 1996 to March 31, 1997 for the Board of Regents Office, the Office of the President, and Eastcliff Maintenance are hereby approved.

HONORS COMMITTEE NOMINATION

The committee voted unanimously to recommend the following resolution:

RESOLVED, that on the recommendation of the President, the report of the All-University Honors Committee is hereby approved.

REGENTS' PROFESSORSHIP NOMINATING COMMITTEE NOMINATIONS

President Hasselmo presented a resolution recommending approval of the Regents' Professorship Nominating Committee report.

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

Hasselmo announced that the report recommends the appointment of Professor H. Ted Davis, Department of Chemical Engineering and Materials Science, and Professor Patricia Hampl, Department of English, as Regents' Professors.

FACULTY CONSULTATIVE COMMITTEE REPORT

Virginia Gray, Chair of the Faculty Consultative Committee, presented the committee's quarterly report. Gray reported that the topic of her report this quarter focuses on "faculty exit."

Exit from a university faculty position is an alternative that faculty members think about from time to time. There are several reasons for exit: physical exit for the purpose of moving to a better job, termination, retirement, or death. A recent report on faculty attrition for the past seven years (1989-1996) indicated that 1,016 faculty members have left the University of Minnesota, 31.5% of the 1989 base. The report indicates that there is considerable mobility in the institution and that the overwhelming majority of those leaving exercised a choice to do so. According to recent estimates, it is anticipated that the number leaving in the future will increase. A number of the University's most productive and prestigious faculty members will be lost, and it is not clear how the University will replace them with equally talented people.

Gray addressed some of the reasons that faculty members resign and how much exit is the "right" amount. She indicated that if faculty exit because of dissatisfaction with the University, then those concerns need to be addressed. Exit interviews, which have not been tried on a systematic basis at the University of Minnesota, may be a way to determine why faculty members become dissatisfied. Annual satisfaction surveys may also be a means of identifying the reasons for dissatisfaction.

In summary, Gray stressed the importance of monitoring the University's attrition rate in order to maintain a healthy balance between new and veteran faculty, and to respond to the dissatisfactions expressed by departing faculty.

Regent Bergland indicated that he would be very supportive of exit interviews and asked if there is a plan to initiate this idea. Gray responded that it is only a suggestion at this time and will need to be instituted through the Department of Human Resources.

Regent Reed asked about annual satisfaction surveys. Gray indicated that the satisfaction survey will be utilized for the first time this year. It is directed at all employees and doesn't necessarily address the aspects that would relate to faculty. Hopefully the survey can be modified to address specific issues of faculty.

Regent Reagan referred to the attrition rate at the University, indicating that there had been some speculation that the tenure discussions during the past year might increase the number of faculty leaving. He was pleased to note that there doesn't seem to be any mass exodus as a result of those discussions. Gray responded that any impact from the tenure debate would be visible during this next year.

UNIVERSITY PLAN

President Hasselmo introduced the agenda item relating to the 1997-98 *University Plan*, indicating that the committee had reviewed the issue at the April meeting of the committee and that there were no changes to the plan since that time.

A motion was made and seconded and the committee voted unanimously to recommend approval of a resolution approving the 1997-98 *University Plan* as a guide to institutional, campus, and provostal improvement efforts for the coming year. The plan is on file in the Board office.

ANNUAL CAPITAL BUDGET, SIX-YEAR CAPITAL IMPROVEMENT PLAN AND PRELIMINARY STATE CAPITAL REQUEST FOR FY1999-2000

President Hasselmo introduced the discussion relating to the Annual Capital Budget, the Six-Year Capital Improvement Plan, and the preliminary State Capital Request for FY1999-2000. He emphasized that the proposed capital budget plan reflects the Board's priorities established in October 1995. The administration is requesting that the Board review the priorities for any refinements that need to be made before the Board is asked to approve the plan at its June meeting.

Associate Vice Presidents Kruse and Kvavik presented details of the issues before the Board. Kvavik reported that there will be four items presented for approval in June: 1) a reaffirmation of prior year projects that have not been completed; 2) a FY98 Capital Budget authorization; 3) a FY1998-2003 Capital Improvement Program; and 4) a preliminary Legislative Request for FY 1999-2000. He reviewed revenue and expenditure principles, objectives, and the process utilized in developing the capital budget. The annual capital budget, approved by the Board of Regents each June, includes all projects with a realistic funding strategy or for which funding is available in the fiscal year that begins the next July. Anticipated capital needs for the following five fiscal years comprise the remainder of the six-year capital improvement program, and the preliminary legislative request includes those projects for which state funding is recommended. The Board approves a preliminary capital request in June and a proposed capital request in October prior to its submission to the state. Before the budget plan comes to the Board, the Capital Improvement Advisory Committee (CIAC) reviews, evaluates, and establishes Universitywide priorities for proposed capital improvements and recommends an annual capital budget and a six-year capital improvement program. The committee also evaluates the implementation of the capital improvement program and makes recommendations regarding amendments to the program. The recommendations of the CIAC are those presented in this presentation. They have been reviewed by the Faculty Consultative Committee and Executive Council, and approved by President Hasselmo.

Kvavik reported that the FY98 Capital Budget and the FY1998-2003 Capital Improvement Program list the University's proposed capital needs for fiscal years 1998 through 2003. They include both projects recommended to be financed by state bonding and those to be financed from other sources, as well as major capital needs identified by academic and auxiliary units for which funding has not yet been secured. The Capital Improvement Program is an ongoing process of assessing capital needs, opportunities, and resources, and is subject to revision as changes in performance standards, demand, and technology occur. Modifications should be expected on an annual basis subject to Board approval.

Kvavik referred to the prior year capital expenditures for which implementation has not yet been completed. As of April 1997, previously authorized projects with a total value of \$519 million are still active. Approximately 59% of this amount (\$306 million) remains to be spent. He provided a progress report on the projects still in process.

A summary of the FY98 Capital Budget authorizations by project type, fund source and campus was provided. The budget represents 96 projects valued at \$60.6 million, and includes only projects for which funding is available in FY98. Highlights of the FY98 authorizations by fund source were provided in the docket material.

Kruse addressed the preliminary legislative request for the FY1999-2000 biennium in rank order. A number of principles were established to aid in the development of the request. All projects considered for inclusion were evaluated against the principles and the resulting scoring was used as a tool to assist the CIAC in determining Universitywide priorities. The highest priority for ranking is placed on addressing legal liability related to the health, safety, and well being of students, staff, and faculty. The request totals \$172,300,000 ranked in the following order:

1.	Health & Safety	\$ 25,000,000
2.	Walter Library Renewal	\$ 53,600,000
3.	Duluth Library	\$ 22,300,000
4.	Morris Science & Math, Recreational Sports & Heating Plant Additions	\$ 28,200,000
5.	Carlson School of Management Vacated Space Renewal	\$ 10,900,000
6.	Classroom Renewal	\$ 10,000,000
7.	Crookston Facility Improvements	\$ 2,100,000
8.	Architecture Renewal	\$ 9,000,000
9.	Agriculture Experiment Stations	\$ 4,400,000
10.	Planning funds for future projects	\$ 6,800,000
	Total	\$172,300,000

Detailed information on each project was included in the docket material.

Kruse stated that there are a significant number of projects not included in this request and difficult decisions had to be made in the development of this preliminary request.

Kvavik stated that the impact of capital improvements on the operating budget must also be recognized. Preliminary estimates of additional annual operating costs for net additional space that will be created by projects on the recommended legislative request for FY98 is \$1.2 million. The impact of renewal on the operating budget is more difficult to estimate, but increases can be expected because the cost of operating more sophisticated technology and new heating, ventilation, and air conditioning systems in renovated buildings often exceeds the savings realized from improved energy efficiency. As planning and design progresses, the operating cost for each project will be estimated. The capital investment required to support the University's mission with adequate,

functional, and safe facilities substantially exceeds available resources. It is becoming clear that there is a need for a long-term capital financing plan. Alternative financing mechanisms, funds to support building decommissioning, planning funds, and improving the quality of space are all issues that the University must address for the future.

Regent Bleyhl stated that it is very important that the University is in the best position possible when proceeding into the 1998 bonding bill. She believes that the Board should seriously review and consider the priority order of the projects before action is requested in June.

In answer to a question from Regent Peterson relating to health and safety, Kruse reported that the state has just mandated that the University replace all ceiling tiles that are a health hazard because of asbestos. The amount currently requested under the Health & Safety item in the biennial request may need to be adjusted before approval is requested to accommodate that mandate.

Regent Spence referred to the issue of decommissioning older buildings, indicating that she would hope the University can explore the reuse of some of the historical buildings before earmarking them to be decommissioned. She also referred to the cleanliness of the buildings on the Twin Cities campus. The morale of faculty and staff is affected by the environment in which they work. She would like the issue to become a priority in the coming year.

Regent Hogan expressed concern regarding the backlog in renewal. There is currently a backlog of approximately one billion dollars and approximately 140 buildings with serious deficiencies. It is vital that the importance of renewal be stressed at the legislature. A number of Board members reiterated Hogan's concern.

President Hasselmo urged Board members to communicate any concerns relating to the priority ranking of the capital request within the next week so the administration will be prepared to present the request for action in June.

STATE RELATIONS REPORT

State Relations Director Donna Peterson, via interactive television, provided an update on the status of the University's request for the 1997 legislative session.

Peterson reported that the legislative session is scheduled to conclude on May 19. There are two major issues confronting the University at the legislature. The future of the steam plant is the first issue. There is language in one bill that would delay the continuation of the work on the steam plant for one year pending a report on the cost of moving the plant off-river. University officials have been working closely with legislators regarding this proposal.

The second issue that will have an impact on the University is the Higher Education Finance bill. This bill is still being debated. This bill is important as it will have an impact on tuition rates for the University. A third issue, not relating to funding, that has had considerable discussion relates to the transfer of credits. It is believed that the ability to transfer credits will provide better customer service, financial efficiencies, and cooperation among the state institutions.

**BOARD OF REGENTS POLICY
PRIVATE PRACTICE: MEDICAL SCHOOL**

The agenda item relating to the Board of Regents Policy relating to Private Practice: Medical School was delayed due to time constraints.

The meeting adjourned at 11:40 a.m.

Steven Bosacker

**STEVEN BOSACKER
Executive Director and
Corporate Secretary**

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

May 9, 1997

A meeting of the Board of Regents of the University of Minnesota was held on Friday, May 9, 1997 at 11:45 a.m. in the Kirby Student Center Ballroom on the University of Minnesota Duluth campus.

Regents present: Thomas Reagan, presiding; Robert Bergland, Julie Bleyhl, William Hogan, David Metzen, Michael O'Keefe, William Peterson, Jessica Phillips, Maureen Reed, and Patricia Spence.

Staff present: President Nils Hasselmo; Chancellors David Johnson, Kathryn Martin, and Donald Sargeant; Provost Frank Cerra; Senior Vice Presidents JoAnne Jackson and Marvin Marshak; Executive Director Steven Bosacker; Vice President McKinley Boston; Acting Vice President Thomas Swain; General Counsel Mark Rotenberg; and Associate Vice Presidents Clint Hewitt, Eric Kruse, 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 - April 10, 1997
Litigation Review Committee - April 10, 1997
Faculty, Staff & Student Affairs Committee - April 10, 1997
Facilities Committee - April 10, 1997
Educational Planning and Policy Committee - April 10, 1997
Financial Operations Committee - April 10, 1997
Committee of the Whole - April 11, 1997
Board of Regents Meeting - April 11, 1997

REPORT OF THE PRESIDENT

President Hasselmo presented his monthly report which pertained to the retirement of Chancellor David Johnson; flood relief activities; a statement on diversity adopted by the Association of American Universities; appointment of two new Regents' Professors; the 9th Annual President's Concert; and Sunrayce 1997.

A copy of the President's report is on file in the Board Office.

REPORT OF THE CHAIR

Chair Reagan called on Regent Spence who provided a brief report on activities of the Friends of Eastcliff Committee. The annual Garden Party fundraiser will be held on Sunday, June 22, 1997 from 3:00 to 5:30 p.m. This will be an opportunity for the supporters of Eastcliff to bid farewell to President Nils Hasselmo and Patricia Hasselmo and to welcome President-Designate Mark Yudof and Judy Yudof. Spence also reported on maintenance activities planned for Eastcliff, including interior and exterior painting, various interior improvements based on a master plan, and other upkeep and repair activities that traditionally occur between occupants.

Chair Reagan thanked the many individuals at the University of Minnesota Duluth for hosting the Board meetings. Special recognition was given to Chancellor Martin and Lucy Kragness for the extraordinary work they did to make the meetings a success.

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RECEIVE AND FILE REPORTS

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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 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 COMMITTEE OF THE WHOLE May 8, 1997

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

- a) Approval of a resolution relating to the reorganization of central administration, as follows:

WHEREAS, the Regents of the University of Minnesota recognize and reaffirm the President's fundamental responsibilities and accountability for developing, recommending, and administering the policies of the Board of Regents; and

WHEREAS, the Regents recognize and reaffirm the importance of providing the President with flexibility in the

organization of the administrative structure and the reporting lines and position descriptions of central administrators; and

WHEREAS, the University of Minnesota must continue to pursue a comprehensive agenda of assessing and improving administrative structures, processes, and procedures in order to improve quality, efficiency, and effectiveness; and

WHEREAS, the University's strategic planning and decision making processes are best served by designing and implementing administrative structures that ensure clear responsibility, authority, and accountability at the college and campus levels:

THEREFORE, BE IT RESOLVED, that the organization described below be adopted based on the following principles:

- explicit campus decision-making responsibility, authority, and accountability for the Chancellors of the Crookston, Duluth, and Morris campuses, the Senior Vice President for Health Sciences, and the Provost of the Twin Cities campus, who also serves as Executive Vice President for the system, with responsibilities for coordinating policies regarding faculty evaluation, promotion, and tenure on the Twin Cities campus;
- explicit system decision-making authority and accountability for the Executive Vice President and other central officers;
- direct lines of responsibility and accountability to the President for all campus and central officers, including the new direct reporting by the Vice President for Student Development and Athletics, the Vice President for Human Resources, the Vice President for Research and Dean of the Graduate School, and the Vice President for Agricultural Policy;
- increased system-wide attention to matters of Human Resources and Agricultural Policy through the creation of two new vice presidential positions;
- increased coordination of Twin Cities campus colleges through the establishment of a single Provost's office responsible for all Twin Cities colleges except the Health Sciences;
- clear lines of consultation and reporting, involving faculties, students, staff, and key decision makers; and
- explicit recognition of the responsibility of deans, department heads, and other college or campus administrators, in conjunction with the respective faculties, to maintain and enhance academic programs.

BE IT FURTHER RESOLVED, that the Chancellors of the Crookston, Duluth, and Morris campuses, the Senior Vice President for the Health Sciences, and the Provost of the Twin Cities campus shall be the executive officers fully responsible for operations within their respective areas, and shall be directly accountable to the President for developing and recommending academic priorities and management/financial systems, for implementing University policies, and for achieving planned results; system officers shall support the President in developing system-wide academic priorities and management/financial

systems, and, on the basis of the recommendations of the Chancellors, the Senior Vice President for Health Sciences, and the Provost of the Twin Cities campus, in implementing academic priorities among the campuses, colleges, and major non-academic units in an integrated and coordinated manner.

The University's administrative structure will consist of the following administrative officers reporting to the President:

the President's Chief of Staff,
the Executive Vice President (who also serves as Provost of the Twin Cities campus),
the Chancellors of the Crookston, Duluth, and Morris campuses,
the Senior Vice President for Finance and Operations,
the Senior Vice President for Health Sciences,
the Vice President for Research and Dean of the Graduate School,
the Vice President for Student Development and Athletics,
the Vice President for Institutional Relations,
the Vice President for Human Resources,
the Vice President for Agricultural Policy, and
the General Counsel.

1. The Executive Vice President and Provost is a new position and shall be the President's chief deputy for all activities and operations, acting in the President's absence or infirmity or as the President directs from time to time, and also serves as Provost, the chief academic officer, for the Twin Cities campus, with decision-making responsibility, authority, and accountability for the following units:

Agricultural Experiment Station
College of Agricultural, Food, and Environmental Sciences
College of Architecture and Landscape Architecture
College of Biological Sciences
Carlson School of Management
College of Education and Human Development
General College
Hubert H. Humphrey Institute of Public Affairs
College of Human Ecology
Law School
College of Liberal Arts
Minnesota Extension Service
College of Natural Resources
Institute of Technology
University College
University Libraries
Office of Information Technology
Office of Equal Opportunity and Affirmative Action
Office of Minority Affairs and Diversity
Office of Planning, International Education, and Enrollment Management
Weisman Art Museum

2. The Chancellor of the Crookston campus shall continue to report directly to the President, with no changes in current decision-making responsibility, authority, and accountability.
3. The Chancellor of the Duluth campus shall continue to report directly to the President, with no changes in current

decision-making responsibility, authority, and accountability.

4. The Chancellor of the Morris campus shall continue to report directly to the President, with no changes in current decision-making responsibility, authority, and accountability.
5. The Senior Vice President for Finance and Operations shall no longer have responsibility for Human Resources, but shall continue to have decision-making responsibility, authority, and accountability for the following functions:
 - Audits
 - Budget and Finance
 - Business Services
 - Facilities Management
 - Health, Safety, and Transportation
 - Master Planning
 - Treasurer
 - University Services
6. The Senior Vice President for Health Sciences, formerly Provost of the Academic Health Center, shall have decision-making responsibility, authority, and accountability for the:

- School of Dentistry
- Duluth Medical School
- Medical School (Twin Cities)
- School of Nursing
- College of Pharmacy
- School of Public Health
- College of Veterinary Medicine
- and other support programs, such as Health Sciences Public Relations, Allied Health Professions, Biomedical Graphics, CENSHARE, Health Sciences Learning Resources, Health Sciences Student Services (CHIP), Molecular and Cellular Therapeutics, Multicultural Institute

The Senior Vice President for Health Sciences reports directly to the President and shall consult/coordinate with the Executive Vice President and Provost with respect to annual budget proposals, the evaluation, promotion, and tenure of faculty, and integrated, system-wide academic planning.

The Senior Vice President for Health Sciences also serves as the chief academic officer for the University's health delivery systems, *e.g.*, hospitals, clinics, practice plans, affiliations, and relationships necessary for the mission of the health professional schools. The Senior Vice President for Health Sciences represents the University and holds positions on the Board of Directors of the Fairview Hospital and Healthcare System and other health systems where appropriate.

7. The Vice President for Research and Dean of the Graduate School shall now report directly to the President and shall have decision-making responsibility, authority, and accountability for research-related policies, the Graduate School, the Office of Research and Technology Transfer

Administration, and other centers, institutes, and programs currently reporting to this officer.

8. The Vice President for Student Development and Athletics shall now report directly to the President, with no changes in current decision-making responsibility, authority, and accountability.
9. The Vice President for Institutional Relations shall continue to have decision-making responsibility, authority, and accountability for Development, Alumni Relations, University Relations, State Relations, and Federal Relations.
10. The Vice President for Human Resources is a new position, reporting directly to the President, and shall have decision-making responsibility, authority, and accountability for all human resources policies and programs.
11. The Vice President for Agricultural Policy is a new position—the continuing need for which shall be reviewed in 1997-98—reporting directly to the President, and shall be responsible for advising the President on statewide agricultural policies and programs. The Dean of the College of Agricultural, Food, and Environmental Sciences shall have decision-making responsibility, authority, and accountability for academic programs and shall report to the Executive Vice President and Provost.
12. The General Counsel shall continue to have decision-making responsibility, authority, and accountability for the University's legal affairs and shall report to the President.

Interdisciplinary, intercollegiate, and intercampus activities shall be strongly encouraged, facilitated by greater flexibility to establish project-driven teams of central officers.

A flatter organization structure, with direct communication between the central officers and the deans and faculties, shall encourage and facilitate decision-making responsibility, authority, and accountability at the collegiate, departmental, and academic program levels, minimizing central regulation of operational services of the University and emphasizing accountability, benchmarking, and performance.

This reorganization shall be effective July 1, 1997.

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

**REPORT OF THE COMMITTEE OF THE WHOLE
May 9, 1997**

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

- a) Approval of the Senior Vice President's Educational Planning & Policy Report as presented to the committee and included in the docket material.
- b) Approval of the Senior Vice President's Financial Operations Report as presented to the committee and contained in the docket material.
- c) Approval of a resolution relating to the Summary of Expenditures, as follows:

RESOLVED, that the Summary of Expenditures for the period July 1, 1996 to March 31, 1997 for the Board of Regents Office, the Office of the President, and Eastcliff Maintenance are hereby approved.

- d) Approval of a resolution relating to the Honors Committee Nomination, as follows:

RESOLVED, that on the recommendation of the President, the report of the All-University Honors Committee is hereby approved.

- e) Approval of a resolution relating to the appointment of Regents' Professors, as follows:

RESOLVED, that on the recommendation of the President, the Board of Regents approves the recommendation of the Regents' Professorship Nominating Committee.

Documentation regarding the appointments is on file in the Board Office.

- f) Approval of a resolution relating to the FY98 *University Plan*, as follows:

WHEREAS, an annual *University Plan* is needed to update the University 2000 plan, including changes in the environment and in planning parameters for campuses, provostal areas, colleges, and support units for the coming year; and

WHEREAS, the plan is essential for setting forth institutional initiatives and guiding annual budgetary decisions to insure the quality and effectiveness of the University's programs; and

WHEREAS, the plan also serves as a statement of intended actions against which to measure the impact of future improvement efforts;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents approves the 1997-98 *University Plan* as a guide to institutional, campus, and provostal improvement efforts for the coming year.

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

Reagan reported that the committee also received a quarterly report from the Faculty Consultative Committee; reviewed the annual capital budget, the six-year capital improvement plan and the preliminary state capital request for FY1999-2000; and received an update on progress of the University's request at the legislature. The agenda item relating to proposed changes to the Regents Policy relating to Private Practice: Medical School was delayed due to time constraints.

REPORT OF THE FACULTY, STAFF AND STUDENT AFFAIRS COMMITTEE

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

- a) Approval of the Senior Vice President's Faculty, Staff and Student Affairs Report as presented to the committee and included in the docket material, including the addition of a change in rank for Donald Riley to Associate Vice President of Academic Affairs and Chief Information Officer for the University and the addition of central administration personnel appointments as recommended by President-Designate Yudof. Documentation is on file in the Board Office.
- b) Approval of a resolution relating to promotion and tenure recommendations, as follows:

RESOLVED, that on the recommendation of the Senior Vice President for Academic Affairs and in the case of the Law School and the University of Minnesota, Morris, the Provost for Professional Studies and the Chancellor of the University of Minnesota, Morris, respectively, the promotion and/or tenure recommendations as presented to the Board of Regents on May 8 and 9, 1997, are hereby approved, effective with the beginning terms of appointments in 1997-98.

RESOLVED, that on the recommendation of the Chancellor of the University of Minnesota, Duluth in accord with the agreement between the Regents of the University of Minnesota and the University Education Association, the UMD promotion and/or tenure recommendations as presented to the Board of Regents on May 8 and 9, 1997, are hereby approved, effective with the beginning terms of appointment in 1997-98.

A copy of the promotion and tenure recommendations are on file in the Board Office.

- c) Approval of a resolution relating to the collective bargaining agreement between the University of Minnesota and the Law Enforcement Labor Services, Inc. for Unit 1, as follows:

WHEREAS, the parties 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 Office); and

WHEREAS, the Law Enforcement Labor Services, Inc. has ratified acceptance of the agreement; and

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

NOW, THEREFORE, BE IT RESOLVED, that on the recommendation of the President, the Senior Vice President for Academic Affairs, and the Senior Vice President for Finance and Operations, the Board of Regents approves this labor agreement as outlined in the docket for May 8, 1997.

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

Spence reported that the committee also reviewed information relating to career preparation and placement on the coordinate campuses.

REPORT OF THE FACILITIES COMMITTEE

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

- a) Approval of the Senior Vice President's Monthly Facilities Report as presented to the committee and included in the docket material.
- b) Approval of a resolution relating to FY97 Capital Budget schematic plans, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the plans for the Coleraine Mineral Research Center are approved and the appropriate administrative officers are authorized to proceed with the design and construction of the project.

Coleraine Mineral Research Center
Original estimated project costs: \$1,000,000
Project increase: \$765,000
Revised estimated project costs: \$1,765,000
Estimated completion date: October 1998

- c) Approval of a resolution relating to FY97 Capital Budget schematic plans, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the plans for the Utility Infrastructure Upgrade Project are approved and the appropriate administrative officers are authorized to proceed with the design and construction of the project.

Utility Infrastructure Update, Duluth Campus
Estimated project costs: \$4,839,000
Funding: Duluth Campus Facilities Management Funds and internal loan
Estimated completion date: April 1998

- e) Approval of a resolution relating to amendments to the FY97 Capital Budget, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the FY97 Capital Budget is hereby amended to incorporate the following projects:

- A. Burton Hall Room Air Conditioning and Remodeling:
Twin Cities Campus
Estimated project costs: \$167,800
Funding: College of Education and Human Development
departmental funds
Estimated completion date: June 1997

- B. Williamson Hall Renewal Phase II: Twin Cities Campus
Original estimated project costs: \$2,739,000
Project increase: \$246,000
Revised estimated project costs: \$2,985,000
Funding for increase: Parking and Transportation Services
Estimated completion date: November 1997

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

Phillips reported that the committee also reviewed proposed schematic plans for the Mineral Resources Research Center (MRRC) housing project and reviewed information relating to the University's signage plan and program.

REPORT OF THE AUDIT COMMITTEE

Regent Hogan, Chair of the committee, reported that the Audit Committee voted unanimously to recommend:

- a) Approval of the Senior Vice President's Audit Report as presented to the committee and included in the docket material.

The committee voted unanimously to recommend approval of the recommendation of the Audit Committee.

Hogan reported that the committee also reviewed the Audit Committee Charter; engaged in a discussion relating to the integrated framework; and reviewed information relating to the annual internal audit plan. The agenda item relating to the semi-annual controller's report was delayed due to time constraints.

OLD BUSINESS

Regent Hogan stated that even though the agenda item regarding the Regents Policy relating to Private Practice: Medical School was delayed due to time constraints, he would publicly like to thank Provost Cerra and Senior Vice President Jackson for the work they have done on this issue.

The meeting adjourned at 12:15 p.m.



STEVEN BOSACKER
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

May 9, 1997

A meeting of the Board of Regents of the University of Minnesota was held on Friday, May 9, 1997 at 11:45 a.m. in the Kirby Student Center Ballroom on the University of Minnesota Duluth campus.

Regents present: Robert Bergland, Julie Bleyhl, William Hogan, David Metzen, Michael O'Keefe, William Peterson, Jessica Phillips, Maureen Reed, and Patricia Spence. President Nils Hasselmo, presiding.

Staff present: Chancellors David Johnson, Kathryn Martin, and Donald Sargeant; Provost Frank Cerra; Senior Vice Presidents JoAnne Jackson and Marvin Marshak; Executive Director Steven Bosacker; Vice President McKinley Boston; Acting Vice President Thomas Swain; General Counsel Mark Rotenberg; and Associate Vice Presidents Clint Hewitt, Eric Kruse, 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 - April 10, 1997
Litigation Review Committee - April 10, 1997
Faculty, Staff & Student Affairs Committee - April 10, 1997
Facilities Committee - April 10, 1997
Educational Planning and Policy Committee - April 10, 1997
Financial Operations Committee - April 10, 1997
Committee of the Whole - April 11, 1997
Board of Regents Meeting - April 11, 1997

REPORT OF THE PRESIDENT

President Hasselmo presented his monthly report which pertained to the retirement of Chancellor David Johnson; flood relief activities; a statement on diversity adopted by the Association of American Universities; appointment of two new Regents' Professors; the 9th Annual President's Concert; and Sunrayce 1997.

A copy of the President's report is on file in the Board Office.

REPORT OF THE CHAIR

Chair Reagan called on Regent Spence who provided a brief report on activities of the Friends of Eastcliff Committee. The annual Garden Party fundraiser will be held on Sunday, June 22, 1997 from 3:00 to 5:30 p.m. This will be an opportunity for the supporters of Eastcliff to bid farewell to President Nils Hasselmo and Patricia Hasselmo and to welcome President-Designate Mark Yudof and Judy Yudof. Spence also reported on maintenance activities planned for Eastcliff, including interior and exterior painting, various interior improvements based on a master plan, and other upkeep and repair activities that traditionally occur between occupants.

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**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

MINUTES

BOARD OF REGENTS MEETINGS

AND

COMMITTEE MEETINGS

**June 9, 1997
June 12-13, 1997
June 18, 1997**

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

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Minutes of the Board of Regents Meetings
and Regents Committee Meetings

June 9, 1997

June 12-13, 1997

June 18, 1997

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UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Litigation Review Committee

June 9, 1997

A meeting of the Litigation Review Committee of the Board of Regents was held on Monday, June 9, 1997, at 8:32 a.m. in Room 325, Morrill Hall.

Regents present: Regent Peterson, presiding; and Regent Thomas Reagan. Regent Patricia Spence participated via telephone.

Staff present: President-Designate Mark Yudof; General Counsel Mark Rotenberg; Executive Director Steven Bosacker; and Associate Vice President Clint Hewitt.

**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 non-public meeting of the Board of Regents' Litigation Review Committee be held on Monday, June 9, 1997, in 325 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 8:33 a.m.



**STEVEN BOSACKER
Executive Director and
Corporate Secretary**

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Educational Planning and Policy Committee

June 12, 1997

A meeting of the Educational Planning & Policy Committee of the Board of Regents was held on Thursday, June 12, 1997, at 8:00 a.m. in Room 300, Morrill Hall.

Regents present: H. Bryan Neel, presiding; Robert Bergland, William Hogan, David Metzen, Michael O'Keefe, and Jessica Phillips.

Staff present: President Nils Hasselmo, President-Designate Mark Yudof; Chancellors David Johnson and Donald Sargeant; Provosts Gene Allen and Phil Shively; Senior Vice President Marvin Marshak; Associate Vice Presidents Jessica Bailey, Nancy Barcelo, and Donald Riley; Executive Director Steven Bosacker; and Provost and Executive Vice President-Designate Robert Bruininks.

Student Representatives present: Tammy Koob and Andrew Toftey.

SENIOR VICE PRESIDENT'S REPORT

Chair Bryan Neel introduced the new Student Representative to the Committee, Tammy Koob, from University of Minnesota Duluth.

Senior Vice President Marshak presented the Senior Vice President's Report for June 1997 which was included in the docket materials, and noted the following items:

- The approval of a major in Neuroscience (B.S.) in the College of Biological Sciences effective fall quarter 1997.
- The name change of Electrical Engineering and Computer Science to the Department of Electrical and Computer Engineering and the Department of Computer Science and Engineering.
- The approval of a new interdisciplinary undergraduate major in Computer Engineering, the Bachelor of Computer Engineering (BCompE).
- The approval of three new programs in the Graduate School:
 - Master of Arts and Ph.D. in Feminist Studies;
 - Master of Science in Manufacturing Systems; and
 - Master of Science in Software Engineering.
- The elimination of the Associate of Applied Science programs, Accounting and Administrative Office Management at University of Minnesota Crookston (UMC).
- The name change of the Bachelor of Science in Processing Technology to Food Processing; and the Bachelor of Science in Technical Studies to Applied Studies at UMC.

- The approval of the Bachelor of Manufacturing degree which will be offered in cooperation with Northwest Technical College at UMC.
- The approval of the Bachelor of Applied Health at UMC in partnership with Northwest Technical College, Red River Community College in Canada, and University College.
- The approval of the Bachelor of Science in Sport and Recreational Management at UMC.
- Appointment of Ake Anderson, Charles H. Casey, Marion Etwiler, Joan Anderson Growe, Thomas Hughes, Akira Iriyama, Whitney MacMillan, Richard Moe, William R. Pearce, Glen J. Skovholt, and Robert Bergland to the Hubert H. Humphrey Institute Advisory Board.

In response to the concerns of the committee members, President Hasselmo assured the committee that the Minnesota Transfer Curriculum agreement with the MnSCU system is working and has the support of the faculty which allows for quick response to the problems that arise.

A motion was made and seconded and the committee voted unanimously to recommend approval of the Senior Vice President's Report.

The Committee congratulated Marshak for his good work and thanked him for his service to the University.

METROPOLITAN HIGHER EDUCATION STRATEGY REPORT

Senior Vice President Marshak presented the report on the metropolitan higher education strategy. Marshak stated that the 1995 Legislature instructed the MnSCU system to develop a strategy for higher education in the Twin Cities in collaboration with the University and to report on that strategy to the 1997 Legislature. MnSCU proposed the merger of Metropolitan State University with Minneapolis Community College. Some interested parties questioned whether this plan was sufficiently comprehensive to meet the original charge. The 1997 Legislature then instructed MnSCU to prepare a new report on a metropolitan higher education strategy again in collaboration with the University with a report to the 1998 Legislature. MnSCU has retained Dr. Hazel Reinhardt, a demographer and independent consultant, to coordinate the preparation of the report.

Dr. Reinhardt's report will likely include an assessment of the need for higher education in the Twin Cities at both the undergraduate and professional masters' degree levels for both traditional age students and for life-long learners. The University is committed to working with Dr. Reinhardt, the MnSCU system, and various Twin Cities communities to develop a metropolitan higher education plan for the 1998 Legislature.

Regent O'Keefe noted that it was a serious shortcoming not to include the private colleges in the discussions. He urged the inclusion of representatives from the private colleges.

The committee requested the administration bring the University into a leadership position and work closely with MnSCU and Dr. Reinhardt in preparation of this report as well as establish and articulate our own positions.

K-12 INITIATIVES ON THE TWIN CITIES CAMPUS

Dean Robert Bruininks presented a report on the relationship between the University of Minnesota Twin Cities and the K-12 system. An inventory of all the activities and projects will soon be available on the worldwide web and in printed form.

The University of Minnesota can have a powerful influence on K-12 education. For example, in 1989 the University of Minnesota redefined the preparation standards for the University. Then only 17% of the entering freshman met the newly established preparation standards. Currently close to 90% meet the standards.

The land-grant mission of the University plays an important role in the relationship between K-12 and the University. The University serves the state as a partner with MnSCU; the Department of Children, Families and Learning; and the K-12 system. This past year the Higher Education Advisory Committee formed a statewide committee to address relationships involving K-12 and higher education. Bruininks outlined three major challenges brought to light through the study:

- A need for collaboration among educational systems. There is a strong need to sharpen relationships and make them much more systematic than in the past.
- Clarify and implement standards for learning success that are universal in their application to all students for articulation to all educational systems.
- The connection of research and teaching to the responsibilities of public service.

Bruininks closed with a prediction that big changes in K-12 and higher education are fast approaching. The challenges will be great and the University of Minnesota needs to be a partner in the process, a strong leader, and at the center of the agenda.

AFFINITY GROUPS (PROFESSIONAL STUDIES)

Provost Allen presented the report on affinity groups, a collaborative effort initiated by the Office of the Provost for Professional Studies.

Affinity groups are intercollegiate teams of the University of Minnesota faculty, staff, and students who collaborate across structural boundaries to achieve shared teaching, outreach, and/or research goals. They last as long as a group members' interest warrant.

Affinity groups were recommended by Professors Jan Hogan and Rich Weinberg in their spring 1996 report to Professional Studies Provost Allen on the feasibility of merging the College of Human Ecology with the College of Education and Human Development. The groups were to report to the Inter-collegiate Council chaired by Allen on their progress toward more interdisciplinary collaboration before or instead of a merger.

Affinity groups have met and exceeded the expectations of Hogan, Weinberg, and Allen. Year-end progress reports by the group leaders attest to the accomplishments:

- growth in size and scope of the affinity group concept;
- closer working relationships among faculty, staff, and students;
- enriched learning for students; and,
- enthusiasm and optimism for a brighter future.

Affinity group leaders and members of the Inter-collegiate Council recently made the following recommendations regarding the future of intercollegiate collaboration, especially affinity group work at the University of Minnesota:

- The administration should continue and centralize support for intercollegiate collaborations, including affinity groups.
- The University reward/recognition system must support collaboration.
- Outside expertise should supplement faculty and staff efforts.
- Affinity group leaders should join efforts on some projects.

In response to Regent O'Keefe's concern about the proliferation of degree programs, Allen stated that the University develops new degrees in response to external needs. Budgets will force the elimination or mergers of programs, only those with enrollment that produce revenue will continue to exist.

UPDATE ON UNDERGRADUATE INITIATIVES

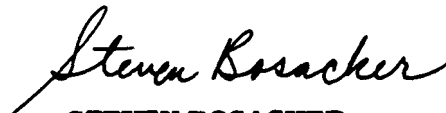
Provost Shively presented an update on undergraduate initiatives coordinated by the Office of the Provost for Arts, Sciences, and Engineering. The strategy is to build and maintain a fine research institution and to build and maintain exciting undergraduate programs.

An important component to strengthening the undergraduate experience is to assure students a world-class faculty. The administration has strengthened undergraduate programs through the implementation of the "First-Year Experience," improving residential life, and providing a four-year graduation guarantee. Shively noted that there is room for improvement in advising and recommends that the new administration place the issue on the top of its agenda.

The Undergraduate Initiative for fiscal year 1998 includes a Twin Cities campus writing initiative to better meet the needs of incoming freshmen. Shively suggested some ideas for further improvements of the undergraduate experience:

- Expanding Worlds requirement (public service project, abroad, etc.);
- Small first-year seminars with full faculty;
- All-campus honors program for the first two years;
- Enhanced instruction of graduate students in teaching;
- Continue improvement of large introductory classes; and,
- Expansion of residential college.

The meeting adjourned at 10:00 a.m.



STEVEN BOSACKER
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS
Financial Operations Committee

June 12, 1997

A meeting of the Financial Operations Committee of the Board of Regents was held on Thursday, June 12, 1997, at 8:07 a.m. in the Board Room, 238 Morrill Hall.

Regents present: Julie Bleyhl, presiding; Warren Larson, Thomas Reagan, Maureen Reed, and Patricia Spence.

Staff present: Provost Frank Cerra; Senior Vice President JoAnne Jackson; Executive Director Steven Bosacker; and Associate Vice President Don Riley.

Student Representative present: Tonia Zehrer.

SENIOR VICE PRESIDENT'S REPORT

Senior Vice President Jackson reviewed the Senior Vice President's Report, which was included in the docket.

Jackson explained that the investment income in the central reserves is expected to be on target by the end of the year. The item that will not be on the previously approved budget is the sale of land in Shoreview. Jackson stated she does not expect the Shoreview sale to happen by the end of the year.

Purchases of goods and services over \$250,000 listed in the docket materials include: 1) an estimated \$2 million to Adecco Services for full-time temporary clerical services for the Twin Cities campuses for the period of July 1, 1997 through June 30, 1998; 2) an estimated \$1,965,500 to Cambridge Technologies, Campus Solutions, and Brady & Company for PeopleSoft software implementation consulting for the Enterprise Systems Project (covering the project implementation phase I, expected to last six months); 3) an estimated \$500,000 to Hennepin County for solid waste disposal for the period of July 1, 1997 to June 30, 1998; 4) \$892,000 to IBM for maintenance of operating software; 5) \$450,000 to IBM for hardware maintenance for the IBM mainframes; 6) an estimated \$2,525,000 to Old Dutch Foods, Inc. for snack food products provided to University Food Services; and, 7) an estimated \$1,116,630 to Zurich Insurance Company for property insurance from July 1, 1997 to June 30, 2000 to cover \$3.3 billion of insurable value.

Jackson invited Director of Federal Relations Tom Etten and Provost Cerra to update the committee on legislation being drafted which will affect the University's medical education funding. Etten explained that the balanced budget plan which has been approved by President Clinton and Congress includes a proposal for reductions in Medicare funding of teaching hospitals. Cerra explained that the proposal is an enormous problem and noted that the underlying message is that Medicare wants to get

out of medical education. Cerra stressed that this public policy issue will have to be quickly resolved.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the Senior Vice President's Report including the purchases of goods and services over \$250,000 as presented in the docket material.

QUARTERLY ASSET AND DEBT MANAGEMENT REPORT

Senior Vice President Jackson and Sheila Warness, Associate Director of the Office of Asset Management, presented a review of the Quarterly Report on Asset and Debt Management for the first quarter of 1997, which was included in the docket materials.

The total of endowment and reserve funds for the University increased by \$157 million during the quarter ending March 31, 1997. Factors contributing to the increase include: market appreciation of \$600,000; net withdrawals of \$28.9 million; spending distributions of \$8.5 million; and an increase in unspent bond proceeds of \$192.5 million.

Equity markets provided positive returns during the quarter. The best performing segment of the equity market was the international emerging market. Fixed income market returns, however, were slightly negative during the quarter.

Warness distributed a newly formatted performance comparison developed to track the performance of the University's money managers. The new format will be included in future docket materials.

QUARTERLY PURCHASING REPORT

Karen Triplett, Director of Purchasing Services, presented the Quarterly Purchasing Report for the third quarter of the fiscal year (January, February and March 1997).

Triplett stated that the fiscal year total through the third quarter for all purchases (construction, goods and services, and professional services) stands at \$283,864,164, an increase of 6% from last year's third quarter total.

Through the third quarter, justified exceptions to the bidding requirement totaled \$4,925,505 or 1.7% of total dollars purchased, compared to 1.6% at this time last year.

There were six Regents policy violations during the quarter. Senior Vice President Jackson explained that in May 1997, deans, directors and department heads received a letter from Senior Vice Presidents Jackson and Marshak informing them that departments that violate Regents purchasing policy will be subject to a new procedure involving citing, educating and applying restrictions to departments who do not follow policy.

QUARTERLY MANAGEMENT REPORT

Controller Terry O'Connor and Carole Fleck, Director of Financial Reporting, presented the quarterly report on the fiscal status of the University as of April 30, 1997, which was included in the docket materials.

O'Connor explained that cash and temporary investments decreased as a result of the use of funds from the Temporary Investment Pool to extinguish debt. Receivable balances increased as a result of capital and other state appropriations and timing of draw-downs. Investments increased as a result of the proceeds from the 1996 bond issue plus market value appreciation.

The statement of changes in fund balances shows that both revenues and expenses declined as a result of the sale of the hospital (six months of activity in 1997 versus ten months of activity in 1996).

Regent Reagan noted that he is pleased with the concise financial reports that the Board has been receiving.

Before adjourning Regent Bleyhl reminded the committee that the recommended preliminary legislative request for the FY1999-2000 biennium would be presented at the Committee of the Whole meeting. Bleyhl stated that, in an effort to maximize the University's position with the legislature, she would like to adjust the priority list in the bonding package by separating out the health and safety portion of the request for the Walter Library Renewal; Duluth Library; and Morris Science & Math and Rec Sports projects and adding it to the existing health and safety request. Regent Spence agreed and suggested that Director of State Relations Peterson and Associate Vice President Pfitzenreuter evaluate this idea before moving forward.

Spence also suggested changing the current order in the legislative request by putting the Morris Science & Math and Rec Sports project ahead of the Duluth Library. Spence stated that she does not value one project more than the other, but she feels that it will ultimately be a better political strategy to get both projects funded. Reagan agreed, and reminded the committee that at one time the Morris project was ahead of the Duluth Library on the bonding list.

The meeting adjourned at 9:43 a.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

Year 1996-97

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff and Student Affairs Committee

June 12, 1997

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, June 12, 1997, at 10:00 a.m. in Room 300, Morrill Hall.

Regents present: Patricia Spence, presiding; Robert Bergland, William Hogan, David Metzen, H. Bryan Neel, and Michael O'Keefe.

Staff present: Chancellor David Johnson; Provost W. Phillips Shively; Senior Vice President Marvin Marshak; Vice President McKinley Boston; and Executive Director Steven Bosacker.

Student Representatives present: Karl Thorson and Andrew Toftey.

SENIOR VICE PRESIDENT'S REPORT

Senior Vice President Marshak reviewed the Senior Vice President's Report which was included in the docket, and noted the following:

- The appointment of William Robert Bucker as Dean of the School of Fine Arts, University of Minnesota, Duluth.

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

RESIDENTIAL ACADEMIC PROGRAMS

Senior Vice President Marshak and Provost Shively presented information on the current status of residential academic program initiatives.

Shively noted that 70% of freshmen at the Twin Cities campus live in a residential hall or belong to a residential program. The residential academic programs vary, but the common theme is to provide an enriched program for all first-year students. Integrating academic programs into residential life creates bonds to the campus and a sense of community. Studies have shown that residential life on campus positively affects students' academic success.

In response to a question from Regent Neel, Marshak stated that residential housing has tremendous advantages for first-year students because there is a feeling of community. Most students coming to the University have never shared a room with a sibling and they are used to a certain amount of isolation. While first-year students may feel that they are the only ones going through particular problems, living in a residence hall with students going through the same situations help them to realize that they are not alone.

Marshak explained that the success of these programs results in a tremendous demand of students wanting to live in the residence halls. Because the University's Office of Housing and Residential Life has a guarantee of residential housing for all incoming freshmen who request it, Marshak projects a shortage of housing again this fall. Marshak reminded the committee that in 1995, several University students were placed in campus-area motels until residence hall space became available. Marshak asked for continued support of the housing guarantee noting that the problem is usually resolved in the first week or two of classes as a percentage of students who were registered do not show up or end up leaving.

In response to a question from Regent Metzen, Marshak stated that future plans to increase housing facilities on campus include the South Mall project beginning next spring, which will add 500 more bed spaces at an estimated cost of \$20 million.

OFF-CAMPUS HOUSING

Vice President Boston presented information on the status of the University's off-campus housing. Boston was joined by Mary Ann Ryan, Director of the Office of Housing and Residential Life; June Nobbe, Director of the Campus Involvement Center; Sue Pilarski, Manager of Off-Campus Housing; Bill Dane, University Student Legal Services; and Ann O'Loughlin, Institutional Relations.

Ryan stated that 70% of freshman are housed in the University's eight residence halls, but the majority of students live off campus. The results of a University housing market study show that the most important factors in the selection of housing were convenience of location to campus and affordability.

Pilarski stated that the housing office annually serves approximately 15,000 students, staff and faculty looking for off-campus housing. Of the 15,000, approximately half are first-time users. The housing office receives 3,000 - 5,000 listings of rental vacancies per year. The housing office's income is generated by charging landlords a fee to list with them. Students are not charged to use this service. Properties that are not up to code are not knowingly listed. The housing office works with the Office of Community and State Relations, the city inspections office, the Office of Student Legal Services, and additionally, they rely on students to inform them when properties are in disrepair.

Dane stated that the office of student legal services is a student fee-funded operation. The staff of five full-time attorneys and two legal assistants spends approximately 25% of time devoted to housing matters. A tenant resource guide has been developed to prepare students before they go out to rent property. One of the office's goals is to litigate aggressively on housing code issues.

Nobbe stated that there are 11 sororities and 21 fraternities that have houses near campus. A common misperception is that these houses are a part of the University. The houses are privately owned and the maintenance and upkeep is dependent upon the individual fraternity and sorority housing corporations. In the past few years membership has declined for fraternities and sororities which has had an impact on their ability to raise revenue to keep the properties maintained. President Hasselmo has established a Greek Council to look at recruitment and housing maintenance issues.

O'Loughlin stated that the University works with neighborhood groups and the housing task forces put in place by the neighborhood revitalization program. Issues concerning neighborhoods that directly surround the campus include absentee landlords, transit, traffic, and safety.

Regent O'Keefe noted the importance of preserving the vitality of University neighborhoods, and suggested that the institution's urban planners be involved. O'Loughlin stated that the graduate students from the College of Architecture will be doing a study of the University corridor in the fall quarter.

Before adjourning, Chair Spence acknowledged that this would be the last committee meeting for Student Representatives Thorson and Toftey. Spence also thanked Senior Vice President Marshak for his service to the University and his leadership with the Faculty, Staff and Student Affairs Committee.

The meeting adjourned at 11:44 a.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Facilities Committee

June 12, 1997

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, June 12, 1997, at 10:10 a.m. in the Board Room, 238 Morrill Hall.

Regents Present: Jessica Phillips, presiding; Julie Bleyhl, Warren Larson, Thomas Reagan, and Maureen Reed.

Staff Present: Chancellor Donald Sargeant; Senior Vice President JoAnne Jackson; Vice President Tom Swain; Executive Director Steven Bosacker; and Associate Vice Presidents Eric Kruse and Richard Pfitzenreuter.

Student Representatives present: Mark Erickson and Tonia Zehrer.

SENIOR VICE PRESIDENT'S REPORT

Senior Vice President Jackson presented the Senior Vice President's Report for June 1997 as found in the docket materials. Jackson noted that Parking and Transportation Services received an award from the State of Minnesota Office of Environmental Protection for pollution and waste reduction. Since 1993, with the installation of automatic gate arms in parking facilities, 8,000 gallons of gasoline were saved and carbon dioxide emissions were reduced by 14 tons.

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

REAL ESTATE TRANSACTIONS

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

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to execute the appropriate documents providing for the following real estate transactions:

- A. Sale of excess land near Glensheen in Duluth to J. Michael Construction, Inc. for \$500,000.
- B. Purchase of property at 2218 University Avenue SE, Minneapolis from Twin City Tile and Marble Company for \$1,256,000.

Sue Weinberg, Real Estate Coordinator, explained that the money from the Glensheen property will be used for maintenance of the Glensheen mansion.

In response to concerns from Regent Reagan, Weinberg stated that there have been several discussions with the neighbors regarding the proposed plans for the land near Glensheen.

The committee voted unanimously to recommend approval of the resolution regarding the real estate transactions.

REAL ESTATE TRANSACTION

Sale of Salt Spring Lands in Lake Vermillion

The committee reviewed a proposal to sell 58.05 acres of salt spring lands in the Lake Vermillion area to Douglas Gustafson for \$7,000, which is in excess of the averaged appraised value of \$5,500. The proceeds will support American Indian education on all the coordinate campuses.

FY97 CAPITAL BUDGET AMENDMENT

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

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the FY97 Capital Budget is amended to increase the budgets for the following projects and the appropriate administrative officers are authorized to proceed with construction:

Goat Addition to Large Animal Holding Facility, Twin Cities Campus

Original estimated project costs: \$320,000
Project increase: \$280,000
Revised estimated project costs: \$600,000
Funding for increase: College of Veterinary Medicine
Estimated completion date: October 1997

Football Complex Remodeling and Addition, Twin Cities Campus

Original estimated project costs: 1,250,000
Project increase: \$542,000
Revised estimated project costs: \$1,792,000
Funding for increase: Office of the Vice President for Student Development and Athletics and Men's Intercollegiate Athletics
Estimated completion date: August 1997

Recreational Sports Facilities: Phase IC, Twin Cities Campus

Original estimated project costs: \$4,000,000
Project increase: \$285,000
Revised estimated project costs: \$4,285,000
Funding for increase: Recreational Sports—Student Fees
Estimated completion date: St. Paul Gym by September 1998
Cooke Hall Skyway by June 1997

Regent Phillips, while supportive of the project, expressed concern regarding the significant increase from the original estimate for the Football Complex and requested that in the future efforts be made to avoid such inaccuracies. Jackson assured the committee that they looked into the possibility of collusion and found no evidence of

such. Regardless, the person that wrote the inaccurate estimate is not the person that got the contract.

Regent Reagan stressed the importance to the success of the football program to have facilities that are on par with other Big Ten institutions.

Assistant Vice President James Turman, Department of Recreational Sports, informed the committee that money from capital reserves is being used for the Recreational Sports facilities and would not result in an increase in student fees.

In response to questions from Regent Reed, Turman responded that the Student Advisory Board requested that the various finishes at the St. Paul Gym be upgraded to be more equitable with the quality of the Minneapolis facility. He added that the last phase of the project is the renovation of Cooke Hall on the Minneapolis Campus.

The committee voted unanimously to recommend approval of the resolution regarding the amendments to the FY97 capital budget.

DANCE FACILITY UPDATE

Director Linda McCracken-Hunt, Facilities Management, reported that the University has issued a request for proposals for the design and construction of the new University Dance Center. Selection of a "design-build team" of architects, contractors, and engineers is anticipated in July. It is hopeful that construction would start before winter, with completion in the fall of 1998.

Dr. Marie Cheng, Dance Program Head, announced that a dance major in the program was named Most Outstanding Performer at the National American College Dance Festival, akin to being named Most Valuable Player at national championships in sports. Faculty has received extremely high marks from students with respect to teaching effectiveness. The dance program continues in its excellence.

DEFERRED RENEWAL

Senior Vice President Jackson explained that deferred renewal is a national problem. Many universities are funding deferred renewal based on a percentage of the value of their buildings. It is recommended that 3% of the value of a University's business be spent every year for adaptation and renewal of buildings.

Associate Vice President Kruse stated that facilities are a major strategic component to a higher education institution. Institutions with properly maintained and programmatically functional facilities are more competitive when recruiting faculty and students and when applying for research money.

Kruse explained the mission of Facilities Management and defined the terms associated with deferred renewal (as found in the docket materials). The current service level is budgeted at \$100 million and provides routine upkeep and operation. An additional \$6.3 million is needed to provide a level of service that will keep the assets in a reliable operating condition. Two functions, custodial and maintenance, are underfunded. Underfunding maintenance reduces the useful life of our facility assets over time. In order to balance the budget, preventive maintenance activities are performed less frequently than is recommended. Making this choice has shortened the life of building components, although it is difficult to determine by how much.

Renewal is the replacement of non-structural building components that are at or beyond their anticipated life. The goal is to maintain facilities in a "as built" condition.

Adaptation is the replacement of building components due to changes in regulatory standards or for programmatic enhancements. There is currently over \$1 billion in renewal backlog on a \$3 billion asset systemwide.

The key issue is how to strategically address the affordability of deferred renewal over time. Depreciation of facilities is not currently funded and service standards are underfunded. The goal is to achieve the right amount of programmatically functional space. This requires the integration of academic, financial, and physical planning.

Strategies include focusing on the critical measures contained in the U2000 plan and creation of a long-term capital financial framework. The U2000 measures include: reducing the deferred renewal to \$750 million, bringing 100% of University classrooms to accepted standards, and decreasing by 50% the number of buildings that do not meet safety and accessibility standards. The long-term capital financial framework goals include: determining facility needs to achieve University priorities, contain capital costs, and determine desired annual investment in facilities.

Regent Larson expressed concerns regarding maintenance of the buildings and the ability to retain and attract quality faculty. Larson added that it is a tremendous waste of a resource to have faculty, who should be focusing on teaching and research, performing everyday cleaning activities. Kruse explained that \$1.7 million dollars is needed to bring the University to the maintenance standard that is typical at higher education institutions, which would address the day-to-day cleaning activities, but would not include the washing of windows. Jackson added that one of the goals of Facilities Management is to look for ways to improve efficiencies and effectiveness of operations. At this point, however, to balance the budget and fill the \$1.7 million gap trade-off decisions are being made.

In response to questions from Regent Reed, Jackson explained that depreciation in an academic institution is normally not funded in the operating budget. Administrative staff is now, however, including a line item for depreciation when projects, such as housing, come for approval. In addition, when new buildings are brought on line depreciation should be charged against the building and funded. First, we need to have a long-term financial framework to determine the best funding mix.

Reed expressed a strong concern to see renewal and maintenance fully funded. Kruse explained that Facilities Management has worked over the years and will continue to work to reduce the deferred renewal and maintenance need through greater efficiencies in operation.

The meeting adjourned at 11:25 a.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

June 12, 1997

A meeting of the Committee of the Whole of the Board of Regents was held on Thursday, June 12, 1997, at 1:30 p.m. in the Board Room, 238 Morrill Hall.

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

Staff present: President Nils Hasselmo; President-Designate Mark Yudof; Chancellors David Johnson and Donald Sargeant; Provosts C. Eugene Allen and W. Phillips Shively; Senior Vice Presidents JoAnne Jackson and Marvin Marshak; Acting Vice President Thomas Swain; Executive Director Steven Bosacker; and Associate Vice Presidents Nancy Barcelo, Eric Kruse, Robert Kvavik, and Richard Pfitzenreuter.

Student Representative present: Blessing Rugara

**ANNUAL CAPITAL BUDGET, SIX-YEAR CAPITAL IMPROVEMENT PLAN AND
PRELIMINARY STATE CAPITAL REQUEST FOR FY 1999-2000**

Chair Reagan entertained a motion to recommend approval of the resolution recommending approval of the FY98 Capital Budget, adoption of the FY 1998-2003 Capital Improvement Plan, reaffirmation of prior year capital improvement expenditures, and approval of the preliminary State capital request for the FY 1999-2000 biennium. A motion was made and seconded to recommend approval of the resolution.

President Hasselmo reported that there are no changes to the proposed plans since the committee discussed the issues at the May meeting. He referred to the priority ranking of projects contained in the preliminary FY 1999-2000 State capital request indicating that while there was discussion during the May meeting regarding a change in priority order, to date no changes have been made, although changes could be made if there was sufficient rationale to do so. He reminded the committee that a final decision on the state capital request will not be made until October.

Regent Bleyhl reported that there was considerable discussion at the Financial Operations Committee meeting earlier relating to the priority list in the preliminary State capital request. Because there are a number of unknowns before the legislature, it is important that the priority ranking reflect the University's greatest needs. Bleyhl moved that the priority ranking contained in the preliminary State capital request be changed to separate out the health and safety related costs for the Walter Library Renewal project, place the costs within the health and safety item, and reverse the order of number 3 and number 4 on the list (i.e., switch the Duluth Library and Morris Science projects).

State Relations Director Donna Peterson expressed concern about separating the costs associated with Walter Library. There is a danger of not receiving full funding for the needs of the building if the costs are separated. Peterson explained that while legislators are slowly becoming aware of the importance of funding fire and life safety items and items relating to renewal, very often funding for items relating to planning and new buildings is approved over fire and life safety and renewal. Peterson also noted that it is getting more difficult to obtain funding for libraries because many legislators question the support of a traditional library when they believe that the library of the future will be electronic.

Regent Hogan stated that because it is so difficult to obtain funding for renewal items, it is important for members of the Board and administration to develop a special strategy for requesting funding from the Legislature for renewal and deferred maintenance. Senior Vice President Jackson responded that the administration is currently working on a strategy for presenting the University's renewal request to the Legislature. It is anticipated to be a four or six-year financial framework related to deferred renewal. The strategy will be presented to the Board in the near future.

Regent O'Keefe stated the importance of developing a plan to address renewal that goes well beyond four years. A long-term plan is needed to ensure that there is an adequate physical plant that is renewed on a regular basis.

Regent Phillips indicated that a detailed presentation was made to the Facilities Committee earlier in the day and she would recommend that the presentation be made to the entire Board.

Regent Spence added that she would like the Board to address a concern relating to how major issues facing the University can be reviewed so that the entire Board is informed on an issue. When information on an issue is presented only to a standing committee the rest of the Board members are not informed.

Chair Reagan called for a vote on the amendment. Regent O'Keefe asked if the amendment could clarify that items 3 and 4 on the priority list would be pursued as a package. It was the consensus of the Board that the amendment should so state. The following motion was approved unanimously by the committee:

Moved that the priority ranking contained in the preliminary State capital request be changed to separate out the health and safety related costs for the Walter Library Renewal project, place the costs within the health and safety item, and reverse the order of number 3 and number 4 on the list (i.e., switch the Duluth Library and Morris Science projects), with items 3 and 4 being pursued as a package.

The committee then voted unanimously to recommend approval of the resolution recommending approval of the FY98 Capital Budget, adoption of the FY 1998-2003 Capital Improvement Plan, reaffirmation of prior year capital improvement expenditures, and approval of the preliminary State capital request for the FY 1999-2000 biennium as amended.

UNIVERSITY BUDGET, FY98

President Hasselmo introduced the University Budget Plan for FY98. The plan represents the culmination of an intense year of budget planning and development. It is based on the Partnership Proposal, it continues the implementation of U2000, and it is driven by the priorities and major investment goals set forth in 1996, including:

- 1) To hold tuition revenue levels to an annual increase of 2.5%;

- 2) To raise faculty salaries to at least the mean of the appropriate peer group for each campus; and
- 3) To provide new investments in academic programs, technology, financial aid, and facilities infrastructure.

With regard to tuition, the budget holds the tuition revenue increase level to roughly 2.5% for FY98 with possible targeted adjustments based on the special market conditions in certain programs.

The budget provides for a 2.5% general wage increase and a significant infusion of resources into faculty salaries. For FY98 it is proposed that \$13,300,000 be invested for faculty compensation. The investment would move the University significantly toward reaching the goal of raising faculty salaries to at least the mean of the appropriate peer group for each campus.

The budget calls for significant new investments in technology and facilities infrastructure, as well as the financing of several key academic initiatives. Each new investment is essential to maintaining the reputation and quality of the University.

The budget plan also includes the implementation of incentives for managed growth (IMG) which involves a set of specific incentives to enhance revenue growth, control costs, and improve accountability. IMG focuses on the attribution of tuition revenue, the attribution of indirect cost recovery revenue, a facility space incentive, and the allocation of state investment funds.

Hasselmo noted that special attention has been given to the management of recurring versus nonrecurring funds in the budget. Associate Vice President Pfutzenreuter addressed the issue, indicating that during the final hours of the legislative session approximately \$20 million was switched from recurring funds to nonrecurring funds for the University's appropriation. This causes a major problem for the University for FY99. As a result, a number of priority decisions will need to be made by the Board regarding the commitment of both recurring and nonrecurring funds.

Senior Vice President Marshak and Associate Vice President Pfutzenreuter provided details relating to the proposed budget including information relating to the financial fund structure, centrally allocated and attributed funds, shared responsibility for financing the investment plan, the 1997-98 tuition plan, student services fees, state specials and central reserves. At the conclusion of the presentation, Marshak emphasized that the proposed FY98 budget represents improvement in quality and maintenance of access for the University of Minnesota.

The committee engaged in an extended discussion relating to tuition rates.

In answer to a question from Regent Hogan, Marshak reported that the four-year financial framework which was presented to the legislature envisions a 2.5% undergraduate tuition increase per year. Without recurring funds to meet the needs of the University, sustaining a 2.5% tuition increase per year for four years is questionable and will need to be reviewed each year.

With regard to increases in graduate tuition, there is an absence of a unified strategy. Different colleges are pursuing different strategies and the rates tend to be more market driven. Marshak stated that he is not suggesting there should be an overall strategy for graduate tuition rates but rather that the Board may wish to discuss whether there should be a policy statement on the issue.

A number of Board members expressed concern that the public perception is that the University is proposing a uniform 2.5% tuition increase when in fact a number of colleges will have rate increases much higher than 2.5%. Marshak provided an

explanation about the special adjustments to the basic tuition rate change that is occurring in a number of colleges, indicating that when all of the adjustments are calculated the total percent increase for all undergraduate programs will average 3.3%. Board members indicated that it is important that students and the public understand the varying tuition rates.

Regent Spence expressed concern about the large tuition increases in the professional schools. Hasselmo responded that it is clearly a policy issue. There are a number of factors that are considered and the principle for tuition-setting in professional schools has tended towards market comparisons. The professional schools have been asked to assess their market situation. Regent O'Keefe requested that the strategies for setting tuition rates at the professional and graduate levels, including student aid strategies, be presented to the Board for discussion early so that the Board will have time to review the issue.

Hasselmo stated that the individual tuition rate increases, (rather than a percentage increase), should be indicated for each college. The terminology is important on this issue and can be very misleading.

Regent Spence expressed a concern about student fees and whether they are all in compliance with the new Board policy relating to fees. She asked that the administration review the proposed fees contained in the docket material to confirm they are in compliance.

Hasselmo summarized the presentation indicating that the proposed budget includes a number of tradeoffs to best represent the University's priorities, needs, and resources. Continued guidance from the Board is needed to make the best choices for the University. He expressed appreciation to all members of the administration who were involved in developing this proposed budget.

The meeting adjourned at 3:55 p.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

June 13, 1997

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, June 13, 1997, at 8:00 a.m. in the Northrop Auditorium Lobby on the Twin Cities campus.

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

Staff present: President Nils Hasselmo; Chancellor Donald Sargeant; Senior Vice President Marvin Marshak; and Executive Director Steven Bosacker.

**RECOGNITION OF STUDENT REPRESENTATIVES
TO THE BOARD OF REGENTS**

Recognition was given to the 1996-97 Student Representatives to the Board of Regents for their contributions:

Mark G. Erickson
Crookston Campus

Eric Gustafson
Duluth Campus

Jennifer Halko
Twin Cities Campus

Blessing Rugara, Chair
GAPSA

Karl Thorson
Twin Cities Campus

Andrew Toftey
Twin Cities Campus

Tonia Zehrer
Morris Campus

RECOGNITION OF MORSE ALUMNI RECIPIENTS

Recognition was given to the 1996-97 recipients of the Horace T. Morse-University of Minnesota Alumni Association Awards for Outstanding Contributions to Undergraduate Education. The award recognizes outstanding contributions to student learning through teaching, research and creative activities, advising, academic program development, and educational leadership. The 1996-97 recipients are:

E. Calvin Alexander, Jr.
Professor, Geology and Geophysics
Institute of Technology

John S. Anderson
Professor, Biochemistry
College of Biological Sciences

Russell F. Bey
Associate Professor, Veterinary PathoBiology
College of Veterinary Medicine

Kenneth J. Heller
Professor, Physics and Astronomy
Institute of Technology

Engin A. Sungur
Associate Professor, Mathematics
University of Minnesota, Morris

W. Daniel Svedarsky
Professor, Agricultural Management
University of Minnesota, Crookston

Eileen M. Zeitz
Professor, Foreign Languages and Literatures
University of Minnesota, Duluth

Jacquelyn N. Zita
Associate Professor, Women's Studies
College of Liberal Arts

RECOGNITION OF PROFESSIONAL & ACADEMIC STAFF AWARD RECIPIENTS

Recognition was given to the 1996-97 Professional and Academic Staff Award recipients. The Academic Staff Award program annually recognizes members of the Academic Professional and Administrative staff who have made distinguished contributions to the mission of the University of Minnesota. The recipients are:

Elayne Donahue, Director of Academic Counseling
Intercollegiate Athletics

Debra Ann Kykhuis, Coordinator
College of Pharmacy

William Robiner, Senior Psychologist
Medical School

Bhadriraju Subramanyam, Extension Educator
Entomology Department

RECOGNITION OF DISTINGUISHED McKNIGHT UNIVERSITY PROFESSOR AWARDS

Recognition was given to the 1996-97 recipients of the Distinguished McKnight University Professorship award. This award honors and rewards the highest-achieving faculty at the University of Minnesota who have recently attained full professor status. The recipients are:

Professor George Barany
Department of Chemistry

Professor Sara Evans
Department of History

Professor James Hepokoski
School of Music

Professor William Iacono
Department of Psychology

Professor Craig Packer
Department of Ecology, Evolution & Behavior

Professor Tayfun Tezduyar
Department of Aerospace Engineering & Mechanics

The meeting adjourned at 9:30 a.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

June 13, 1997

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, June 13, 1997, at 9:55 a.m. in the Board Room, 238 Morrill Hall.

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

Staff present: President Nils Hasselmo; Chancellor Donald Sargeant; Provosts Frank Cerra and W. Phillips Shively; Senior Vice Presidents JoAnne Jackson and Marvin Marshak; Vice President McKinley Boston; Acting Vice President Thomas Swain; General Counsel Mark Rotenberg; Executive Director Steven Bosacker; and Associate Vice Presidents Ronald Campbell, Richard Pfutzenreuter, and George Robb.

Student Representative present: Blessing Rugara.

RECOGNITION OF REGENTS PROFESSOR H. TED DAVIS

Recognition was given to newly-appointed Regents' Professor H. Ted Davis from the Institute of Technology.

RECOGNITION OF PROFESSOR VIRGINIA GRAY

Recognition was given to Professor Virginia Gray for her service to the University community as 1996-97 Chair of the Faculty Consultative Committee (FCC).

**BOARD OF REGENTS POLICY
PRIVATE PRACTICE: MEDICAL SCHOOL**

A motion was made and seconded to recommend approval of a resolution relating to the revised Board of Regents Policy on Private Practice for the Medical School.

Senior Vice President Jackson introduced the discussion relating to the Board of Regents Policy on Private Practice for the Medical School. The new policy provides a clearer set of policy directives from the Board of Regents and delegates comprehensive administrative responsibility to the provost of the Academic Health Center and the dean of the Medical School. Jackson noted that the proposed policy has been reviewed extensively by the Board's Audit Committee.

The existing private practice policy was adopted in 1993, and the policy previous to that in 1963. Since the 1993 policy, there have been substantial changes in the health care marketplace, including: the sale of the University Hospital; the

establishment of a long-term relationship with Fairview Health Systems; the formation of a single group practice for the medical faculty; and rapidly evolving changes in contracting for health care services. The proposed policy was developed in response to these changes. It establishes a clear set of policy directives by recognizing the creation of a system of controls on the private practice of medicine through contractual and other means, and by delegating to the provost of the Academic Health Center and the dean of the Medical School comprehensive responsibility for regulation and oversight of the private practice of medicine.

Provost Cerra provided information on the rationale for the proposed policy, why it is necessary the policy be changed at this point, the essential points contained in the policy that will govern the private practice of medicine in the Medical School, and the process for implementation.

Regents Neel and Reed expressed support for the proposed policy. Neel stressed the importance of an integrated group practice which is provided by the policy. The focal point is the care of the patient which is often forgotten in a managed-care environment. This policy will bring all of the specialists together and will improve internal referrals and consultations for the patient. Reed stated that it is difficult for practices to succeed in today's marketplace. To succeed, they need to be integrated to satisfy patients' needs and to provide cost-effective care.

The committee voted unanimously to recommend approval of the resolution related to private practice of medicine at the University of Minnesota Medical School and adoption of the Board of Regents Policy.

REPORT OF THE ALL-UNIVERSITY HONORS COMMITTEE

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

RESOLVED, that on the recommendation of the President, the Report of the All-University Honors Committee is hereby approved.

BOARD OF REGENTS POLICY FACULTY TENURE: SPECIFIED UNITS

A motion was made and seconded to recommend approval of a resolution relating to the adoption of the amended Board of Regents Policy on Faculty Tenure: Specified Units.

Chair Reagan made the following statement:

"We began our review of the policy before us today in the Fall of 1995. The review has been rigorous. There has been some discomfort along the way. There was disagreement, too. But we endured it for the sake of the University. We resolved it for the sake of the University. Now we will find a way to heal, for the sake of the University.

"Before we go to further discussion and a vote, let me thank the Committee of Eight for your diligence, commitment and leadership. Thank you to the administration for your diligence, commitment and leadership. And thank you to the Board, especially Regent Spence, for your diligence, commitment and leadership.

"The Board of Regents Policy on Faculty Tenure: Specified Units in your dockets has the support of the committee of eight, the administration and the Faculty Senate. With our vote today, we can give our new president the present I have been promising -- a new and better tenure code.

"If you review the document, you will note that it is not yet in our standard Regents policy format. I ask that the Board support the Board staff, who will work with faculty members, to make the necessary formatting, non-substantive changes (as they do with all Board policies).

"Also note that the resolution excludes the University of Minnesota Crookston, which remains under a Maintenance of Status Quo Order, and the University of Minnesota Duluth, for those provisions covered by the collective bargaining agreement."

The committee voted unanimously to recommend approval of the resolution relating to the adoption of the amended Board of Regents Policy on Faculty Tenure: Specified Units.

Regent O'Keefe recognized the efforts of Chair Reagan and Regent Spence for their efforts working with the faculty to develop the amended policy.

ANNUAL UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION REPORT

Marvin Trammel, President of the University of Minnesota Alumni Association (UMAA), presented the UMAA Annual Report.

Trammel reported that the past year has been a year of hallmarks. It has been a year of positive results in the University's efforts for legislative funding; a year of cooperation in the University's efforts to reach a successful solution to the issue of faculty tenure; a year of thanks and tribute to the Hasslemos as they depart the presidency at the University of Minnesota; and a year of welcome to the Yudofs as they embark on the presidency.

Trammel cited the strategic goals that were established for the UMAA in FY95-96: 1) building the University Gateway Center; 2) increasing the membership of the UMAA to 50,000 members by the year 2000; 3) enhancing the student experience; 4) continuing advocacy efforts; and 5) preparing for the upcoming capital campaign.

To work toward accomplishing the goals, the UMAA has worked with nearly every unit in the University to produce high impact outcomes and results. Most noteworthy has been the work to build an alumni center. The center will serve as the front door for the Twin Cities campus. The UMAA is working with an internationally-acclaimed architect on a dynamic design. The plan is to break ground in November 1997.

Efforts in enhancing the student experience remain a high priority. Last year, the UMAA participated in 166 student-related events in 17 collegiate units. Sixteen hundred students were sponsored in the UMAA mentor program. Faculty members are recognized for their excellence in teaching through the Morse-University of Minnesota Alumni Award.

The membership in the UMAA has grown to 35,000 members. Representatives from UMAA have worked collaboratively with President Hasselmo to establish interactive relationships with University alumni in other countries. There are now seven international chapters.

In the area of advocacy, the UMAA has partnered with state relations as well as the student and faculty legislative network in advocating the University's funding request at the state legislature. The UMAA legislative network assisted with this year's biennial request by contacting legislators and urging them to support the University's request. Another successful advocacy effort was assisting in the reexamination of the Regents' selection process.

In addition to being leaders, supporters, and advocates of the University of Minnesota, the members of the UMAA consider themselves cheerleaders and admirers of the students. The UMAA applauds every time a student is recognized for academic excellence and other achievements. The past year has been a hallmark year for both men's and women's Gopher sports. The UMAA was there every step of the way in spreading Gopher fever both on the road and here at home.

The year culminated in the UMAA Annual Meeting honoring outgoing President Nils Hasselmo and looks forward to a smooth transition to the Yudof administration.

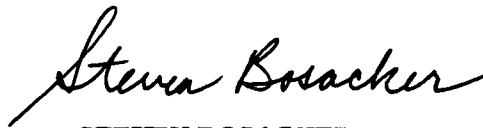
RECOGNITION OF PRESIDENT NILS HASSELMO

Recognition was given to outgoing President Nils Hasselmo.

Chair Reagan presented Hasselmo with a certificate of appreciation, thanking him for his hard work, dedication, integrity, and commitment to the University of Minnesota. The Board of Regents conferred the title of President Emeritus on Nils Hasselmo effective July 1, 1997.

Student Representative Chair Blessing Rugara and Student Senator Amy Mirtle presented Hasselmo with a gift of appreciation on behalf of the student body.

The meeting adjourned at 11:30 a.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

June 12, 1997

A meeting of the Board of Regents was held on Thursday, June 12, 1997, at 4:10 p.m. in the Board Room, 238 Morrill Hall.

Regents present: Robert Bergland, Julie Bleyhl, William Hogan, Warren Larson, David Metzen, H. Bryan Neel, Michael O'Keefe, Jessica Phillips, Thomas Reagan, Maureen Reed, and Patricia Spence. President Nils Hasselmo, presiding.

Staff present: Provost Frank Cerra; General Counsel Mark Rotenberg; and Executive Director Steven Bosacker.

Others present: Mario Bognanno, Tonya Brown, Marcia Fluer, and Julie Sweitzer.

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

RESOLVED, that on the recommendation of the President and the General Counsel as provided by Minnesota State Statute 471.705, Subd. 1d, a non-public meeting of the Board of Regents be held on Thursday, June 12, 1997, in the Regents' Room, 238 Morrill Hall, for the purpose of discussing attorney-client privileged matters.

The Board of Regents voted unanimously to approve the resolution.

The meeting adjourned at 4:11 p.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

June 13, 1997

A meeting of the Board of Regents of the University of Minnesota was held on Friday, June 13, 1997 at 11: 40 a.m. in the Board Room, 238 Morrill Hall.

Regents present: Robert Bergland, Julie Bleyhl, William Hogan, Warren Larson, David Metzen, Michael O'Keefe, Jessica Phillips, Thomas Reagan, Maureen Reed, and Patricia Spence. President Nils Hasselmo presiding.

Staff present: Chancellor Donald Sargeant; Provosts Frank Cerra and W. Phillips Shively; Senior Vice Presidents JoAnne Jackson and Marvin Marshak; Vice President McKinley Boston; Acting Vice President Thomas Swain; General Counsel Mark Rotenberg; Executive Director Steven Bosacker; and Associate Vice Presidents Ronald Campbell, Richard Pfutzenreuter, and George Robb.

REGULAR MEETING

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 - April 10, 1997
Litigation Review Committee - April 10, 1997
Faculty, Staff & Student Affairs Committee - April 10, 1997
Facilities Committee - April 10, 1997
Educational Planning and Policy Committee - April 10, 1997
Financial Operations Committee - April 10, 1997
Committee of the Whole - April 11, 1997
Board of Regents Meeting - April 11, 1997

REPORT OF THE PRESIDENT

President Hasselmo presented his monthly report which pertained to tenure policy revision; the 1997-98 University Budget; recognitions; and a thank you to the entire University community for their support during the Hasselmo administration.

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

REPORT OF THE CHAIR

Chair Reagan reported on the appointment of the Planning Committee for the Inauguration of University President Mark Yudof. The following will serve as members of the committee:

John Adams, Department of Geography
Tanya Brown, Office of the President
Jane Canney, Office of Student Development & Athletics
Robert Jones, Agronomy & Plant Genetics
Lyndel King, Weisman Art Museum
Edith Leyasmeyer, School of Public Health
Kathryn Martin, Chancellor, UMD
Linda Mona, Past President, University of Minnesota Alumni Association
Jeff Sturkey, University Relations Special Events
Tom Swain, Institutional Relations
Tonia Zehrer, Student at University of Minnesota Morris
Assistant to the President (yet to be hired)

The week of October 13, 1997 has been set aside for inauguration activities.

Reagan further reported that last year, after a discussion relating to General College, a task force was formed to research the University's work in the area of serving the underprepared student population. The Board will receive a full report on the results of the task force work in the fall.

RECEIVE AND FILE REPORTS

President Hasselmo reported that there were no receive and file reports this month.

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 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 COMMITTEE OF THE WHOLE June 12, 1997

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

- a) Approval of an amended resolution relating to the FY98 Annual Capital Budget, Six-Year Capital Improvement Plan and Preliminary State Capital Request for FY 1999-2000, as follows:

WHEREAS, in September 1992, the Board of Regents directed the administration to submit a Capital Improvement Program annually to the Board and to establish an annual capital budget, and

WHEREAS, in January 1993, the Board adopted principles to guide the formulation of the capital budget and capital improvement program, and

WHEREAS, the Board recognizes the urgency of sustaining and improving the University's facilities in support of teaching, research, and outreach, most notably as relates to the need to address the outstanding deferred renewal of existing facilities, and

WHEREAS, the University of Minnesota has a process for reviewing and prioritizing capital needs, the Capital Investment Advisory Committee, which has consulted with all the University campuses to gather information regarding the most urgent needs and held hearings in developing a request for the State of Minnesota,

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents approve the FY98 Capital Budget; accept the FY 1998-2003 Capital Improvement Program, and directs the administration to continue to develop and refine the program; reaffirms its prior year capital expenditure authorization; and approves the preliminary State capital request for the FY 1999-2000 biennium (the 1998 legislative session) with the following amendment:

The priority ranking contained in the preliminary State capital request be changed to separate out the health and safety related costs for the Walter Library Renewal project, place the costs within the health and safety item, and reverse the order of number 3 and number 4 on the list (i.e., switch the Duluth Library and Morris Science projects), with items 3 and 4 being pursued as a package.

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

Reagan reported that the committee also reviewed the FY98 University Budget.

**REPORT OF THE COMMITTEE OF THE WHOLE
June 13, 1997**

Regent Reagan, Chair of the committee, reported that the committee held a reception to recognize the following:

- FY97 Student Representatives to the Board of Regents
- Recipients of the 1996-97 Horace T. Morse-University of Minnesota Alumni Association Award
- Recipients of the 1996-97 Professional & Academic Staff Award
- Recipients of the 1996-97 Distinguished McKnight University Professor Award

**REPORT OF THE COMMITTEE OF THE WHOLE
June 13, 1997**

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

- a) Approval of a resolution relating to the private practice of medicine at the University of Minnesota Medical School, as follows:

WHEREAS, the University of Minnesota, including its Medical School, is a publicly supported institution; and

WHEREAS, it is essential to the clinical care mission of the Medical School, to its financial solidity, and to its ability to attract and support outstanding researchers, teachers and clinicians, that it maintain a successful faculty clinical practice plan; and

WHEREAS, such clinical practice by the faculty must be subject to appropriate policies, and

WHEREAS, the Board of Regents adopted on July 9, 1993 a Health Sciences Medical School Private Practice Plans Policy ("Board policy"); and

WHEREAS, the University and UMCA have entered into new agreements governing faculty clinical practice ("the University-UMCA Agreements") and UMCA and Fairview have also entered into Agreements ("UMCA-Fairview Agreements"); and

WHEREAS, many issues previously addressed in the Board policy are now more specifically addressed in the University-UMCA agreements, the UMCA-Fairview Agreements, and the University-Fairview Agreements, and therefore there is a need only for the Board policy to state the core policy directives of the Board of Regents rather than restate in full the provisions and safeguards of those agreements; and

WHEREAS, since the adoption of such Board policy important changes have occurred, including the University's entering into a series of Agreements with Fairview Hospital and Health Care Services ("Fairview") involving the sale to Fairview of substantially all the assets of the University of Minnesota Hospital and Clinics and the creation of a new University-affiliated Academic Health Center Division of Fairview; and including the creation of a new faculty practice organization University of Minnesota Physicians ("UMP") which is to assume the functions of the University of Minnesota Clinical Associates ("UMCA"), but which will operate the various departmental group practice plans as a more fully integrated group practice; and

WHEREAS, in a rapidly changing health care market, it will be necessary for the practice plans to adjust quickly to changes in law, practice and market demands, and therefore it is desirable that Provost and the Dean be granted reasonable discretion to review, and grant or withhold approval of, modified arrangements.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents Policy on Private Practice Plans: Medical School be amended as presented to the committee; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, that during the period of transition to UMP the provost of the AHC shall exercise discretion in the transition from the policies and rules presently in place, and those policies and rules developed in regard to the practice of medicine in UMP.

**REGENTS POLICY ON
PRIVATE PRACTICE: MEDICAL SCHOOL**

SECTION I. DEFINITIONS.

Subd. 1. Academic Health Center or AHC. "Academic Health Center" or "AHC" shall mean the University of Minnesota Academic Health Center.

Subd. 2. Dean. "Dean" shall mean the dean of the Medical School.

Subd. 3. Medical School. "Medical School" shall mean the University of Minnesota Medical School on the Twin Cities campus.

Subd. 4. Provost. "Provost" shall mean the provost of the Academic Health Center.

Subd. 5. University of Minnesota Physicians or UMP. "University of Minnesota Physicians" or "UMP" shall mean the faculty practice organization, organized as a Minnesota non-profit corporation, established as the designated practice organization of the faculty of the Medical School.

SECTION II. PRIVATE PRACTICE STANDARDS.

Subd. 1. Contribute to Mission. The private practice of medicine shall be conducted so as to contribute significantly to achieving the mission of the Medical School — teaching, research, and clinical care.

Subd. 2. Promote Reputation. The private practice of medicine shall be conducted so as to promote the reputation of the Medical School.

Subd. 3. Use of Assets. Where University assets are used in connection with the private practice of medicine, such assets shall be used in support of the mission of the Medical School and pursuant to appropriate rules and controls established by the provost and dean.

Subd. 4. Faculty Compensation. Faculty compensation shall reflect relative contributions to all the medical school functions of teaching, research, administration, and clinical care. Compensation limitations shall take into account generally recognized standards for academic medical centers, local market conditions, the value of University faculty appointments and their benefits, and other relevant factors.

Subd. 5. Compliance With Other Laws. UMP and Medical school faculty members must comply with applicable law; University, AHC, and Medical School policies; and recognized professional practices.

SECTION III. ADMINISTRATION

Subd. 1. Responsibility. The provost and dean shall be responsible for assuring, consistent with contractual obligations and limitations, compliance with this policy.

Subd. 2. Report. The provost and the dean shall report to the president annually regarding compliance with this policy.

Subd. 3. Governance of Academic Issues. The University shall continue to govern academic issues.

Subd. 4. Board of Regents Policies. UMP and medical school faculty members remain subject to current and future Board of Regents policies, except as provided in subdivision 5.

Subd. 5. Application. This policy applies to Medical School faculty and shall supersede Board of Regents policy, "Outside Consulting, Service Activities, and Other Work" as to the private practice of medicine, except as to consulting activities which do not constitute the practice of medicine, as determined by the dean.

SECTION IV. IMPLEMENTATION.

Subd. 1. Operating Procedures. The dean shall establish, in consultation with UMP, operating procedures for the implementation of this policy and for assuring that appropriate controls, including audits, are in place.

Subd. 2. Consistent with Policy. All contracts, agreements, and operating procedures of the Medical School relating to the private practice of medicine shall be consistent with this policy, and shall be subject to review by the president for compliance.

- b) Approval of a resolution relating to the Report of the All-University Honors Committee, as follows:

RESOLVED, that on the recommendation of the President, the Report of the All-University Honors Committee is hereby approved.

- c) Approval of a resolution relating to the adoption of the amended Board of Regents Policy on Faculty Tenure: Specified Units, as follows:

RESOLVED, that on the recommendation of the President, the Board of Regents Policy on Faculty Tenure: Specified Units (which is in existence for the faculty of the Law School and the Morris Campus), be amended in several respects, and extended to include the faculty for the University of Minnesota System (excluding the University of Minnesota Crookston, which remains under a Maintenance of Status Quo Order, and the University of Minnesota Duluth, for those provisions covered by the collective bargaining agreement).

**BOARD OF REGENTS POLICY ON
FACULTY TENURE: SPECIFIED UNITS**

APPLICATION

This policy applies to the faculty of the University of Minnesota System, with the exception of the faculty of the University of Minnesota Crookston Campus.

PREAMBLE

The Board of Regents adopts these regulations with the conviction that a well-defined statement of rules is essential to the protection of academic freedom and to the promotion of excellence at the University of Minnesota. A well-designed promotion and tenure system ensures that considerations of academic quality will be the basis for academic personnel decisions, and thus provides the foundation for academic excellence.

Tenure is the keystone for academic freedom; it is essential for safeguarding the right of free expression and for encouraging risk-taking inquiry at the frontiers of knowledge. Both tenure and academic freedom are part of an implicit social compact which recognizes that tenure serves important public purposes and benefits society. The people of Minnesota are best served when faculty are free to teach, conduct research, and provide service without fear of reprisal and to pursue those activities with regard for long term benefits to society rather than short term rewards. In return, faculty have the responsibility of furthering the institution's programs of research, teaching, and service, and are accountable for their performance of these responsibilities. Additionally, a well-designed tenure system attracts capable and highly qualified individuals as faculty members, strengthens institutional stability by enhancing faculty members' institutional loyalty, and encourages academic excellence by retaining and rewarding the most able people. Tenure and promotion imply selectivity and choice; they are awarded for academic and professional merit, not for seniority. The length and intensity of the review leading to the grant of tenure ensures the retention only of well-qualified faculty committed to the University's mission.

The ideal attributes of the collective faculty of any unit are scholarly creativity, professional competence and leadership, intellectual diversity, the ability and desire to teach effectively and the willingness to cooperate with other units in promoting the work and welfare of the University as a whole. The administration and faculty should ensure, within each unit, not only a proper balance among these activities but also the maintenance of each at the highest level, together

with accountability and suitable recognition of individual achievement and service.

The tenure regulations provide a comprehensive set of policies dealing with the relationship between the University and its faculty. The regulations classify the faculty as tenured, probationary and term. They provide for annual performance reviews of all faculty, as well as especially thorough reviews before the granting of tenure, on promotion in rank, and when the performance of a tenured faculty member is alleged to be substandard. They provide for the reassignment of faculty in case of the reorganization of the University or changes in its scholarly direction, and for discipline when a faculty member fails to meet prescribed standards of conduct.

DEFINITIONS

For the purposes of this policy, the terms defined in this section have the meanings given them.

* (a) an "academic unit" is a department or similar unit. A school, college or division that is not further subdivided is also an academic unit.

* (b) an "applicable faculty member" means every faculty member employed by the University of Minnesota System, except for faculty of the University of Minnesota Crookston Campus.

* (c) the "head" of an academic unit is the academic administrator immediately responsible for it, such as a chair, head or director.

* (d) a "collegiate unit" or "college" is a major academic entity of the University. It may be a college, school, institute or campus.

* (e) the "dean" of a collegiate unit is the academic administrator immediately responsible for it, such as a dean or director or (on a campus that is not subdivided into colleges) a vice-chancellor.

* (f) a "senior academic administrator" is an officer who has final administrative review authority on academic personnel decisions, and who reports directly to the president and regents, such as a vice president, chancellor, or provost. The president will designate one or more senior academic administrators and define their respective jurisdictions.

* (h) the "senior vice president for academic affairs" is the officer (of whatever title) holding primary responsibility for the development of University-wide academic policy. This officer may also serve as senior academic administrator for some or all of the University, if so designated by the president.

* (i) "tenured faculty" are those faculty who hold indefinite tenure.

FACULTY TENURE

Section 1. Academic Freedom.

1.1 Principles. Every member of the faculty is entitled to due process and academic freedom as established by academic tradition and the constitutions and laws of the United States and the state of Minnesota and as amplified by resolutions of the Board of Regents. The Board of Regents hereby reaffirms its commitment to academic freedom and tenure as reflected in its resolution of January 28, 1938, and in the statement of December 14, 1963, which are set forth in the appendix to these regulations. The policies of the Board of Regents regarding academic freedom are currently stated in the board's statement of September 8, 1995, which provides:

The Regents of the University of Minnesota reaffirm the principles of academic freedom and responsibility. These are rooted in the belief that the mind is ennobled by the pursuit of understanding and the search for truth and the state well served when instruction is available to all at an institution

dedicated to the advancement of learning. These principles are also refreshed by the recollection that there is commune vinculum omnibus artibus -- a common bond through all the arts.

Academic freedom is the freedom to discuss all relevant matters in the classroom, to explore all avenues of scholarship, research and creative expression and to speak or write as a public citizen without institutional discipline or restraint. Academic responsibility implies the faithful performance of academic duties and obligations, the recognition of the demands of the scholarly enterprise and the candor to make it clear that the individual is not speaking for the institution in matters of public interest.

1.2 Protection Of Faculty. Denial of faculty appointment or reappointment or removal or suspension from office or censure or other penalty must not be based upon any belief, expression or conduct protected by law or by the principles of academic freedom.

Section 2. Applicability Of Regulations And Continuity Of Appointments.

2.1 Employment Contracts. These regulations govern the relationship between the Board of Regents and applicable faculty members, except as inconsistent with the provisions of collective bargaining agreements. These regulations are part of the contract between the Board of Regents and applicable faculty members.

2.2 Continuation Of Existing Appointments. On the effective date of these regulations, every person holding a faculty appointment governed by the 1945 regulations concerning faculty tenure as amended, will hold the same kind of appointment under these regulations, whether or not their appointments are appropriate for such status under these regulations.

Section 3. Faculty Ranks And Types Of Appointments.

3.1 In General. The faculty ranks are professor, associate professor, assistant professor, and instructor. Faculty appointment is appropriate only if the individual is engaged in teaching or research as defined in section 7.11. Appointment at these ranks are either regular tenured or tenure-track appointments or term appointments. An appointment must be designated as a regular or a term appointment when it is made.

3.2 Regular Appointments. A regular appointment is either with indefinite tenure or is probationary, leading to a decision concerning indefinite tenure within a specified period of time. A faculty member with indefinite tenure is entitled to retain that position until retirement in accordance with University regulations or until the appointment is terminated pursuant to the provisions of sections 10 or 11.

A faculty member on probationary appointment:

1. is entitled to consideration for indefinite tenure; and
2. is entitled to timely notice of termination in accordance with Section 6.

A regular appointment may only be held in an academic unit of a degree-granting college, or similar unit. A regular appointment must be for two-thirds time or more over the academic year.

3.3 Term Appointments. A term appointment is date-specific; that is, the appointment terminates at the end of a period specified in the appointment without further notice to the appointee. The senior academic administrator for the campus or area must give every person appointed to a term faculty position a statement in writing setting forth the conditions of the appointment, including the fact that it terminates without further notice.

No number of renewals of a term appointment creates a right to further renewals or to a decision concerning tenure. Every renewal of a term appointment for the

seventh or succeeding year must be reported to the Tenure Committee with a justification of the reasons for the continuation of term status.

3.4 Appropriate uses of term appointments. Term appointments are appropriate and may be used provided one or more of the following conditions is met:

- * (1) the duration, the percentage of time, or both require less than service for two-thirds time for the academic year;
- * (2) the appointment is designated a Visiting appointment because the faculty member is from another educational institution or is a qualified professional from a government or private agency on a leave of absence to accept a temporary appointment at this University;
- * (3) the appointment is designated a clinical appointment because the faculty member is a clinician in the community who gives service to the University part-time;
- * (4) the appointment concerns a faculty member who principally is engaged in and primarily is supported by clinical activities or by discipline-related service.[1]
- * (5) the appointment is designated an adjunct appointment because the faculty member's primary employment is outside the University or is in another unit of the University;
- * (6) the appointment extends courtesy faculty rank without salary;
- * (7) the position is subject to the joint control of the University and another institution;
- * (8) the specific funding for the position is subject to the discretion of another agency;
- * (9) the funding for the position is for a limited time;
- * (10) the appointment is in a unit or program that is experimental or otherwise restricted in duration; and
- * (11) the person is enrolled in a University of Minnesota degree program. A regular faculty member on a probationary appointment may transfer to term status during enrollment in such a program if the faculty member and the senior academic administrator agree. This transfer suspends the running of the maximum period of probationary service, but the faculty member retains other rights of regular appointment, including annual review, the right to timely notice and a terminal appointment period as provided in Section 6.

3.5 Administrators' Appointments. Academic administrators may hold regular or term faculty appointments. Administrative titles and duties are distinct and severable from such individuals' faculty appointments. Removal from an administrative position does not impair any rights the individual holds as a faculty member. Upon leaving an administrative position, the individual returns to faculty status, with salary and term of appointment reduced by the amount of the administrative augmentation, if any.

3.6 Special Contracts. These regulations do not bar a faculty appointment pursuant to a special contract specifying terms or conditions of employment which are different from those prescribed in these regulations. All other provisions of these regulations apply to such appointments. Every special contract must be in writing and must state that it is a special contract entered into pursuant to this subsection. It must be signed by the faculty member concerned, by the dean of the collegiate unit in which the faculty member will be employed and by the senior academic administrator and must be authorized by the Board of Regents or its expressly authorized delegate. In addition, the senior academic administrator will annually report to the Tenure Committee the terms of all special contracts and the reasons for their use.

A special contract may be used to reduce the minimum time of a regular appointment to one-half time in order to permit a faculty member to devote more time to family responsibilities. Such a contract must provide for the mutual responsibilities of the faculty member and the academic unit, including the type and percent time of the appointment, if any, to which the faculty member is entitled at the expiration of the special contract. In the case of a probationary faculty member, the contract will regulate the length of the probationary period, but the total probationary period may be extended by no more than a total of two years pursuant to this Section and subsection 5.5.

Section 4. Terms Of Faculty Employment.

4.1 Written Notice Of Appointment. Each faculty appointment or change of status is specified in a written notice of appointment issued by or on behalf of the Board of Regents. The notice must include the following:

1. Whether the appointment is regular or term;
2. Whether it is full or part-time and the percentage of time involved;
3. If for a fixed term, its expiration date;
4. If regular, whether it is probationary or with indefinite tenure;
5. Whether it is on a twelve-month, academic year or other specified annual basis;
6. The rank of appointment;
7. The academic unit or units to which the individual is being appointed;
8. The recurring salary; and
9. Additional salary as described in Section 4.4.

The notice is only evidence of the appointment; clerical or computer errors in a notice of appointment do not affect the terms of the appointment unless the faculty member reasonably relied upon the mistake and suffered an injustice because of that reliance. Notices required by this section should be delivered before the effective date of the appointment or change of status, or as soon thereafter as is administratively feasible. A probationary appointee must also be given notice of the applicable maximum probationary period.

4.2 Action By The Board Of Regents. Faculty appointments and renewals or changes of status become effective when approved by the Board of Regents or its authorized delegate.

4.3 Changes In Terms Of Appointment Other Than Faculty Compensation. Except for raises in rank and except for action expressly authorized by these regulations, no changes of (1) through (7) items listed in subsection 4.1 may be made during the term of an appointment except with the agreement of the faculty member and the Board of Regents or its authorized delegate.

4.4 Faculty Salaries. Each faculty member shall receive a recurring salary, and may also receive an additional salary which may be for special awards or for activities in addition to regular faculty responsibilities such as clinical practice, administrative service, overload duties, summer school teaching and summer research support and similar activities.

Recurring salary will not be decreased except by action expressly authorized in this section or in Sections 7a, 10, 11, or 14 of these regulations or with the agreement of the faculty member. If a faculty member's recurring salary is decreased, the amount of the decrease and the reason therefor shall be set forth in a written notice and provided to the faculty member. No decrease in recurring salary shall occur in violation of the academic freedom of the faculty member.

At the time an appointment is made, the offer and written notice of appointment shall separately state the recurring salary and any additional salary, as described above, that the faculty member will receive. In each subsequent year, the faculty member shall be provided with a written notice separately stating any changes in recurring salary and any changes in additional salary for the following academic year. A faculty member's recurring salary shall consist of the initial recurring salary adjusted by any subsequent increase or decrease in

recurring salary provided for in a subsequent written notice. Increases will be presumed to be in recurring salary unless otherwise identified. For a faculty member employed when this section takes effect, the initial recurring salary will be the faculty member's recurring salary at the time this section takes effect, exclusive of any additional salary designated as special awards or designated as being for activities in addition to regular faculty responsibilities such as clinical practice, administrative service, overload duties, summer school teaching, summer research support and similar activities.

A faculty member whose recurring salary has been decreased may petition for review of that action under Section 15 of these regulations.

4.5 Reduction Or Postponement Of Compensation. If the University or a collegiate unit is faced with financial stringency that does not amount to a fiscal emergency, the president may propose a temporary reduction or postponement in compensation to be allocated to faculty in accordance with a mathematical formula or similar device. If approved by the Faculty Senate or the appropriate collegiate assembly, respectively, and the Board of Regents, the recurring salary of all faculty members in the University or in the designated collegiate units shall be reduced temporarily in accordance with the formula or device. The reduction may not continue for longer than two years, unless renewed by the same procedure.

Section 5. Maximum Period Of Probationary Service.

5.1 General Rule. To give the University ample opportunity to determine the qualifications of those faculty members whom it is considering for regular appointments with indefinite tenure, the maximum period of probationary service of a faculty member is normally six academic years, whether consecutive or not. The faculty assembly of a collegiate unit may propose to alter the maximum probationary period for all of that college, or for certain units within it, to no more than nine years. The tenured faculty of a college, by simple majority vote taken by secret ballot, may adopt such a change, with the approval of the dean and of the senior academic administrator. Any such change in the maximum probationary period applies to all probationary faculty hired in that college (or those units) after the decision, but any incumbent probationary faculty member may choose to be considered under the new rule. At the end of this probationary period, the faculty member must either be given a regular appointment with indefinite tenure or a one-year terminal appointment.

5.2 Early Decisions Permitted. These regulations do not prevent the granting of indefinite tenure prior to the expiration of the maximum period of probationary service and do not prevent a decision to terminate an appointee's probation prior to the end of the appointee's maximum probationary service, if timely notice is given.

5.3 Definition Of Academic Year. A faculty member is considered to have served an academic year if the appointee serves at least two-thirds time for three quarters or full-time for two quarters of the nine month academic year or any equivalent combination. An academic year during which the faculty member serves for less than this amount is not counted in computing the number of years for purposes of this section.

Unless otherwise agreed in writing, periods during which a faculty member is on paid leave for professional development (single quarter leave, sabbatical furlough, etc.) or on leave to teach or conduct research at another academic institution count as service, but periods in which the faculty member is on sick or disability leave or on leave in some non-faculty capacity do not count as service.

If a faculty member transfers to a position in the non-regular faculty, the time spent in the non-regular position does not count for the purpose of this section.

5.4 Prior Service.

5.41 In This University. Every academic year during which a faculty member has previously served at least two-thirds time under a regular appointment at this University reduces the maximum period of probationary service by one year.

5.42 Elsewhere. If a faculty member has previously served in regular faculty positions, as defined in these regulations, in one or more accredited universities or colleges, every academic year of such service (not exceeding three) reduces the maximum period of probationary service by one year.

5.43 Exceptions Permitted. If the prior service was in a different discipline, was in an academic unit or institution with teaching or research goals not comparable to those of the present appointment, or was too long ago to provide good evidence of the appointee's current professional development, the Board of Regents or its expressly authorized delegate may make an exception in writing at or near the beginning of the probationary period.

5.5 Exception For New Parent Or Caregiver. The maximum period of probationary service will be extended by one year at the request of a probationary faculty member:

1. On the occasion of the birth of that faculty member's child or adoptive/foster placement of a child with that faculty member; or
2. When the faculty member is a major caregiver for a family member[2] who has an extended serious illness, injury, or debilitating condition. A faculty member may use this provision no more than two times.

The request for extension must be made in writing within three months of the events giving rise to the claim and no later than June 30 preceding the year a final decision would otherwise be made on an appointment with indefinite tenure for that faculty member.

Section 6. Tenure Of Faculty On Regular Probationary Appointments.

6.1 In General. A regular probationary appointee is a candidate for indefinite tenure. A probationary appointment continues until it is superseded by an appointment with indefinite tenure or until terminated by timely notice or by resignation. Regular probationary appointments are generally made at the rank of assistant professor, but may be made at any rank.

6.2 Notice Requirements. Except as provided below, a probationary appointment may be terminated at the end of any academic year by giving notice of termination (in the form provided in Section 17) not later than May 15 of the preceding academic year. The notice must inform the faculty member of the right to request a hearing before the Judicial Committee and must advise the faculty member of the applicable time limit for making such a request

6.21 Associate Professors And Professors On Probationary Appointments. An initial probationary appointment at the rank of associate professor or professor may specify in writing that it is for a minimum period of three years. In that case, the earliest time at which notice of termination can be given is before May 15 of the second year of service, to take effect at the end of the third year of service.

6.22 Instructors On Probationary Appointments. An initial probationary appointment at the rank of instructor may specify in writing that it is only for a minimum period of one year. The appointment may be terminated at the end of the first year by notice given not later than March 1 of that year, or at the end of the second year by notice given not later than December 15 of that year. In all other respects such appointments are governed by subsection 6.2. A promotion of an instructor to the rank of Assistant Professor without a grant of tenure does not affect the operation of this subsection.

6.3 Promotions. The promotion of a probationary appointee to the rank of associate professor or professor must be accompanied with an appointment

with indefinite tenure. A promotion to assistant professor does not affect the faculty member's tenure status.

6.4 Rank Of Appointees With Indefinite Tenure. The grant of tenure to an instructor must be accompanied with a promotion to assistant professor. Since the standards for granting tenure are ordinarily at least as rigorous as those for promotion to associate professor, the granting of tenure to an assistant professor will ordinarily be accompanied by a promotion to associate professor. Otherwise, a grant of indefinite tenure need not be accompanied with a promotion in rank.

6.5 Effect Of Failure To Comply With This Section. No one is entitled to an appointment with indefinite tenure merely because the University failed to comply with this section. If an individual is given an extension of appointment beyond the maximum probationary period or is not given timely written notice, the University may either:

1. Grant an appointment with indefinite tenure;
2. Grant a further probationary appointment, if this would not exceed the maximum probationary period; or
3. Grant a terminal appointment ending at the end of the first full academic year which follows the May 15th after proper notice is given.

Section 7. Personnel Decisions Concerning Probationary Faculty.

7.1 Criteria For Decisions.

7.11 General Criteria. The basis for awarding indefinite tenure is the determination that the achievements of an individual have demonstrated the individual's potential to continue to contribute significantly to the mission of the University[3] and to its programs of teaching, research, and service over the course of the faculty member's academic career.[4] The primary[5] criteria for demonstrating this potential are effectiveness in teaching[6] and professional distinction in research,[7] outstanding discipline-related service contributions[8] will also be taken into account where they are an integral part of the mission of the academic unit. The relative importance of the criteria may vary in different academic units, but each of the criteria must be considered in every decision.[9]

7.12 Departmental Statement. Each academic unit must have a document that articulates with reasonable specificity the indices and standards which will be used to evaluate whether candidates meet the criteria of subsection 7.11. The document must comply with those standards, but should make their application more specific. Each such document is subject to review by the dean or other appropriate academic administrator and by the senior academic administrator and by the senior vice president for academic affairs. Each academic unit must provide each probationary faculty member with a copy of the document at the beginning of the probationary service.

7.2 Annual Review. The tenured faculty[10] of each academic unit annually reviews the progress of each probationary faculty member toward satisfaction of the criteria for receiving tenure. The head of the unit prepares a written summary of that review and discusses the candidate's progress with the candidate, giving a copy of the report to the candidate.

7.3 Formal Action By The Faculty. The tenured faculty of the academic unit may recommend that a probationary faculty member be granted indefinite tenure or that the appointment be terminated. If it does neither, it is presumed to recommend a renewal of the appointment. In the final probationary year, if the tenured faculty does not recommend an appointment with indefinite tenure, it must recommend termination of the appointment. The recommendation is made by a vote of the regular faculty with indefinite tenure in the unit. The presiding officer is not disqualified from voting merely because of office.

7.4 Procedures For Taking Formal Action. The academic unit must observe University procedures established as provided in subsection 16.3. These procedures will provide the following.

* (a) A good faith effort is made to gather all relevant information necessary to the decision. The academic units have the primary obligation to assemble the file, but the faculty member also has the right to add any material the faculty member considers relevant.

* (b) The decision is made by vote, by written unsigned secret ballot, at a meeting of the regular faculty who have indefinite tenure in the academic unit. The rules may provide for absentee ballots by informed absent faculty members.

* (c) Persons who have or have had a family or similar relationship to the candidate do not participate in the decision. The procedures may establish methods for raising and ruling on such questions in advance of the decision.

* (d) Action is to be taken by majority vote. An academic unit may adopt a uniformly applicable rule that a motion to recommend tenure must achieve a specified exceptional majority in order to constitute an affirmative recommendation of that unit. In such case a motion which achieves a majority, but not the required exceptional majority, must be sent forward for review by the appropriate review process despite the absence of the unit's affirmative recommendation.

* (e) The unit shall report the vote of the faculty, together with the reasons for the action taken. This statement of reasons must take the form of a summary of both majority and minority views which have substantial support which were expressed in the course of formal consideration of the action. All statements must be made without personal attribution. A preliminary draft is open to members of the faculty eligible to vote so they may comment and suggest changes. The final draft is sent to the affected faculty member and is open to the faculty eligible to vote.

* (f) Before submitting a formal recommendation for an appointment with indefinite tenure or for termination of a probationary appointment, the head of the academic unit informs the appointee of the recommendation and gives the appointee a copy of the final report. The appointee may submit any comments upon the report to the academic administrator who will review the report, with a copy to the head of the academic unit.

7.5 Nondisclosure Of Grounds For Recommendation Of Termination. The reasons for a recommendation to terminate a probationary appointment may not be disclosed, except as part of the review process, unless the faculty member requests such disclosure or makes a public statement concerning the reasons for termination.

7.6 Review Of Recommendations. Recommendations of academic units to grant indefinite tenure or to terminate probationary appointments are reviewed at the collegiate and university levels.

7.61 Procedures. The review must be conducted according to University procedures, established as provided in subsection 16.3. These procedures must provide for review and recommendations by the head of the academic unit, by the dean of the collegiate unit, by faculty committees at the collegiate or University level, and, when appropriate, by other academic administrators. The review must be conducted on the basis of the standards and criteria established by subsections 7.11 and 7.12 and the applicable rules and procedures. The rules may permit an administrator to refer the matter back to the unit for reconsideration, but if the administrator and the unit do not agree after such reconsideration, both the recommendation and the administrator's comments must be sent forward for final administrative action. A copy of each review or recommendation must be supplied to the faculty member. The faculty member may comment thereon in writing to those who will review the matter further.

7.62 Conflict Of Interest. No one may participate both in an initial recommendation by an academic unit and in a subsequent review of that recommendation, except that the head of the academic unit may make the initial

administrative review. No one who has participated in a recommendation or review may thereafter serve as a member of the Judicial Committee in further consideration of that case.

Members of the Judicial Committee may not serve on collegiate or University review committees. Members of the Judicial Committee may participate in initial recommendations by their own academic units, but are disqualified from thereafter participating in Judicial Committee consideration of those decisions.

7.63 Final Administrative Action. The University may not act contrary to the recommendation of the academic unit which made the initial recommendation except for substantive reasons which must be stated in writing by the senior academic administrator to the faculty member, to the members of the academic unit which made the recommendation, and to the president. The fact that participants in the review process have recommended against the unit's initial recommendation is not, by itself, a substantive reason.

The senior academic administrator takes the steps necessary to make the necessary appointment or to give notice of termination.

7.7 Improper Termination Of Probationary Appointments. A person holding a regular probationary appointment who has been given notice of termination may petition the Judicial Committee to review that action. The Judicial Committee will not base its ruling on the merits of the decision itself, but will review allegations that the decision was based in significant degree upon any of the following:

1. Personal beliefs, expressions or conduct which fall within the liberties protected by law or by the principles of academic freedom as established by academic tradition and the constitutions and laws of the United States and the state of Minnesota;
2. Factors prescribed by applicable federal or state law regarding fair employment practices;
3. Substantial and prejudicial deviation from the procedures prescribed in subsections 7.4 and 7.6 and the procedural rules promulgated pursuant to those subsections;
4. Failure to consider data available at the time of decision bearing materially on the faculty member's performance;
5. Demonstrable material prejudicial mistakes of fact concerning the faculty member's work or conduct;
6. Other immaterial or improper factors causing substantial prejudice; or
7. Other violation of University policies or regulations.

Such proceedings are governed by Section 15.

Section 7a. Review Of Faculty Performance

7a.1. Goals And Expectations. The faculty of each academic unit must establish goals and expectations for all faculty members, including goals and expectations regarding teaching, scholarly productivity, and contributions to the service and outreach functions of the unit. The factors to be considered will parallel those used by the unit in the granting of tenure, but will take into account the different stages of professional development of faculty. The goals and expectations will be established in accordance with standards established by the University Senate. They can provide for flexibility, so that some faculty members can contribute more heavily to the accomplishment of one mission of the unit and others to the accomplishment of other missions. The goals and expectations shall not violate the individual faculty member's academic freedom in instruction or in the selection of topics or methods for research. They shall include reasonable indices of acceptable performance in each of the areas (e.g., teaching contributions and evaluations, scholarly productivity, service,

governance and outreach activities). The dean reviews the goals and expectations of each unit and may request changes to meet the standards of the University and of the collegiate unit.

7a.2. Annual Review. Each academic unit, through its merit review process (established in accordance with the standards adopted by the senate), annually reviews with each faculty member the performance of that faculty member in light of the goals and expectations of the academic unit established under section 7a.1. This review is used for salary adjustment and faculty development. The faculty member will be advised of the evaluation and, if appropriate, of any steps that should be taken to improve performance and will be provided assistance in that effort. If the head of the unit and a peer merit review committee elected for annual merit review within that unit both find a faculty member's performance to be substantially below the goals and expectations adopted by that unit, they shall advise the faculty member in writing, including suggestions for improving performance, and establish a time period (of at least one year) within which improvement should be demonstrated.

7a.3. Special Peer Review In Cases Of Alleged Substandard Performance By Tenured Faculty. If, at the end of the time period for improvement described in the previous paragraph, a tenured faculty member's performance continues to be substantially below the goals and expectations of the unit and there has not been a sufficient improvement of performance, the head of the academic unit and the elected peer merit review committee may jointly request the dean to initiate a special peer review of that faculty member. Before doing so, the dean shall independently review the file to determine that special peer review is warranted. (in the case of an academic unit that is also a collegiate unit, the request shall be made to and the review conducted by the responsible senior academic administrator.) The special peer review shall be conducted by a panel of five tenured faculty members of equal or higher rank, selected to review that individual. The faculty member under review shall have the option to appoint one member. The remaining members shall be elected by secret ballot by the tenured faculty of the unit. The members of the special review panel need not be members of the academic unit. The special review panel shall provide adequate opportunity for the faculty member to participate in the review process and shall consider alternative measures that would assist the faculty member to improve performance. The tenure subcommittee may adopt rules and procedures regulating the conduct of such reviews. The special review panel shall prepare a report on the teaching, scholarship, service, governance, and (when appropriate) outreach performance of the faculty member. It will also identify any supporting service or accommodation that the University should provide to enable the faculty member to improve performance. Depending on its findings, the panel may recommend:

- * (a) that the performance is adequate to meet standards and that the review be concluded;

- * (b) that the allocation of the faculty member's expected effort among the teaching, research, service and governance functions of the unit be altered in light of the faculty member's strengths and interests so as to maximize the faculty member's contribution to the mission of the University;

- * (c) that the faculty member undertake specified steps to improve performance, subject only to future regular annual reviews as provided in Section 7a.2;

- * (d) that the faculty member undertake specified steps to improve performance subject to a subsequent special review under Section 7a.3, to be conducted at a specified future time;

- * (e) that the faculty member's performance is so inadequate as to justify limited reductions of salary, as provided in Section 7a.4;

- * (f) that the faculty member's performance is so inadequate that the dean should commence formal proceedings for termination or involuntary leave of absence as provided in Sections 10 and 14; or

- * (g) some combination of these measures.

The panel will send its report to the dean, the head of the academic unit, and the faculty member. Within 30 work days of receiving the report, the faculty member may appeal to the Judicial Committee, which shall review the report in a manner analogous to the review of tenure decisions (see Section 7.7).

7a.4. Salary Reductions. If the special review panel recommends that the faculty member's performance is so inadequate as to justify limited reductions of recurring salary, the head of the academic unit, with the approval of the dean, may reduce the faculty member's recurring pay, subject to the following limitations:

- * (a) the amount of the decrease will not exceed 10% of the faculty member's recurring salary on the basis of any one special review;
- * (b) recurring salary may not be reduced by more than 25% from the highest level of recurring pay ever held by the faculty member;
- * (c) at least six months' notice of the decrease must be given;
- * (d) any decrease in recurring salary may be restored by the annual review process provided in Section 7a.2.

Within 30 work days of notice of the decrease, the faculty member may appeal this action to the Judicial Committee, which shall review the action and the recommendation leading to it in a manner analogous to the review of tenure decisions (see Section 7.7). This review may not reconsider matters already decided by the Judicial Committee under Section 7a.3. Any decrease in recurring pay beyond the limits specified in this subsection can only be imposed pursuant to Sections 4.5, 10, 11, and 14.

7a.5. Peer Review Option. Upon application to it by the dean and faculty (or the elected faculty assembly) of a collegiate unit, the Faculty Senate may adopt a system of peer review of performance of faculty of that unit different from the system set forth in Sections 7a.1 through 7a.4 if in the Faculty Senate's judgment so proceeding is in the University's interest.

Section 8. Improper Refusal Of A New Appointment To A Term Faculty Member.

A person holding a term faculty appointment who has been refused a renewal of that appointment or has applied for and been refused a regular or a different term faculty appointment within six months of the end of that appointment may petition the Judicial Committee to review the refusal, but only on the ground that the decision was based in significant degree upon one or more of the following:

1. Personal beliefs, expressions or conduct which fall within the liberties protected by law or by the principles of academic freedom as established by academic tradition and the constitutions and laws of the United States and the state of Minnesota;
2. Factors proscribed by applicable federal or state law regarding fair employment practices;
3. Essential and substantial written misrepresentation of the nature of the original appointment; or
4. Other violation of University policies or regulations.

Such proceedings are governed by Section 15.

Section 9. Appointment Of Associate Professors And Professors With Indefinite Tenure.

Initial appointments with indefinite tenure may only be made at the rank of associate professor or professor. Such appointments may be made only after receiving the recommendation of the regular faculty holding indefinite tenure in the academic unit concerned.

Section 10. Unrequested Leave Of Absence For Disability And Disciplinary Action

10.1 Unrequested Leave Of Absence For Disability. A faculty member who is physically or mentally unable to perform reasonably assigned duties may be placed on unrequested leave of absence. The faculty member is entitled to sick pay and disability insurance payments in accordance with University policy. The faculty member has a right to return to the faculty upon termination of the disability or upon cessation of disability payments.

10.2 Disciplinary Action.

10.21. Termination Or Suspension Of A Faculty Appointment Before Its Expiration. A faculty appointment may be terminated or suspended (except under Section 10.22) before its ordinary expiration only for one or more of the following causes;

- * (a) sustained refusal or failure to perform reasonably assigned duties adequately;
- * (b) unprofessional conduct which severely impairs a faculty member's fitness in a professional capacity;
- * (c) egregious or repeated misuse of the powers of a professional position to solicit personal benefits or favors;
- * (d) sexual harassment or any other egregious or repeated unreasonable conduct destructive of the human rights or academic freedom of other members of the academic community; or
- * (e) other grave misconduct manifestly inconsistent with continued faculty appointment.

10.22 Procedure For Minor Disciplinary Actions. Minor sanctions, such as a letter of reprimand in the faculty member's file, or the like, may be imposed for significant acts of unprofessional conduct. For minor sanctions, the dean may impose the sanction after providing the faculty member notice of the proposed action and of the reason that it has been proposed and giving the faculty member an opportunity to respond. If the faculty member files a grievance under the University grievance policy to challenge a minor disciplinary matter, the sanction shall be held in abeyance until the conclusion of the proceeding. The grievance panel shall have jurisdiction to consider all claims raised by the faculty member, and if the case goes to arbitration, the arbitrator shall be an individual with experience in academic matters.

10.3 Procedures. A faculty member may be placed on unrequested leave of absence or a faculty appointment may be terminated or suspended for these reasons only in accordance with the procedures set forth in Section 14.

Section 11. Fiscal Emergency.

11.1 Faculty Rights. The Board of Regents, if faced with the necessity of drastic reduction in the University budget, has the power to suspend or abolish positions, or even entire departments, divisions, or other administrative units. If confronted with such adverse contingency, the board will consult with and secure the advice of faculty representatives, as provided in this section. Faculty members have the right to full access to information about the situation and the alternatives being considered. In effecting retrenchment because of financial necessity, the regents will make reductions in faculty positions only to the extent that, in their judgment, is necessary after exploring various alternative methods of achieving savings. The regents fully intend that the tenure system

as a whole and the tenure rights of each individual faculty member be protected in every feasible manner during periods of such retrenchment.

11.2 General Principles Of Priority. The following general principles of priority apply in any financial crisis.

* (a) first, the University must fully utilize all means consistent with its continued existence as an institution of high academic quality to reduce expenses or to increase income which do not involve the termination of faculty positions or the impairment of faculty rights.

* (b) second, the University may consider alternatives which involve only the temporary reduction or postponement of faculty compensation or the reduction of fringe benefits.

* (c) only thereafter may the University suspend or terminate faculty positions in accordance with the section.

11.3 First Stage: Alternative Approaches. If there has been a serious reduction in the University's income, the president will report the matter to the Senate Consultative Committee. The president will identify the magnitude of the shortfall, the measures which might be taken to alleviate it (which must not involve impairment of faculty rights), and alternative measures which have been rejected. The president will give the committee full access to all available information and will respond specifically to additional proposals suggested by the committee. At this stage, the University will consider reductions in other expenses. It will also consider increases in tuition, sales of assets, and borrowing. These steps will be implemented by the president or the Board of Regents as is appropriate.

11.4 Second Stage: Reduction Or Postponement Of Compensation. If the University has implemented all of the measures which are required to be considered in the first stage, which are consistent with its continued operation as an institution of high academic quality, and they are inadequate to meet the shortfall, the president may, after consultation with the Faculty Consultative Committee, propose the temporary reduction or postponement of faculty compensation for a predetermined period not to exceed one year, according to a mathematic formula or similar device. The Faculty Consultative Committee will report on the adequacy of the steps taken in the first stage and make its recommendations on the proposal. If the Faculty Senate approves the proposed action (or any modification of it) by an absolute majority of its membership or by a two-thirds vote of the members present and voting (a quorum being present), the Board of Regents may take that action (or any less stringent action) and, to that extent, modify the terms of the appointments of all faculty members. The Board of Regents may rescind the action at any time thereafter. Such action may be repeated by the same procedures.

11.5 Third Stage: Fiscal Emergency. If there has been a reduction of the University's income which is so drastic as to threaten its survival, and this threat cannot be alleviated by the measures specified above, the Board of Regents may declare a fiscal emergency. During such an emergency, the Board of Regents may terminate or suspend faculty appointments as provided in this section.

11.51 Preliminary Procedures. Before recommending to the Board of Regents that it declare a fiscal emergency, the president must meet with the Senate Consultative Committee to examine alternatives to and consequences of such a declaration. The president must provide the committee access to all available information. The president must provide a written report identifying the dollar amount to be saved by reducing faculty positions. This report must also identify the dollar amount proposed to be saved by any other measures to be taken, including the level of any concurrent reductions in non-faculty staff during the emergency. The Faculty Consultative Committee will prepare a written report on the president's proposal, to which the Senate Consultative Committee may add additional comments. The Faculty Senate will first consider and act on the proposal and reports. Thereafter, the University Senate may consider them.

The president must attend both senate meetings to explain the proposal and to answer questions.

After receiving the president's recommendation and the resolutions of the senates, the Board of Regents may declare a state of fiscal emergency. Before action contrary to the recommendation of the University Senate is subsequently taken, the president must report in writing and in person the reasons for this action to the Senate Consultative Committee. The Board of Regents' resolution states the maximum amount to be realized from termination or suspension of faculty appointments.

11.52 Duration. A fiscal emergency lasts no longer than 12 months unless renewed by the same procedure. A fiscal emergency may be rescinded at any time by the Board of Regents.

11.53 Allocation Of Shortfall. After consultation with the Faculty Consultative Committee and the Senate Consultative Committee, the president proposes an initial allocation of the shortfall to the various collegiate units, which need not be prorated. The committee must obtain the views of the faculty in the affected units and must hold an open meeting at which anyone may comment upon the proposed action. It may also request the assistance of other University or Senate committees in studying all or particular aspects of the educational policies and priorities involved in the action. The colleges and campuses then allocate the shortfall to the various academic units after similar consultation with the representative bodies and academic units in the colleges and similar open meetings. The plans must reflect the principles and priorities established in subsection 11.6. The colleges and campuses return their plans to the senior vice president for academic affairs, who prepares a comprehensive plan for the University, including a list of the persons whose appointments will be suspended or terminated. This plan is submitted to the University Senate and the Faculty Senate for their recommendation. The recommendations of the senates and the senior vice president's plan will be presented to the president and the Board of Regents for action.

11.6 Principles Governing Termination Or Suspension.

11.61 General Principles.

* (a) Savings achieved through resignations, retirements, renegotiations of contracts, inloading or other measures must be credited to the assigned shortfall before terminating or suspending faculty appointments.

* (b) A good faith effort should be made to use temporary suspensions or voluntary furloughs rather than terminations. In this third stage, the Board of Regents may impose the temporary or permanent reduction of faculty compensation or the reduction of fringe benefits, in excess of those approved in the second stage. Suspensions without pay for one quarter in any year may be ordered in accordance with objective criteria, provided that faculty members are given at least six months notice.

* (c) Terminations may not be used in case of a short-term financial crisis, but only if the circumstances are such that the shortfall is reasonably expected to continue over a substantial number of years.

* (d) A good faith effort must be made to cover as much of the shortfall as possible by allowing non-regular appointments to lapse and by giving notice to probationary faculty in accordance with the terms of their appointments.

* (e) A good faith effort must be made to cover as much of the shortfall as possible by transferring faculty members to other positions for which they are qualified or by offering them retraining for available positions.

* (f) The selection of faculty members within an academic unit for termination must be made on objective criteria. It may not involve a comparative evaluation of the relative merits of individuals or a repetition of the tenure-granting process.

11.62 Priorities.

(a) Unless the unit can demonstrate that essential functions could not otherwise be performed:

1. all non-regular faculty within an academic unit must be suspended or terminated before any regular faculty may be suspended or terminated in that unit; and
2. all probationary faculty within an academic unit must be suspended or terminated before any tenured faculty may be suspended or terminated in that unit.

(b) Care must be taken to protect the employment of women and minorities entitled to affirmative action. The senior vice president for academic affairs must insure that for the University as a whole the plan which is submitted does not reduce the proportion of appointments with indefinite tenure held by women or minorities entitled to affirmative action, and does not reduce the proportion of non-regular appointments held by women or minorities entitled to affirmative action.

11.63 Notice And Severance Pay. A faculty member whose appointment is to be terminated or suspended is entitled to a minimum of one full academic year's notice or to one year's salary as severance pay in lieu of notice, unless the appointments would otherwise expire earlier.

11.64 Reemployment Rights. The University will not fill any faculty position for which a faculty member with indefinite tenure who has been terminated is qualified for five years after notice of termination, unless it first offers the position to each such faculty member and gives a reasonable time for the faculty member to accept or reject it.

11.7 Judicial Committee Report. A faculty member whose appointment is terminated or suspended may make a written request for review by the Judicial Committee. The review will be conducted in accordance with Section 15. The Judicial Committee will not reexamine the determination that a fiscal emergency exists, nor will it reexamine the educational policies and priorities pursued unless it finds a substantial failure to follow the procedures established in this section. It will only examine whether the action was taken in accordance with the procedures and standards set forth in this section, whether the action was based on a violation of academic freedom or constitutional or legal rights, or was substantially based on immaterial or improper factors. It may consolidate cases involving common issues for a single hearing.

Section 12. Programmatic Change.

12.1 Programmatic Change. The University and faculty recognize that changes in academic programs are an essential part of the development and growth of the institution. These changes should be based on academic considerations and on long-term policy and planning, and may be undertaken only after consultation with the faculty, including the appropriate governance structure.

12.2 Faculty Rights And Duties. In the event that programmatic change leads to discontinuation of a program in which a member of the faculty is employed, the University recognizes its obligation to continue the employment of regular faculty in accordance with the terms of their employment, and to continue the employment of non-regular faculty for the term of appointment. In case of fiscal emergency, the provisions of Section 11 apply.

Regular faculty members who are so retained have the responsibility to accept teaching or other assignments for which they are qualified, and to accept training to qualify them for assignment in other fields. The University has the responsibility to assign such faculty members to responsibilities as closely related to their original field of tenure as is practicable, to allow them time in which to continue scholarship in their original field if they wish, and to

recognize scholarly contributions in that field as valuable in assessing their contribution to the University for pay, promotion and other purposes.

In addition to the steps mentioned above, the University has the right to offer inducements to faculty members voluntarily to change fields of study, to seek employment elsewhere, or to accept early retirement.

12.3 Reassignments. In cases of programmatic change, an officer designated by the president will make the reassignment or offer of training. The officer will consult with the faculty member and the receiving unit and will seek a mutually satisfactory assignment. If agreement cannot be reached, the University officer will assign new responsibilities after consultation with the individual.

The University may give the faculty member other assignments only if assignments to teaching in the faculty member's discipline are not feasible. For example, faculty might be assigned

- * to teach in another field in which the individual is qualified
- * to perform professional or administrative duties, including professional practice in a field in which the individual is qualified.
- * to transfer effort, by assignment in a suitable professional capacity, at another educational institution or similar entity, while retaining University tenure, compensation, and benefits.

A faculty member must accept any reasonable reassignment or offer of retraining. Following the assignment, any dispute about the reasonableness of reassignment may be taken to the Judicial Committee, as provided in Section 15. The faculty member shall perform the reassignment pending resolution of the dispute, unless the president on the recommendation of the chair of the Judicial Committee determines that provisional measures are appropriate.

12.4 Termination Of Appointment. A faculty member who chooses not to accept a reasonable reassignment or retraining opportunity shall receive:

1. Assistance in locating other employment;
2. A minimum of one full academic year's notice or one year's salary as severance pay in lieu of notice, unless the appointment would otherwise expire earlier.
3. Continuation of the University's contribution to health benefits for one year after the date of the termination of the appointment.

In place of the severance payment provided by this section, a faculty member may select another severance program for which the faculty member is otherwise eligible at the time the appointment is terminated.

Section 13. Judicial Committee.

13.1 Membership. The Judicial Committee is composed of at least nine members of the regular faculty. The number of members and manner of appointment is governed by the University Senate bylaws.

13.2 Procedures. Proceedings before the Judicial Committee will be conducted in conformity with these regulations. The Judicial Committee may adopt additional rules with the approval of the Tenure Committee, as provided in Section 16.3.

In every case before the Judicial Committee the senior academic administrator may designate the academic administrator who will represent the University as respondent. If the case involves two or more campuses or areas, the president or the senior vice president for academic affairs may designate the respondent.

13.3 Duty To Testify. Faculty members and administrators have an obligation to appear before the Judicial Committee to give testimony in matters pending before it.

13.4 Panels. The Judicial Committee may sit in panels to hear individual cases. In cases under Sections 10 and 14, the panel must consist of at least

five members. In all other cases, the panel must consist of at least three members. The rules of the Judicial Committee will establish the respective functions of the committee as a whole and of the individual panels.

13.5 Legal Officer. The Judicial Committee shall have its own legal officer, appointed by the Judicial Committee with the approval of the president. The Judicial Committee also may, with the approval of the president, appoint a deputy legal officer, or a substitute legal officer for a particular case, as necessary. At the direction of the committee, the legal officer may preside at hearings of Judicial Committee panels or regulate the procedure in Judicial Committee cases. The legal officer may be present and participate in the deliberation of a panel, but shall have no vote.

Section 14. Procedures In Cases Of Unrequested Leave Of Absence Or Termination Or Suspension Of A Faculty Appointment For Cause.

14.1 Preliminary Proceedings. Only a dean or an academic administrator specially designated by the senior vice president for academic affairs or by the senior academic administrator may initiate preliminary proceedings under this section leading to unrequested leave of absence or to suspension or removal or to temporary or permanent reduction in rank. The dean[11] must first attempt to discuss and resolve the matter with the faculty member involved.

The dean must then submit the matter to the tenured faculty of the academic unit involved for their recommendation.

If the senior vice president for academic affairs and the Faculty Senate have expressly approved the submission of allegations of the violation of a specified policy to another body for preliminary recommendation, in place of submission to the tenured faculty of the academic unit, the dean must submit the matter to that body for its recommendation.

Both the dean and the faculty member may submit their views, in person or in writing, to the body making the recommendation, but neither of them may participate in the deliberation or vote. The body making the recommendation does so by secret ballot and makes a written report to the dean within 40 days of submission of the issue to it, indicating the number of votes for and against the proposed action and the reasons articulated. A copy of the report shall be sent to the senior academic administrator and to the faculty member.

14.2 Formal Action. Within 40 days after receiving the recommendation of the tenured faculty or other body, the dean must decide whether to proceed with formal action. Before taking formal action, the dean must consult with the senior academic administrator. If the dean does not proceed within 40 days, the charges are dropped and the faculty member and the academic unit are so notified in writing. If the dean decides to proceed with formal action, the dean must give written notice to the faculty member. The notice must specify the action proposed, identify the specific ground upon which it has been taken, and summarize the evidence in support. It must inform the faculty member of the right to request a hearing before the Judicial Committee and advise the faculty member of the applicable time limit for making such a request.

If the faculty member does not request a hearing within 30 days, the president may take the action proposed in the dean's notice, without further right to a hearing.

14.3 Judicial Committee Hearing. The faculty member may request a hearing before the Judicial Committee by written request to the chair of the committee, filed within 30 days of the notice. The Judicial Committee may extend the 30 day period for good cause. The dean will be responsible for presenting the case. The dean has the burden of proving the case for the proposed action by clear and convincing evidence and also has the burden of demonstrating the appropriateness of the proposed action, rather than some lesser measure.

The Judicial Committee makes written findings of fact, conclusions, and a recommendation for the disposition of the case. If the committee finds that

action is warranted, it may recommend action that is less severe than that requested in the written notice, including but not limited to, permanent or temporary reduction in salary or rank. It may not recommend more severe measures than those proposed in the dean's notice.

The Judicial Committee sends its report to the president with copies to the faculty member, the dean and the senior administrator.

14.4 Action By The President. The president shall give the faculty member and the dean the opportunity to submit written comments on the report. In determining what action to take, the president may consult privately with any administrators, including attorneys, who have had no previous responsibility for the decision at issue in the case and have not participated in the presentation of the matter to the Judicial Committee. The president may not discuss the case with any administrator who was responsible for the decision at issue in the case or who participated in the presentation of the matter to the senate Judicial Committee. Such administrators may communicate with the president in writing, but only if the full text of the communication is given to the faculty member and the faculty member is given a reasonable opportunity to respond to it.

The president shall not take action materially different from that recommended by the panel unless, prior to the action, the president has consulted with the committee. Parties and their representatives shall not be present at any meeting between the president and the committee nor shall their consent be required for such meeting.

In addition, the president may request the Judicial Committee to make further findings of fact, to clarify its recommendation or to reconsider its recommendation. The reconsideration will be made by those who have heard of all of the evidence in the case, but the full Judicial Committee may consult with them on questions of general policy.

The president may impose the action recommended by the committee, or any action more favorable to the faculty member. The president may impose action less favorable to the faculty member only for important substantive reasons, which must be stated in writing, with specific detailed reference to the report of the Judicial Committee, the evidence presented, and the policies involved. The president's written statement must be given to the parties and to the Judicial Committee. If the Judicial Committee decides that the president has imposed an action that is less favorable to the faculty member than it had recommended, it shall inform the faculty by publication of the president's action in the docket of the Faculty Senate. If the faculty member waives rights to confidentiality, the full text of the statement will be published. Otherwise a summary of the statement will be published without identification of the faculty member or information that may indirectly identify the faculty member.

14.5 Appeal To The Board Of Regents. If the action involves removal or if the action involves a sanction more severe than that recommended by the Judicial Committee, the faculty member may appeal to the Board of Regents. In cases in which the president imposes a sanction more severe than that recommended by the Judicial Committee, the faculty member and the president may present to the board evidence with respect to issues on which the president differs from the recommendation of the Judicial Committee. The request for a hearing must be made to the secretary of the board within ten days of the president's action.

14.6 Temporary Suspension During Proceedings. The dean may temporarily suspend a faculty member during the proceedings, but only if there is clear evidence that the faculty member is likely to cause serious harm or injury or is not available for work. The suspension will be with full pay, unless the faculty member is not available for work. Before ordering such suspension, the dean must present the evidence to a special panel of the Faculty Consultative Committee and receive their written report. The faculty member must be given the opportunity to contest the suspension before the panel.

If no final decision has been rendered one year after the commencement of formal proceedings, the faculty member shall be temporarily suspended without

pay, unless the parties agree otherwise, or unless the hearing panel of the Judicial Committee extends the time period because of undue delays in the procedure attributable to the action of the University. This provision applies only in a case in which the majority of the tenured faculty of the academic unit concurred in the recommendation to terminate the appointment. If the faculty member is reinstated or if the president determines that the temporary suspension without pay was not warranted, then the president shall order the repayment of back pay to the faculty member with interest thereon from the date it would originally have been paid.

In case of any suspension under this section, the faculty member shall continue to receive full medical insurance and disability benefits without regard to the suspension.

14.7 Resignation During Proceedings. A faculty member may submit a written notice of resignation to the president at any time during Judicial Committee proceedings pursuant to this section. Upon the effective date of such resignation, the proceedings will be discontinued unless the faculty member concurrently files a written request with the Judicial Committee that they be carried to completion.

Section 15. Appeals To The Judicial Committee.

15.1 Right To Review. Any faculty member who claims that his or her rights or status under these regulations have been adversely affected without his or her consent may seek review before the Judicial Committee. Cases arising under Sections 4, 7, 7a, 8, 10, or 11 or 12 may be brought directly to the Judicial Committee. In other cases, the faculty member must exhaust all other available University remedies before bringing the case to the Judicial Committee; the Judicial Committee will not proceed with such a case until the appropriate University body has either decided it or has refused to consider it.

15.2 Procedure For Securing Review. A written request for review must be filed with the chair of the Judicial Committee within 30 days of written notice of the action challenged. The request must specify the action complained of and the remedial action the individual seeks. Within 30 days of filing, the chair of the Judicial Committee must send copies of the request to the head of the academic unit concerned and to the senior academic administrator.

The Judicial Committee, however, may extend the time for filing for review for reasons that seem compelling to the committee, such as mental or physical illness, or serious personal or family problems, or doubt concerning when final action was taken.

15.3 Hearings Before The Judicial Committee. The person seeking review has the burden of proving by the preponderance of the evidence that the action complained of was improper unless the Judicial Committee, for good cause, otherwise directs.

The Judicial Committee does not itself decide whether the faculty member is professionally worthy of a faculty position, but only determines whether the action was based in significant degree upon any of the factors specified in subsection 7.7 or Section 8.

In cases involving Section 7, 8, or 11, the Judicial Committee hears the merits of the case, as provided in those sections. In other cases, if there is an appropriate University body to review the matter, the Judicial Committee will only determine whether that body has given the faculty member due process and whether, on the basis of the facts found by that body, there has been a violation of these regulations or of the faculty member's academic freedom. If there is no appropriate University body to hear such a case, or if the Judicial Committee finds that the body which heard the case did not provide due process, the Judicial Committee may hear the merits or may appoint an ad hoc tribunal to hear them.

15.4 Action By The Judicial Committee. The Judicial Committee makes written findings of fact, conclusions, and a recommendation for the disposition of the case.

If the Judicial Committee finds that the action complained of was improper, it also specifies the respects in which it finds the action to have been improper and recommends appropriate remedial action.

If it recommends reconsideration, it may specify the manner in which reconsideration will be undertaken to avoid the influence of improper factors. If a probationary faculty member has reached the maximum probationary period, the committee may recommend a non-regular appointment for an additional academic year to provide for reconsideration.

The Judicial Committee sends its report to the president with copies to the faculty member and the administrator who appeared as respondent.

15.5 Action By The President. The president must give the faculty member and the administrator the opportunity to submit written comments on the report. In determining what action to take, the president may consult privately with any administrators, including attorneys, who have had no previous responsibility for the decision at issue in the case and have not participated in the presentation of the matter to the Judicial Committee. The president may not discuss the case with any administrator who was responsible for the decision at issue in the case or who participated in the presentation of the matter to the senate Judicial Committee. Such administrators may communicate with the president in writing, but only if the full text of the communications is given to the faculty member and the faculty member is given a reasonable opportunity to respond to it.

The president shall not take action materially different from that recommended by the panel unless, prior to the action, the president has consulted with the committee. The parties and their representatives shall not be present at any meeting between the president and the committee nor shall their consent be required for such meeting.

In addition, the president may request the Judicial Committee to make further findings of fact, to clarify its recommendation or to reconsider its recommendation. The reconsideration will be made by those who have heard all of the evidence in the case, but the full Judicial Committee may consult with them on questions of general policy.

The president may impose the action recommended by the committee or any action more favorable to the faculty member. The president may impose action less favorable to the faculty member only for important substantive reasons, which must be stated in writing, with specific detailed reference to the report of the Judicial Committee, the evidence presented, and the policies involved. The president's written statement must be given to the parties and to the Judicial Committee. If the Judicial Committee decides that the president has imposed an action that is less favorable to the faculty member than it had recommended, it shall inform the faculty by publication of the president's action in the docket of the Faculty Senate. If the faculty member waives rights to confidentiality, the full text of the statement will be published. Otherwise a summary of the statement will be published without identification of the faculty member or information that may indirectly identify the faculty member. The president's written statement must be given to the parties and to the Judicial Committee.

15.6 Actions Requiring Reconsideration. If the Judicial Committee recommends reconsideration of an action, that reconsideration will be undertaken under the supervision of the senior academic administrator, unless otherwise specified. The Judicial Committee may retain provisional jurisdiction of the matter to review allegations that the reconsideration itself was improper, and may make supplementary findings, conclusions, and recommendations in this regard.

15.7 Recommendations For Changes In University Policies And Procedures. As a result of Judicial Committee proceedings, the Judicial

Committee, the Tenure Committee or the senior vice president for academic affairs may initiate steps to clarify or improve University rules or policies involved. The changes will not affect the outcome of the case before the committee.

Section 16. Tenure Committee.

16.1 Membership. The Tenure Subcommittee Of The Senate Faculty Affairs Committee (referred to elsewhere in these regulations as the Tenure Committee) is composed of at least seven members of the faculty and such other persons as the University Senate bylaws shall provide. The manner of appointment is governed by the University Senate bylaws.

16.2 Interpretations. The senior vice president for academic affairs and the Tenure Committee may propose formal interpretations of these regulations, consistent with their terms. Such interpretations must be reported to the Faculty Senate and the Board of Regents. If adopted by the Board of Regents, such interpretations will be binding in all cases subsequently arising.

16.3 Procedures. The senior vice president for academic affairs and the Tenure Committee may jointly adopt the procedures provided by subsections 7.4 and 7.61, and jointly approve the procedures proposed by the Judicial Committee under Section 13.2. Such procedures must be reported to the Faculty Senate and the Board of Regents before they go into effect.

16.4 Additional Functions. The Tenure Committee also advises the University and makes recommendations concerning the interpretation and amendment of these regulations, but such advice and recommendations are not binding on the Judicial Committee.

Section 17. Written Notice.

Notices of termination of a probationary appointment, of suspension or termination of an appointment, or of placement on unrequested leave of absence for disability, must be sent by registered or certified mail to the last known residence address of the faculty member concerned and also by campus mail to the faculty member's campus address, if any. The written notice satisfies the applicable time requirement if it is postmarked at or before midnight of the applicable date.

Failure to comply fully with this section is immaterial if, in fact, the faculty member was not prejudiced by such failure.

Section 18. Publication.

These regulations, and the interpretations referred to in Section 16, will be published and made available to all faculty members. Every faculty member who holds a regular or non-regular appointment, except for courtesy faculty appointments without salary, must be given a copy of the current regulations and copies of subsequent amendments or published interpretations.

Section 19. Amendment.

These regulations are subject to amendment by the Board of Regents. Proposed amendments from any source will be submitted to the Faculty Senate for its advice and recommendation before final action by the Board of Regents. The Faculty Senate will solicit the recommendations of the Faculty Affairs Committee, the Judicial Committee, and the Tenure Committee, before giving its advice and recommendation.

FOOTNOTES

[1] "Service" means performance within the faculty member's expertise, other than teaching and research as defined in section 7.11.

[2] The term "family member" is meant to include a blood relative, or a marital partner, or a domestic partner (registered with the University), or an adoptive/foster child.

[3] The mission of the University includes, where appropriate, outreach activity that extends a faculty member's teaching, research and service beyond the campus or to nontraditional groups of students and citizens. Not every faculty member will have outreach responsibilities.

[4] For interpretation and possible applications, see the interpretative comment that will be provided in accordance with the provisions of subsection 16.2.

[5] Criteria other than those expressly listed in this sentence must be explicitly stated and justified in terms of the mission of the University. Such additional criteria may not impinge upon the academic freedom of the probationary faculty member.

[6] "Teaching" is not limited to credit-producing classroom instruction. It encompasses other forms of communication of knowledge (both to students registered in the University and to other persons in the community) as well as the supervision or advising of individual graduate or undergraduate students.

[7] "Research" is not limited to the publication of scholarly works. It includes activities which lead to the public availability of products or practices which have a significance to society, such as artistic production or the development of new technology or scientific procedures.

[8] "Service" means performance within the faculty member's academic expertise and the mission of the academic unit. It does not include performance of quasi-administrative functions such as membership on faculty or senate committees or other similar activities; those activities are relevant only to the limited extent set forth in the following paragraph of the text.

Where service is not an integral part of the mission of the academic unit, a faculty member's service may be considered, but is not a prerequisite to the awarding of tenure.

Other exceptions may be made only in exceptional circumstances by means of special contract, as provided in subsection 3.6.

The individual's participation in the governance of the institution and other services to the University and service to the academic unit may be taken into consideration, but are not in themselves bases for awarding tenure.

[9] Indefinite tenure may be granted at any time when the candidate has satisfied the requirements. A probationary appointment must be terminated when the appointee fails to satisfy the criteria in the last year of probationary service and may be terminated earlier if it appears that the appointee is not making satisfactory progress toward meeting the criteria within that period.

[10] As used in this policy, "tenured faculty" means those members of the faculty who hold indefinite tenure.

[11] Throughout this section the word "dean" means the dean of the collegiate unit or other equivalent officer or an academic administrator specifically designated for this purpose by the senior academic administrator or by the senior vice president for academic affairs

INTERPRETATIONS

Dated April 12, 1985; September 8, 1988; March 12, 1993 and October 13, 1985

1. Interpretation of Sections 3-9 Promotion and Tenure Decisions Permitted by Provosts and Chancellors during 1995-96.

Expired.

2. Interpretation of Section 4.4: Definition of Recurring Salaries.

It is expected that any salary increases normally will be added to recurring salary if recurring funds are available for that purpose. Section 4.4 does not give any specific faculty member a legal entitlement or right to an increase in recurring salary.

3. Interpretation of Section 4.5: Financial Stringency.

Financial stringency in section 4.5 is understood to mean financial difficulties that are unusual in extent and require extraordinary rather than ordinary responses. Section 11 may be invoked if the regents are "faced with the necessity of drastic reduction in the University budget," reductions so severe that they may "threaten [the] survival" of the University. It is understood that the financial difficulty that would permit the president to propose temporary reductions or postponements in compensation under section 4.5 is less severe than the "fiscal emergency" outlined in section 11, but it is also understood that "financial stringency" should not be invoked to respond to foreseeable fluctuations in the University's budget and finances.

4. Interpretation of Subsection 5.5: Retroactive Application.

A probationary faculty member may elect to extend the probationary period by one year if

- (1) the member became a parent, by birth or by adoptive/foster placement, within five years before the effective date of subsection 5.5; and
- (2) has not been given notice of termination.

5. Interpretation of Subsection 5.5: Major Caregiver Responsibilities.

A request for extension of the maximum probationary period for major caregiver responsibilities should be made only if those responsibilities are very substantial and continue over an extended period of time. The probationary faculty member must submit a written application to the head of the academic unit, who will forward it for action and approval through the appropriate University channels. If an administrator does not approve the request, the faculty member may file a grievance under applicable University policies.

6. Interpretation of Subsection 7.11: Consideration of Factors Other than Primary Tenure Criteria.

The use of any factor other than teaching, research, and service in making the decision about a probationary faculty member must be specifically stated and justified at the time of the decision. This rule applies both when that factor is a criterion for judging the candidate's progress and when it is an element in establishing or modifying the standard which the faculty member should achieve.

A change in the program of a unit or college may be used as a factor in a decision only when the change has been adopted in accordance with the established procedures of the University, after consultation as required by those procedures. It must be explicitly identified. If such changes affect the prospects of probationary faculty members to achieve tenure, the faculty members should be given the earliest possible notice of the potential impact of such changes.

7. Interpretation of Subsection 7.11: Discipline-Related Service.

Discipline-related service, as one of the primary criteria for tenure evaluation, is limited to those endeavors specifically related to the individual's academic expertise and faculty appointment in accordance with the academic unit's Mission Statement. This service must be defined in the Mission Statement as central and necessary to the operation of the academic unit. An equivalent term might be "unit mission-related service" — for example, clinical service in a teaching hospital situation that does not involve students directly.

8. Interpretation of Amendment to Subsection 10.2: Faculty Assignments.

Faculty members are free to choose topics for research or outreach and to discuss all relevant matters in the classroom, in accordance with the principles of academic freedom and responsibility. The head of the academic unit will assign individual faculty members to teach specific courses in accordance with the academic workload statement and other policies adopted by the faculty of that unit. A faculty member may challenge an assignment by showing that it is unreasonable. An assignment is unreasonable if: (a) taken as a whole, it exceeds the workload expected in the workload statement of that unit, (b) the faculty member lacks the basic qualifications to teach the course, or (c) the assignment was made in violation of the faculty member's academic freedom or in violation of another specific university policy. The faculty member should carry out the teaching assignment pending resolution of any grievance, unless the responsible grievance or hearing officer or panel indicates that provisional measures are appropriate.

9. Interpretation of Sections 14 and 15: Working Days.

The word "days" is interpreted to imply working days, not calendar days.

10. Interpretation of Amendments to Subsections 14.1 and 14.2: Timely Responses in Cases of Unrequested Leave of Absence, Termination, or Suspension.

The timelines for responses by either the involved faculty member or administrator may be extended by agreement of the parties to the proceeding or for extraordinary circumstances. An agreement of the parties to extend the time limit shall be in writing, signed by both parties or their representatives. If the parties do not agree, either party may apply to the chair of the Senate Judicial Committee for an extension of the time in which to take the steps required in this section. If the faculty member has failed to act within the time limits prescribed in these sections, the responsible administrator may request the chair of the Senate Judicial Committee to set a specific date by which the faculty member must take action; if the faculty member fails to do so, the petition for review will be dismissed without further proceedings and the requested disciplinary action (or any lesser sanction) may be taken. If the responsible administrator has failed to act within the time limits prescribed in these sections, the faculty member may request the chair of the Senate Judicial Committee to set a specific date by which the administrator must take action; if the administrator fails to do so, the proceedings shall be dismissed and further action can be taken only by reinitiating the entire proceedings.

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

Reagan reported that the committee also received an annual report from the University of Minnesota Alumni Association and recognized Regents' Professor H. Ted Davis, the Faculty Consultative Committee outgoing chair Virginia Gray, and President Nils Hasselmo.

REPORT OF THE FINANCIAL OPERATIONS COMMITTEE

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

- a) Approval of the Senior Vice President's Financial Operations Report as presented to the committee and contained in the docket material.

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

Bleyhl reported that the committee also reviewed the Quarterly Asset and Debt Management Report, the Quarterly Purchasing Report, and the Quarterly Management Report.

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

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

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

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

Neel reported that the committee also reviewed four reports pertaining to: metropolitan higher education strategy; K-12 Initiatives on the Twin Cities campuses; affinity groups (Professional Studies); and undergraduate initiatives.

REPORT OF THE FACULTY, STAFF AND STUDENT AFFAIRS COMMITTEE

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

- a) Approval of the Senior Vice President's Faculty, Staff and Student Affairs Report as presented to the committee and included in the docket material, including the addition of the promotion of Professor Zoltan Kiss at the Hormel Institute.

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

Spence reported that the committee also reviewed a report on residential academic programs and a report on off-campus housing.

REPORT OF THE FACILITIES COMMITTEE

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

- a) Approval of the Senior Vice President's Facilities Report as presented to the committee and included in the docket material.
- b) Approval of a resolution relating to real estate transactions, as follows:

RESOLVED, that on the recommendation of the President and Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to execute the appropriate documents providing for the following real estate transaction:

- A. Sale of Excess Land Near Glensheen, Duluth
(to J. Michael Construction, Inc. for \$500,000)
- B. Purchase of Property at 2218 University Avenue SE, Minneapolis
(from Twin City Tile and Marble Company for \$1,256,000)
- c) Approval of a resolution relating to amendments to the FY97 Capital Budget, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the FY97 Capital Budget is amended to increase the budgets for the following projects and the appropriate administrative officers are authorized to proceed with construction:

- A. Goat Addition to the Large Animal Holding Facility located on the Twin Cities/St. Paul Campus increase the budget by \$280,000 to \$600,000, and
- B. Football Complex Remodeling and Addition project located in the Twin Cities/Minneapolis/East Bank campus increase the budget by \$542,000 to \$1,792,000, and
- C. Recreational Sports Facilities: Phase IC project located on the Twin Cities campus increase the budget by \$285,000 to \$4,285,000.

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

Phillips reported that the committee also reviewed the proposed sale of Salt Spring Lands in Lake Vermilion; received an update on construction of a new University Dance Center, and engaged in a discussion relating to the University's deferred renewal.

REPORT OF THE AUDIT COMMITTEE

Regent Hogan, Chair of the committee, reported that the Audit Committee did not meet this month.

REPORT OF THE LITIGATION REVIEW COMMITTEE

Regent Spence reported that the committee met in non-public session Monday, June 9, 1997 to discuss attorney-client privileged matters and there were no actions taken at the meeting.

The regular monthly meeting of the Board of Regents adjourned at 11:50 a.m.

ANNUAL MEETING

The annual meeting of the Board of Regents was called to order at 12:10 p.m.

ESTABLISHMENT OF MEETING DATES

The Board of Regents voted unanimously to approve the following meeting schedule for 1997-98:

July 10-11, 1997
No August Meeting
September 11-12, 1997

(Proposed meeting location:
University of Minnesota Crookston)

October 9-10, 1997
November 6-7, 1997
December 11-12, 1997

(Proposed meeting location: University of
Minnesota Twin Cities, St. Paul campus)

January 8-9, 1998
February 12-13, 1998
March 12-13, 1998
April 9-10, 1998
May 7-8, 1998
June 11-12, 1998

ELECTION OF OFFICERS

Regent Metzen presented the report of the Nominating Committee for officers of the Board of Regents. The following individuals were placed in nomination for the respective Board officer positions:

Treasurer:	JoAnne Jackson
Secretary:	Steven Bosacker
Vice Chair:	Julie Bleyhl, William Hogan, Bryan Neel, Patricia Spence
Chair:	Julie Bleyhl, William Hogan, Thomas Reagan

Metzen reported that Regent Bleyhl has withdrawn from the positions of Chair and Vice Chair.

President Hasselmo reported that the Board Bylaws require that if there are two or more nominees, "the vote shall be by roll call vote with the first name achieving a majority (i.e., seven (7) of the votes of the members of the Board of Regents being elected)."

Hasselmo called for further nominations from the floor. There were no further nominations.

Regent O'Keefe stated that because there is more than one nomination for the offices of Chair and Vice Chair, he would like to offer a motion to enable the Board to ascertain whether there is indeed a possibility of a contested election for the two offices. The motion is not intended in any way as a substitute for the prescribed method of electing officers of the Board of Regents under its Bylaws, Article III, Section D.

O'Keefe moved the following motion:

In order to assist the Board of Regents in determining whether there is a possibility of a contested election for the office of Vice Chair and Chair of the Board, I move that the Secretary distribute paper slips on which each Board member shall express a non-binding and tentative preference for the office of Vice Chair and Chair of the Board, and that the Secretary immediately tally such preferences and report the results to the President.

The motion was seconded.

Regents Bleyhl and Reagan expressed opposition to the motion. Both indicated that the Bylaws provide for the rules of election and they would not support changing the procedures at this time.

Regent Bleyhl called for a roll call vote on O'Keefe's motion. The votes were cast as follows:

Regent Bergland	Aye
Regent Bleyhl	Nay
Regent Hogan	Aye
Regent Larson	Aye
Regent Metzen	Nay
Regent Neel	Nay
Regent O'Keefe	Aye
Regent Phillips	Aye
Regent Reagan	Nay
Regent Reed	Aye
Regent Spence	Aye

Seven votes were cast in favor of the motion, four votes were cast against the motion. The motion passed.

Hasselmo stated that the positions of Secretary and Treasurer are uncontested. He asked that the Board vote on the two positions before proceeding to the vote for Chair and Vice Chair.

Hasselmo placed the name of JoAnne Jackson to serve as Treasurer before the Board. The Board of Regents voted unanimously to elect JoAnne Jackson to serve as Treasurer of the Board of Regents for 1997-1999.

Hasselmo placed the name of Steven Bosacker to serve as Secretary before the Board. The Board of Regents voted unanimously to elect Steven Bosacker to serve as Secretary of the Board of Regents for 1997-1999.

Secretary Bosacker distributed ballots for the members of the Board to indicate a preference for the position of Vice Chair of the Board of Regents. The nominees for Vice Chair are Regents Hogan, Neel, and Spence. The ballots were tallied by Secretary Bosacker. Hasselmo reported there were five votes for Neel, five votes for Spence, and one vote for Hogan.

Bosacker distributed ballots for the members of the Board to indicate a preference for the position of Chair of the Board of Regents. The nominees for Chair are Regents Hogan and Reagan. The ballots were tallied by Secretary Bosacker. Hasselmo reported there were five votes for Hogan and six votes for Reagan.

Bosacker then called the roll for the office of Vice Chair of the Board of Regents. The votes were cast as follows:

Regent Bergland	Neel
Regent Bleyhl	Neel
Regent Hogan	Spence
Regent Larson	Spence
Regent Metzen	Spence
Regent Neel	Neel
Regent O'Keefe	Spence
Regent Phillips	Spence
Regent Reagan	Neel
Regent Reed	Spence
Regent Spence	Spence

Seven votes were cast for Spence, four votes were cast for Neel. Regent Patricia Spence was elected Vice Chair of the Board of Regents. A motion was made and seconded and the Board of Regents voted to cast a unanimous ballot electing Regent Patricia Spence as Vice Chair of the Board of Regents.

The committee took a ten minute recess.

Regent Larson moved that a second preference ballot be taken for the office of Chair. The committee voted by majority to approve that a second ballot be taken. Bosacker distributed a second ballot for the members of the Board to indicate a preference for the position of Chair of the Board of Regents. The ballots were tallied by Secretary Bosacker. Hasselmo reported there were five votes for Hogan and six votes for Reagan.

Bosacker called the roll for the office of Chair of the Board of Regents. The votes were cast as follows:

Regent Bergland	Reagan
Regent Bleyhl	Reagan
Regent Hogan	Hogan
Regent Larson	Hogan
Regent Metzen	Reagan
Regent Neel	Reagan
Regent O'Keefe	Hogan
Regent Phillips	Reagan
Regent Reagan	Reagan
Regent Reed	Hogan
Regent Spence	Hogan

Hasselmo reported that five votes were in favor of Hogan and six votes were in favor of Reagan. He reminded the Board that the Bylaws require that seven votes are required for election.

Hasselmo called for a second roll call vote. The votes were cast as follows:

Regent Bergland	Reagan
Regent Bleyhl	Reagan
Regent Hogan	Hogan
Regent Larson	Hogan
Regent Metzen	Reagan
Regent Neel	Reagan
Regent O'Keefe	Hogan
Regent Phillips	Reagan
Regent Reagan	Reagan
Regent Reed	Hogan
Regent Spence	Hogan

Hasselmo reported that five votes were in favor of Hogan and six votes were in favor of Reagan.

Hasselmo called for a third roll call vote. The votes were cast as follows:

Regent Bergland	Reagan
Regent Bleyhl	Reagan
Regent Hogan	Hogan
Regent Larson	Hogan
Regent Metzen	Reagan
Regent Neel	Reagan
Regent O'Keefe	Hogan
Regent Phillips	Reagan
Regent Reagan	Reagan
Regent Reed	Hogan
Regent Spence	Hogan

Hasselmo reported that five votes were in favor of Hogan and six votes were in favor of Reagan.

Hasselmo called for a five minute recess.

When the meeting reconvened, Regent Metzen nominated Regent Spence as Chair of the Board. The nomination was seconded. After consultation, Hasselmo stated

that in order to proceed with the nomination of Regent Spence for Chair, Spence will have to withdraw from the position of Vice Chair of the Board. Spence withdrew from the office of vice chair.

A motion was made and seconded to proceed with the election of the chair and then return to the election of vice chair.

Reagan stated that in the interest of doing what is best for the University, he would like to withdraw his nomination for chair of the Board of Regents. He thanked those members of the Board who supported his nomination.

The Board of Regents then voted unanimously to take up the election of chair before the position of vice chair.

Regent Metzen moved again that Spence be nominated for the position of chair of the Board of Regents. The motion was seconded. Hasselmo reported there are now two candidates for Chair, Regents Hogan and Spence. Neel moved that nominations be closed. The Board of Regents voted unanimously that the nominations for Chair be closed.

Hasselmo called for a roll call vote. The votes were cast as follows:

Regent Bergland	Hogan
Regent Bleyhl	Hogan
Regent Hogan	Hogan
Regent Larson	Hogan
Regent Metzen	Spence
Regent Neel	Spence
Regent O'Keefe	Hogan
Regent Phillips	Spence
Regent Reagan	Hogan
Regent Reed	Hogan
Regent Spence	Hogan

Hasselmo reported eight votes in favor of Hogan and three votes in favor of Spence. Regent William Hogan was elected Chair of the Board of Regents. A motion was made and seconded and the Board of Regents voted unanimously to cast a unanimous ballot electing Regent William Hogan as Chair of the Board of Regents.

Hasselmo asked for nominations for vice chair of the Board. Regent Reagan nominated Regent Bleyhl for vice chair. Regent O'Keefe nominated Regent Spence for vice chair. A motion was made and seconded and the Board of Regents voted unanimously to close nominations for vice chair.

Hasselmo called for a roll call vote. The votes were cast as follows:

Regent Bergland	Spence
Regent Bleyhl	Bleyhl
Regent Hogan	Spence
Regent Larson	Spence
Regent Metzen	Spence
Regent Neel	Bleyhl
Regent O'Keefe	Spence
Regent Phillips	Spence
Regent Reagan	Bleyhl
Regent Reed	Spence
Regent Spence	Spence

Hasselmo reported eight votes in favor of Spence and three votes in favor of Bleyhl. Regent Patricia Spence was elected Vice Chair of the Board of Regents. A motion

was made and seconded and the Board of Regents voted to cast a unanimous ballot electing Regent Patricia Spence as Vice Chair of the Board of Regents.

The meeting adjourned at 1:15 p.m.

Steven Bosacker

STEVEN BOSACKER
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Public Forum

June 18, 1997

A Board of Regents' Public Forum on the fiscal year 1998 budget proposal was held on Wednesday, June 18, 1997 at 2:00 p.m. in the University of Minnesota Board Room, 238 Morrill Hall.

Regents present: Thomas Reagan presiding; Robert Bergland, Julie Bleyhl, William Hogan, Warren Larson, Michael O'Keefe, William Peterson, Maureen Reed, and Patricia Spence.

Staff present: Senior Vice Presidents JoAnne Jackson and Marvin Marshak; Executive Director Steven Bosacker

Regent Reagan welcomed the public to the forum and noted that the meeting was an opportunity for the Regents to listen to their comments and concerns. The presenters were as follows.

Susan Carlson Weinberg

Ms. Weinberg, Chair of the Civil Service Committee, explained that the Committee represents approximately 4,500 non-bargaining unit civil service employees at the University of Minnesota. She noted that one of the major issues to all civil service employees is adequate compensation and reviewed for the Regents the Minnesota Statutes that address non-academic employee salaries at the University as compared to state employees and the private sector with identical positions. Weinberg reviewed the history of the compensation language in the administrations' budget recommendation as well as the Civil Service Committee's recommendations. The Committee requests that the Board address the compensation for civil service employees in the same manner as the budget addresses the needs of the University faculty.

Craig Johnson

Mr. Johnson, the incoming chair of the Academic Staff Advisory Committee, was joined by Jerry Rinehart and Cynthia Scott, current co-chairs of the committee. He emphasized a number of issues: 1) the growing concern among Professional and academic (P&A) staff that their long-standing partnership with the faculty of the University is slowly deteriorating; 2) the growing practice of assigning P&A staff to annual renewable contracts even though other, longer-term contracts are available; and 3) negative signals from the administration regarding salary and compensation in both the proposed budget and the Denny Report, in conflict with Regents' policy statement assuring all P&A staff of the same economic benefits as faculty. Lastly, Mr. Johnson requested the Board support President Hasselmo's call for an expeditious market study of all P&A salaries to develop a specific plan to include P&A staff as part of future efforts at increasing faculty compensation.

Andrew Toftey

Mr. Toftey, a current Student Representative to the Board of Regents, emphasized the students support of the proposed budget, especially the 2.5% tuition increase, the commitment to maintaining and upgrading buildings, and increased faculty compensation. Mr. Toftey expressed concern with the administration's philosophy in putting together the University budget.

Regent Reagan thanked the presenters and the public for their participation in the process.

The meeting adjourned at 2:20 p.m.



STEVEN BOSACKER
Executive Director and
Corporate Secretary